

FEED THE CHILDREN (UK)
ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2010

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The following page does not form part of the statutory accounts

A	Detailed Income and Expenditure Account
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Company Number 2904679

Charity Number 1034916



FEED THE CHILDREN (UK)**COMPANY DETAILS**

DIRECTORS	Arthur ADAIR Paul Anthony BARBOR Dr Marilyn ORCHARTON
SECRETARY	BLG (Professional Services) Limited
REGISTERED OFFICE.	Unit 2 Tavistock Industrial Estate Ruscombe Lane Twyford Berkshire RG10 9NJ
AUDITORS	Critchleys LLP Chartered Accountants Greyfriars Court Paradise House Oxford OX1 1BE
BANKERS	Barclays Bank Plc Bridlington Quay Branch P O Box 13 Scarborough YO11 2HS NatWest Bank Plc PO Box 4452 18 Market Place Henley on Thames Oxon RG9 2AH

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report along with the financial statements of the charity for the year ended 31 March 2010. The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements. The charity is registered with the Charity Commission under registration number 1034916.

FTC (UK) is a working name of Feed The Children (UK)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 4 March 1994 and registered as a charity on 11 March 1994. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the memorandum of Articles and Association, directors are elected to serve for a period of 3 years after which they must be re-elected at the next Annual General Meeting.

Trustee Induction and Training

Most directors are already familiar with the practical work of the charity. New trustees are invited and encouraged to attend a series of short training sessions.

Risk Management

The directors continue to assess the major risks to which the charity is exposed. Where appropriate, systems or procedures will be established to mitigate the risk the charity faces.

Organisational Structure

Feed The Children (UK) currently has three directors, who meet and are responsible for the strategic direction and policy of the charity. The directors have a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with Brian Main, Chief Executive Officer.

Work with Other Charities

Feed The Children (UK) collaborates with and has working partnerships with a number of charities and NGO's in the United Kingdom and overseas.

Feed The Children (UK) has joint projects and partnerships and supports other smaller UK charities operating overseas and in the UK where individual expertise provides for wider intervention scope in addition to operating larger projects.

Feed The Children (UK) works in emergency relief aid and on longer-term poverty / feeding / education programmes / vocational training and lively hood projects. Feed The Children (UK) has a Memorandum of Understanding with each of its implementation charity partners ensuring accountability and transparency.

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

OBJECTIVES AND ACTIVITIES

The principal activity of the charity during the year has been the continuation of the process to consolidate the charity in order for it to carry out its charitable objects and purposes in accordance with the objects and powers of the Memorandum and Articles of Association

These are to advance education and for the public benefit to relieve persons who are suffering need, hardship or distress anywhere in the world as a result of famine, drought, flood, war or other calamity.

ACHIEVEMENTS AND PERFORMANCE

Feed The Children (UK) undertakes humanitarian emergency aid which is mostly famine and drought relief. This aid can include the provision of food, blankets, children's clothing, medical equipment, educational materials, vocational training equipment and many other essential items. Sending aid to people living in abject poverty is very effective as the value of the aid is usually at least ten times greater than the cost of shipping and the items we send are donated by individuals and companies. This aid supports the project on its way to sustainability and does not foster a handout culture.

Longer term projects are funded through trusted partners on the ground and are fully accountable and we do not and will not send money via governments as this can lose transparency. By sending and distributing aid ourselves or through trusted long term partners we can ensure that our aid reaches those who need it most and is not lost or mislaid before it gets to the people intended. We also send aid to our long-term projects where appropriate and the items enhance and support the project objectives.

With the exception of emergency and humanitarian relief aid our projects are not just about delivering food and other items that require continued replenishment, our projects are sustainable or have sustainable elements so that people can help themselves thereby restoring dignity and self worth enabling individuals and communities to become self reliant. Our aim is to ensure all people in our areas of working have access to nutrition, safe drinking water, sanitation and the opportunity to receive education and life skills leading to a sustainable livelihood.

When setting our programmes we regard both the Charity Commissions general guidance on public benefit and prevention and relief of poverty for the public benefit. We ensure that the programmes are in line with our charitable objectives and aims. We take into account honouring our existing commitments to prevent or relieve poverty and the information from partners about areas that are not well served by NGO or International support where we can make a difference. We also take into account the potential partners standing and willingness to work in close partnership with us and the degree of stability, safety and security in the area.

Feed The Children (UK) also undertakes disaster relief work and ranks amongst the few charitable organisations in the UK that sends donated items (Gifts in Kind) to areas of crisis in the form of relief aid. Items such as, shelter, blankets, food, hygiene products, water purification, medical equipment, over the counter medicines and many other essential items to relieve the plight of those affected by the crisis, whether natural disaster or man made. Education and scholastic materials are also provided, as children's education is so often the first to suffer following an emergency. Restoring a form of education, even very basic, is so important in establishing a routine which forms the basis of the return to normal life.

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

The main areas of charitable activity are

Development programmes:

UK programmes:

ClubAM Breakfast Clubs:

Breakfast Clubs are located in areas formally designated by the government as Education Action Zones these highlight an area of perceived deprivation and form the basis of our initial planning. We look for schools with 50% or more pupils eligible for free school meals which are then approached to assess the need as not all schools are short of funding and they may have a funded breakfast club in operation already. Eligible schools will then form the basis for ClubAM breakfast club expansion. We will not fund a breakfast club where the local authority has previously funded a breakfast club and decided to stop funding.

It is reported that 20% of all school age children go to school without breakfast and 28% never sit with their family to eat a meal. Our aim is to promote the eating of breakfast by school age children to improve concentration to help attain a higher standard of education and to improve behaviour through the provision of Club AM breakfast clubs in areas of deprivation.

ClubAM breakfast clubs provide a nourishing breakfast free of charge to pupils eligible for free school meals and for those who normally pay for their school meals we make a nominal charge.

Funding for ClubAM breakfast clubs continued from a number of sources including major trust funds such as The John James Charitable Trust, along with a range of other Charitable Trusts, companies and individuals. This funding enabled us to provide over 71,000 meals providing a nourishing breakfast for children in deprived areas where they may not have had the opportunity to eat breakfast before going to school. Providing breakfast leads to greater concentration, increased learning and improved behaviour, which benefits the children, the school and the community at large.

Our ClubAM clubs have been set up in primary schools in Bristol and Birmingham with limited secondary school clubs activity. As the benefits of a club include improved secondary pupil attendance, we will continue to look more closely at expanding club activity in secondary schools.

UK Community Programmes:

During the course of the financial year, we supported a number of community groups working with children and their families in great need. Community based organisations received help with goods that were either inappropriate to send overseas or had insufficient (minimum nine months) shelf life to store or ship overseas.

Organisations such as Women's refuges such as the East Berkshire Women's Aid have been supplied with items such as food, clothes, toiletries, feminine hygiene products and many other essential items with a value of £3,315.

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

A number of other smaller organisations and community groups working with homeless and other people also received goods from clothes to food, hygiene and toiletry products and other items. Organisations such as Off the Fence working with homeless people, Yeldall Manor provides residential rehabilitation for men with drug and/or alcohol addictions, Salvation Army, CIRDIC and many others.

Overseas Programmes and Project Areas:

Liberia:

We continue to work with long-term partners the Silesian Mission and The Sean Deveraux Children's Trust with over £131,197 of donated aid during the year.

Feed The Children is supporting drop-in shelters for street children, a rehabilitation centre for 1,000 children, a community school and transit homes for ex-child soldiers.

Schemes to develop skills in women and young people by providing equipment such as hand sewing machines, sewing kits and fabric have helped women's groups make garments and start to sustain an income leading to self-sufficiency. Computers, educational materials and other equipment provide a good level of education for students at a technical school to seek meaningful work.

Uganda:

Health & Education:

Stamp out "Jiggers":

This project to stamp out Jiggers (Tunga Penetrans) a sand flea affecting the lives of thousands of people in rural Uganda has been subject to a time extension. The female embeds herself predominately in the skin of the feet, ankles and hands of children and feeds on the blood/flesh. Heavy infestations may lead to severe inflammation, ulceration, and fibrosis. Lymphangitis, gangrene, sepsis, the loss of toenails, autoamputation of the digits, and may result in death. To reduce the suffering, people resort to trying to remove the Jigger with a sharp stick or needle to lift it out. The sharp implement will be used by a number of people with the increased spread of infection and HIV/AIDS. Some children who are affected can miss school through pain and difficulty in walking and consequently their education can also suffer.

Our project goal is to improve the quality of health of the population infected and affected by Jiggers and to eradicate jigger infections among school children in 14 primary schools in Kalaki sub district. We are doing this by: A fumigation exercise for all classrooms in 14 schools and providing treatment (HIV risk free). Concrete dusty earth classroom floors, fumigation exercises in the affected households. Meetings with local leaders in 3 parishes and 64 village awareness meetings on jigger control and management. The total number of children to benefit will be 13,104.

Rural communities:

As well as Kampala based organisations many rural communities have received aid from our UK shipments to help alleviate the poverty they are suffering and items to help them on their way to self-sufficiency.

Organisations such as:

Restoration for Hope, St Josephs Foster Home, Kansanga Miracle Centre, Missionaries of Poor, Lake Victoria Islands Children's care, KERA Community Counselling, Kawemoe Positive Women's Union, Reach Out primary School, Bukwenda Community Programme, Lweru Orphanage, Umoja Orphanage, Kyasira Home of Hope and many more received donated aid.

FEED THE CHILDREN (UK)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Sustainable Agriculture:

After twenty two years of insurgency the displaced people of Northern Uganda are leaving the Internally Displaced People (IDP) camps where they have lived and are returning to their villages. Re-building their homes and cultivating their gardens (vegetable patches) to continue as subsistence farmers is their only option as unemployment is very high. Many children and young people have never seen their home communities. The people of Keyo Camp are no exception. To help in this process of return we provided vegetable seeds and garden tools such as hoes, rakes, forks, spades and other useful implements. Community groups formed to collectively plant and grow the produce. Initially growing food to eat with surplus produce to sell thereby starting a sustainable future in an area where there is very few work opportunities.

Ethiopia:

Feed The Children (UK) joined forces in a partnership with a Canadian organisation building an Early Learning Centre at Asela. This is a centre of therapy and development for HIV positive children, abandoned babies and orphans. Feed The Children (UK) contributed a container of equipment valued at £73,754. Items such as children's chairs and tables, toys & play equipment, craft products, storage containers and other assorted/related items.

Tanzania:

A container of aid was sent to Tanzania and distributed among the following organisations:

Kibao AIDS Orphanage Home (32 children) The Malaika Home (42 kids aged 0-12)
The Bethel Girls Secondary school (clothes for 220 girls) St. Mary's Secondary school, Ulete (800 students, boys and girls) Lutheran Orphanage (27 aged 0-15) Don Bosco Seminary, Mafinga (250 boys aged 12-21)
Don Bosco School, Didia (600 students, boys and girls).

Jordan:

A range of donated aid has been sent to Jordan for distribution to Iraqi refugees living in camps in Jordan and Syria.

Moldova:

We have continued to send relief aid to Moldova where it is distributed by our partner to people living in areas of poverty. Families living in Hircesti, Drujba, Ieordoia, Veverita and Munzatesti received clothing, blankets and a range of products including food, toiletries and feminine hygiene product. Schools in the Orhei region also received Computers, blankets, books and other educational items.

Eastern Europe:

Aid was also sent to help in other eastern European countries like Romania, Georgia and Ukraine which was distributed to a range of beneficiaries by our partner International Aid Transport working in Eastern Europe. Transportation time is shorter which enables shorter shelf life products, which we could not send further afield, to be distributed to people in great need. It also allows items unsuitable for our African projects and winter clothes to benefit children and their families living in poverty.

Pakistan:

Our partnership with CHAL and the Pakistan Institute of Prosthetic and Orthotic Sciences continues to provide treatment and new prosthetic limbs as required to the children we support who suffered during the earthquake of 2005.

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Voluntary help and gifts in kind

The charity has a significant number of volunteers offering their time and talents in all areas of the organisation. Volunteers help in marketing, office, administration and financial areas provide a valuable service to the organisation. Volunteer fundraisers who organise activity in all weathers make an extremely valuable contribution to fundraising activity. The public and companies have been very generous in donating gifts in kind including food, children's clothing, blankets, toiletries, education supplies, vegetable seeds and many items too numerous to mention for which we are very grateful. Our warehouse volunteers sort the donated gifts we receive and pack into boxes for shipping ensuring we send the right goods in the right condition to the right place. Every donated item is inspected to ensure suitability and quality, which maintains a high standard. Without the dedication and commitment of these hard working members of the team, we could not function as efficiently or help as many children as we do. Our volunteers over the last year worked around 15,000 hours, which at £6 per hour would have amounted to around £90,000 for which we would extend our grateful thanks.

FINANCIAL REVIEW

Incoming resources (including gifts in kind) for the financial year 2009/2010 grew by 20.3% over the previous year to £4,315,794. There has been a continued growth in incoming resources over the last three years +20.3%, +5.7%, +5.5% however total cash donations including legacies are down by 28%.

The geographical location of emergencies and the lack of unrestricted funds prevented Feed The Children (UK) from responding to some emergencies, and the economic climate provided a framework for us to concentrate on existing countries and projects, and review potential new projects.

Charitable activities and project support increased by 26.5% to £4,219,478.

We are still experiencing donor's reluctance to offer cash donations, but they are very happy to provide gifts of material goods in the knowledge that their items will reach people who have a great need. They do still seem however to respond to major campaigns fronted by celebrities on television and donate money to those charities appeals. Our challenge remains to show these potential donors that a smaller organisation can reach people in great need and a container of aid can cost up to £8,000-£10,000 to send but can carry between £80,000 and £300,000 of life saving aid making a valued contribution and often reaching people that the larger NGOs do not.

A number of companies have continued to provide valuable services that have been of great assistance such as Mobile Windscreens providing transport at no charge and Ruscombe Printing for sponsoring our newsletters and printing requirements for which we are extremely grateful.

Legacies:

During the course of this financial year we received £5,001 from a legacy. In year ending 31 March 2009 we accrued £83,000 in respect of a legacy which was known and expected to mature after the year end and this remained as a debtor at 31 March 2010. This amount, together with a further £27,000 has now been received since 31 March 2010 and a further £25,000 is due at the beginning of year ending 31 March 2012.

FEED THE CHILDREN (UK)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Investment Policy

We do not have any material investments as we put funds into projects but surplus funds, over and above operating costs, are held in a treasury account on a thirty or sixty day term to generate interest

Reserves Policy

The directors have examined the charity's requirements for reserves in the light of the major risks to the organisation. It has established a policy whereby a reserve fund equal to three months operating costs will be established over time. Reserves were not in place this accounting year as reserves funding would have been to the detriment of project activity.

PLANS FOR FUTURE PERIODS

Since formation Feed The Children (UK) has built significant Gift In Kind donation levels but recognise that a hand out culture is no longer the way forward. Our projects undertaken over the last four years have been fully sustainable or have sustainable elements as we recognise that people need to restore their dignity by providing for their families and communities. Our projects will enable beneficiaries to develop a sustainable future including the skills to provide livelihood activities. Potential long term projects are being researched in a number of African countries. Projects under consideration include a major project in northern Uganda working with former child soldiers and a range of smaller projects. The appointment of an International Development Officer will spearhead this activity.

We will continue to expand, as finances allow, our UK ClubAM breakfast club's in existing areas as well as looking at potential new geographical areas.

Volunteers continue to be recruited to provide additional resources in fund raising where we must encourage the formation of new groups to generate general and specific project funds.

Approved by the trustees and signed on their behalf by:



Arthur Adair

Date: 9th December 2010.

FEED THE CHILDREN (UK)**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations

The Trustees are the company's directors. Company law requires the directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts in accordance with the Financial Reporting Standard for Smaller Entities and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In accordance with company law, the trustees, as the company's directors, certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



Arthur Adair
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEED THE CHILDREN (UK)

We have audited the accounts of Feed the Children (UK) for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company and its members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the charitable company for the purposes of company law) for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' report is consistent with those accounts.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read the Trustees' report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

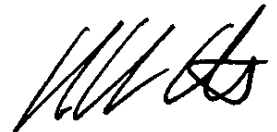
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, of the state of the charitable company's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice for Smaller Entities,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' report is consistent with the accounts.



Robert Kirtland
Senior Statutory Auditor
For and on behalf of
Critchleys LLP (Statutory Auditor)

Oxford

22/12/10.

FEED THE CHILDREN (UK)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2010
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income:</i>					
Donations		385,498	44,286	429,784	411,428
Legacies		5,001	-	5,001	193,000
Gifts in kind		3,880,935	-	3,880,935	2,984,028
Investment income					
Interest		74	-	74	2,040
Total incoming resources		<u>4,271,508</u>	<u>44,286</u>	<u>4,315,794</u>	<u>3,580,496</u>
Resources expended					
Costs of generating funds					
<i>Voluntary income:</i>					
Fundraising and publicity	3	167,595	-	167,595	189,105
Charitable activities					
UK Aid	4	45,379	39,811	85,190	56,361
Overseas Aid	4	4,125,289	8,999	4,134,288	3,278,629
Governance costs	6	<u>4,775</u>	<u>-</u>	<u>4,775</u>	<u>4,850</u>
Total resources expended		<u>4,343,038</u>	<u>48,810</u>	<u>4,391,848</u>	<u>3,528,945</u>
Net incoming resources before transfers		(71,530)	(4,524)	(76,054)	61,551
Transfers					
Gross transfers between funds		-	-	-	-
Net movement in funds		(71,530)	(4,524)	(76,054)	61,551
Reconciliation of funds					
Total funds brought forward		<u>117,084</u>	<u>31,888</u>	<u>148,972</u>	<u>87,421</u>
Total funds carried forward		<u>45,554</u>	<u>27,364</u>	<u>72,918</u>	<u>148,972</u>

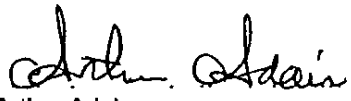
FEED THE CHILDREN (UK)

BALANCE SHEET
AS AT 31 MARCH 2010

	Note	£	2010	£	£	2009	£
Current Assets							
Debtors	10	116,952			129,057		
Stock	11	-			1,786		
Cash at bank and in hand		<u>53,304</u>			<u>55,504</u>		
		170,256			186,347		
Current Liabilities							
Creditors: Amounts falling due within one year	12	<u>(97,338)</u>			<u>(37,375)</u>		
Net current assets				<u>72,918</u>			<u>148,972</u>
Net assets				<u>72,918</u>			<u>148,972</u>
The funds of the charity:							
Restricted funds	14			27,364			31,888
Unrestricted fund General fund				<u>45,554</u>			<u>117,084</u>
				<u>72,918</u>			<u>148,972</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The accounts on pages 4 to 11 were approved and authorised for issue by the board on 9 December 2010


Arthur Adair
Director

FEED THE CHILDREN (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

The principal accounting policies, all of which have applied consistently throughout the year, are set out below

a) Basis of preparation

The accounts have been prepared under the historical cost convention, and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", issued in March 2005

b) Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the charity's objectives

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Any expenditure in anticipation of restricted income is carried forward as a negative balance on the restricted fund

c) Incoming resources

Voluntary income, including donations that provide core funding or are of a general nature, is recognised on a receipts basis

Gift Aid recoverable is accounted for in the same period as the related donation

Legacies are recognised when received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value can be measured with reasonable certainty, at the point when this evidence arises.

Investment income is recognised on a receivable basis

d) Resources expended

Expenditure is recognised when a liability is incurred

Costs of generating funds are those costs incurred in attracting voluntary income

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements

Support costs include central functions and have been allocated to activity cost categories based on estimated activity levels

e) Gifts in kind

Gifts in kind donated for distribution are included at estimated market value and recognised as income when they are distributed to the projects

No amounts are included in the accounts for services donated by volunteers

f) Pension costs

The charity operates a money purchase pension scheme for staff to which it does not contribute

g) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the term of the lease

FEED THE CHILDREN (UK)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

1 ACCOUNTING POLICIES (continued)

h) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less the estimated residual value over the anticipated useful life of each asset. The rates, which are reviewed annually, are as follows:

Equipment 25% on cost

2 NET INCOMING RESOURCES

Is stated after charging	2010	2009
	£	£
Auditors' remuneration	<u>3,500</u>	<u>3,000</u>

3 COSTS OF GENERATING FUNDS: FUNDRAISING AND PUBLICITY

	2010	2009
	£	£
Salaries	94,630	111,915
Advertising, direct mail and consultancy	54,255	39,647
Support costs	<u>18,710</u>	<u>37,543</u>
	<u>167,595</u>	<u>189,105</u>

4 COST OF ACTIVITIES

Activity	Salaries £	Programme support & gifts in kind £	Warehouse costs £	Support costs £	2010 Total £	2009 Total £
UK Aid	803	82,296	104	1,987	85,190	56,361
Overseas Aid	<u>67,232</u>	<u>3,891,939</u>	<u>8,706</u>	<u>166,411</u>	<u>4,134,288</u>	<u>3,278,629</u>
	<u>68,035</u>	<u>3,974,235</u>	<u>8,810</u>	<u>168,398</u>	<u>4,219,478</u>	<u>3,334,990</u>

Overseas aid includes £1,985,150 (2009 £866,084) relating to gifts in kind passed by the charity to International Aid Trust for onward overseas distribution in Eastern Europe

6 SUPPORT COSTS

The support costs of the charity (including gifts in kind) have been apportioned across the work of the charity on the basis disclosed in note 1(d) and allocated to each of the charity's activities in note 4 and costs of generating funds in note 3

	2010	2009
	£	£
Salaries	56,416	57,980
Premises and insurance costs	70,527	79,939
Travel and subsistence	24,921	25,490
Office costs	17,637	39,897
Other costs	<u>17,607</u>	<u>15,115</u>
	<u>187,108</u>	<u>218,421</u>

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6 GOVERNANCE COSTS

The governance costs of the charity consisted of the following direct and indirect costs

	2010 £	2009 £
Legal and professional	1,275	1,850
Auditors' remuneration	<u>3,500</u>	<u>3,000</u>
	<u>4,775</u>	<u>4,850</u>

7 STAFF COSTS

	2010 £	2009 £
Wages and salaries	200,345	225,779
Employers NIC	<u>18,736</u>	<u>21,823</u>
	<u>219,081</u>	<u>247,602</u>

The company had an average of 8 (2009 12) employees during the year

No employee received remuneration exceeding £60,000 during the year

No trustee received any remuneration during the year (2009 nil) Expenses reimbursed to two trustees in respect of travel and other expenses amounted to £518 (2009 £485)

8 TAXATION

No liability to UK corporation tax arises on the results for the year due to the company's charitable status

9 UNDISTRIBUTED GIFTS IN KIND

Gifts in kind with an estimated market value of £1,582,402 were held by the charity at 31 March 2010 for distribution post year end (2009 £803,821)

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10	DEBTORS	2010	2009
		£	£
	VAT recoverable	5,464	5,464
	Other debtors	93,108	94,638
	Prepayments and accrued income	<u>18,380</u>	<u>28,955</u>
		<u>116,952</u>	<u>129,057</u>

11 STOCK

The value of purchased stock was £Nil at the year end (2009 £1,786)

12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010	2009
		£	£
	Trade creditors	34,115	17,915
	Indirect taxes and social security	16,946	5,744
	Accruals and other creditors	<u>46,277</u>	<u>13,716</u>
		<u>97,338</u>	<u>37,375</u>

Other creditors at 31 March 2010 include a returnable loan of £30,000 which was provided on 29 March 2010. This was repaid on 23 July 2010.

13 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the charity had annual commitments under non-cancellable operating leases as set out below:

	2010	2009
	Land and	Land and
	buildings	buildings
	£	£
Operating leases which expire within 2 – 5 years	<u>48,241</u>	<u>59,604</u>

FEED THE CHILDREN (UK)

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14 RESTRICTED FUNDS

	Fund Balance 1 April 09 £	Incoming Resources £	Charitable expenditure £	Fund Balance 31 Mar 10 £
Alternative Gifts	6,888	3,818	(7,530)	3,176
Kenya ABC and Other	9,364	1,690	(219)	10,835
Haiti	-	250	-	250
Uganda	7,450	-	(1,250)	6,200
Pakistan	-	-	-	-
Breakfast Club	8,186	38,528	(39,811)	6,903
	<u>31,888</u>	<u>44,286</u>	<u>(48,810)</u>	<u>27,364</u>

Restricted funds relate to specific projects that have been set up to provide aid in the countries or for the purpose listed above

15 ALLOCATION OF NET ASSETS

	Unrestricted funds £	Restricted funds £	Total £
Net current assets	<u>45,554</u>	<u>27,364</u>	<u>72,918</u>

16 OTHER CONNECTED ORGANISATIONS

Feed The Children (UK) is a stand alone organisation with its own aspirations and funding streams and continues to develop its own projects