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THE WISE GROUP

FINANCIAL STATEMENTS

31 DECEMBER 2006

Company Registration Number 91095

Scottish Charity Number: SCO 4089

THE WISE GROUP

FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2006

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OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors

*	J Stretton Chair
*+	S Inch – Deputy Chair
*+	L Russell – Chief Executive (appointed 8 September 2006)
	J Coleman
	D Henderson
	W Hutton
+	K Anderson
*	R Culley
	Lord A Kirkwood
	P Toynbee

*	Personnel Sub Committee Member
+	Finance & Audit Committee Member

Company Secretary
C Garmory

Registered Office and Principal Address
72 Charlotte Street
Glasgow
G1 5DW

Auditors
Scott Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Solicitors
Burness
242 West George Street
Glasgow
G2 4QY

Principal Bankers
Royal Bank of Scotland
10 Gordon Street
Glasgow
G1 3PL

DIRECTORS' REPORT
Year ended 31 December 2006

The directors have pleasure in presenting their report and financial statements of the company for the year ended 31 December 2006

Structure, Governance and Management

The Company is governed by its' Memorandum and Articles of Association adopted on 28 December 1984 and last amended on 13 September 2002

The company is recognised as a charity by the Inland Revenue and OSCR

The Board of Directors is responsible for the overall governance of the Company Directors are either elected or co opted and the total number of Directors may not exceed 14 with the minimum number of Directors being three Elected Directors shall retire from office at the third Annual General Meeting following the date on which they were first appointed but shall then be eligible for re election for a further three years If re elected, Directors will retire from office at the sixth Annual General Meeting following the date they were first appointed The Board can appoint a Director on an annual basis thereafter

Directors are elected or co opted to the Board based on the relevance of their skills, knowledge and experience to the operating context of the Wise Group Prospective Directors are nominated by the current Directors and interviewed by the Wise Group Chairman and Chief Executive after which nominations require majority Board approval

In addition to the Annual General Meeting, Directors are required to meet a minimum of four times per year The Directors are responsible for reviewing the company performance, agreeing the strategy, annual operating plans and budgets, and for overseeing the governance issues

The Board delegates the exercise of certain powers for the management and administration of the Company Regular reports are made to the Board to ensure that all decisions made under delegated powers are in line with Board policy and procedures

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficit for the year then ended

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 14 and 15, and then apply them on a consistent basis, making judgements and estimates that are reasonable and prudent The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985, the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and Charity Accounts (Scotland) Regulations 1992 The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Chief Executive

The Chief Executive is responsible for the day to day management of the company's affairs and for implementing policies agreed by the Board of Directors The Senior Management Team and Heads of Departments assist the Chief Executive The Chief Executive meets with the Senior Management Team regularly to discuss priorities and issues In addition, a number of internal working groups have been set up to research and report back to the Senior Management Team with recommendations on specific issues that effect the organisation

DIRECTORS' REPORT (cont'd)
Year ended 31 December 2006

Finance & Audit Committee

The Finance and Audit committee consists of a minimum of three non executive Directors In addition, the Head of Finance/Company Secretary, Head of Internal Audit and the external auditors attend the meeting The Committee meets quarterly It is responsible for Risk Assessment, Risk Management and Internal Control

Personnel Committee

The personnel committee reports to the Board on Human Resources policies and practices that impact on the ability of the Wise Group to deliver its strategic objectives It comprises a minimum of three Directors that are appointed on an annual basis

Corporate Governance

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency A Management Information System is in place to ensure that performance is monitored and that appropriate management information is prepared for and reviewed by by both the Senior Management Team and the Board regularly A programme of internal audits is in place, derived from a comprehensive risk assessment

The systems of internal control include

- Annual budget approval by the Directors
- A strategic review by the Senior Management Team and Board
- Regular review of the financial results, variances from budgets and non financial performance indicators by the Senior Management Team
- Re forecasting of the annual budget to ensure that it is reviewed and, if appropriate, actions taken
- Delegation of day to day management of authority and segregation of duties
- Identification and management of risks

Risk Management

The Directors have introduced a formal risk management process to assess business risks and implement risk management strategies This has involved creating a risk register of the types of risks the Company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks

Objects, Objectives and Principal Activities of the Company

The Company's declared objects are

- To relieve poverty
- To advance education and to promote and/or provide training and skills of all kinds
- To preserve, conserve, restore and improve the environment
- To promote, establish, operate and/or support other projects and programmes of a charitable nature

The principal activities undertaken to achieve these objects are various projects that assist people outwith the labour market to access work, supporting them in their working lives and influencing policy making The company continues to operate a range of training, work experience, job placing, regeneration programmes, a recycling project and energy savings projects funded from a variety of sources

DIRECTORS' REPORT (cont'd)
Year ended 31 December 2006

Achievements and Performance

The key performance targets and achievements during 2006 were

1. **People into Jobs**

   The target was to place 2,550 people into employment in 2006 This target was exceeded by 369 jobs and resulted in 2,919 people being placed into jobs

2 **Training and Qualifications**

   The target was to provide qualifications to 1584 clients in 2006 This target was exceeded by 122 and resulted in 1706 qualifications achieved by trainees

3. **Physical Outputs**

   During 2006 the following outputs were achieved by trainees working under supervision on regeneration projects in communities throughout the operating area

   - 11 environmental sites completed
   - 3091 lofts insulated
   - 8822 homes received draught proofing
   - 8300 homes received home safety and security installations
   - 730 computers were recycled and distributed
   - 1555 pieces of furniture/white goods were recycled and distributed

   A number of factors impacted on the company's operational activity in 2006 The continued impact of public procurement rules meant that an increasing number of contracts were awarded through competitive tendering This led to an increase in the volume and value of employment based programmes as a result of securing additional contracts from government contracts In contrast the volume and value of environmental projects declined

   Tight cost controls where maintained across the company's activities

Financial Review and Results

The results for the year show company turnover including other operating income at £20,299,353 (2005, £20,079,687) and an operating surplus of £482,072 (2005, £226,228)

Funds

In accordance with the SORP 2005 the Directors have included a Statement of Financial Activities This statement shows the funding and the other resources available to the company and how they have been utilised Funds are analysed between the following categories

- Unrestricted Funds (General) – resources made available to the company in order to further its objects
- Restricted Fund – funds made available to the company in such a manner that the directors must ensure that they are utilised in specific ways
- Restricted Property Revaluation Reserve – a specific fund available to compensate for the increasing depreciation charge brought about by the revaluation of fixed assets

Of the total funds we spent

- 99 5% on direct charitable activities in furtherance of our aims
- 0 5% on governance costs

Group Reserves and Funding Position

Funding Sources

The Wise Group receives no core funding and all income to support the delivery of our charitable activities is derived from a variety of public sources The main categories of income are included in note 7

As a matter of policy, each year the Directors review the value of the reserves retained in the form of cash and cash equivalents not held for restricted purposes The Board consider the company's exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the short to medium term, as well as assessing the best way to mitigate such risks

Employees

The company aims to be an employer where employees enjoy a sense of fulfilment and where they feel supported and developed The company is committed to the training, career development and promotion of all employees Career development is assessed through annual appraisal and regular supervision During 2006 a development plan for staff was agreed and a number of new opportunities for training and development has been undertaken or are ongoing to support staff in both their current and future roles

Regular information about the organisation is available through meetings, regular e mails from the Chief Executive and an internal company newsletter *newswise* All employees are encouraged to give their suggestions and views on performance and strategy and to assist this the Chief Executive holds regular staff meetings with staff from all levels and areas of the business

There is an internal database and system for posting information on new policies, procedures and changes to During 2006 a decision was taken to update the company website and to enhance its use as a tool for communicating with staff, stakeholders, funders and the public

The Company supports equal opportunities and a policy of recruitment and promotion on the basis of aptitude and ability without discrimination is followed An internal working group was established during 2006 to review the company policies on equalities and diversity

Pensions

A voluntary contributory money purchase pension scheme was in operation and available to all permanent employees of the company based on a sliding scale of employer's contribution capped as 10 5% of salary and an employee contribution of 7% In addition, life insurance is provided for all staff members

The senior management team are currently reviewing the existing pension provision to ensure it offers value for money, is competitive in performance terms and delivers a suitable range of benefits in comparison with other market leaders

Future Plans

The Board agreed that the newly appointed Chief Executive (August 2006) should undertake a strategic review of the company with the support of external consultants during the first six months of 2007 Input from the Directors, staff, and a range of stakeholders will form part of this exercise The review will look at the current policy environment at European, UK, Scottish and local levels, the company performance and the principal risks and uncertainties for the future, and undertake a competitor analysis In addition to this the structure of the company will also be considered

DIRECTORS' REPORT (cont'd)
Year ended 31 December 2006

The review will involve staff through workshops, focus groups and an electronic suggestion box to ensure staff from all parts of the company are involved and their views are considered

It is planned that the results of the review will be presented to the Board in June 2007

Directors

The directors who served the company during the year were as follows

S Inch	J Coleman
W Hutton	J Stretton
D Henderson	D McNulty (resigned 8 December 2006)
R Culley	K Anderson
P Toynbee	L Russell (appointed 8 September 2006)
Lord A Kirkwood	B Mellon (resigned 8 September 2006)

The Board would like to thank the outgoing directors for their commitment to the Wise Group

The company is limited by guarantee therefore none of the directors held any shares during the year

Disclosure of information to auditors

As far as each of the directors at the time the report is approved are aware

a) there is no relevant information of which the company's auditors are unaware and,
b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information

Auditors

A resolution to re appoint Scott Moncrieff as auditors will be proposed at the forthcoming Annual General Meeting in accordance with Section 385 of the Companies Act 1985

Signed on behalf of the directors

Caron A Garmory

C Garmory
Company Secretary

Date 15/6/07

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of the Wise Group for the year ended 31 December 2006 set out on pages 9 to 22 These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 14 and 15

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the directors and the auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed

We read the Directors' 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 financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (cont'd)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements

Scott Moncrieff

SCOTT MONCRIEFF

Chartered Accountants
Registered Auditor

25 Bothwell Street
Glasgow G2 6NL

Date 15/6/07

INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	4,325,226	6,432,712
Other Operating Income	3	15,974,127	13,646,975
Total Income		20,299,353	20,079,687
Raw materials and consumables		(971,852)	(1,055,996)
Staff Costs	4	(12,470,911)	(12,711,445)
Depreciation	4	(540,690)	(657,705)
Other operating charges	4	(5,866,483)	(5,420,770)
		(19,849,936)	(19,845,916)
Operating surplus before interest and taxation		449,417	233,771
Interest receivable and similar income		41,350	11,353
Interest payable and similar charges		(8,695)	(18,896)
Surplus on ordinary activities before taxation		482,072	226,228
Taxation	5		
Surplus on ordinary activities after taxation	14	482,072	226,228

None of the Company's activities were acquired or discontinued during the above two years

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 December 2006

	Note	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Total Funds 2006 £	(Restated and reclassified) Total Funds 2005 £
Incoming Resources						
Income from generated funds						
Voluntary income						
Activities for generating funds						
Investment income		41,350			41,350	11,353
Incoming resources from charitable activities		16,190,197		3,798,620	19,988,817	19,799,021
Other incoming resources						
Total incoming resources	7	16,231,547		3,798,620	20,030,167	19,810,374
Resources expended						
Cost of generating funds						
Costs of generating voluntary income						
Investment management Costs						
Other costs of generating Funds						
Charitable activities		15,685,398		4,018,998	19,704,396	19,604,592
Governance costs		64,077			64,077	90,018
Total resources expended	7	15,749,475		4,018,998	19,768,473	19,694,610
Net (outgoing)/incoming resources before transfers		482,072		(220,378)	261,694	115,764
Capital transfers						
Transfers between funds						
Property revaluation reserve				2,331,149	2,331,149	2,429,649
Net movement in funds		482,072		2,110,771	2,592,843	2,545,413
Gains (losses) on pension scheme						
Balances brought forward		2,942,667		773,420	3,716,087	3,501,823
Balances carried forward	14	3,424,739		2,884,191	6,308,930	6,047,236

All the activities of the company are classed as continuing

The notes on pages 14 to 22 form part of these financial statements

BALANCE SHEET
As at 31 December 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	8	4,375,660	4,695,440
Investments	9	300	300
		4,375,960	4,695,740
Current assets			
Stock	10	59,820	71,255
Debtors	11	3,690,797	4,829,332
Cash at bank and in hand		2,830,151	1,534,346
		6,580,768	6,434,933
Creditors: amounts falling due within one year	12	3,949,065	4,683,437
Net current assets		2,631,703	1,751,496
Total assets less current liabilities		7,007,663	6,447,236
Provisions for liabilities	13	698,733	400,000
Net assets		6,308,930	6,047,236
Capital and reserves			
General reserve – unrestricted	14	3,424,739	2,942,667
Property revaluation reserve restricted	14	2,232,649	2,331,149
Restricted fund	14	651,542	773,420
Total funds	14	6,308,930	6,047,236

These financial statements were authorised for issue by the directors on 13/6/07 and are signed on their behalf by

Director

The notes on pages 14 to 22 form part of these financial statements

CASH FLOW STATEMENT
Year ended 31 December 2006

	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	2,121,661	(224,914)
Returns on investments and servicing of finance		
Interest received	41,350	11,353
Interest element of finance lease rental payments	(8,695)	(18,896)
Net cash inflow/(outflow) from returns on investments and servicing of finance	32,655	(7,543)
Capital expenditure		
Payments to acquire tangible fixed assets	(220,910)	(472,104)
Grants received	66,780	256,738
Net cash outflow from capital expenditure	(154,130)	(215,366)
Cash inflow/(outflow) before financing	2,000,186	(447,823)
Financing		
Capital element of lease repayments		(7,744)
Net cash outflow from financing		(7,744)
Increase/(decrease) in cash	2,000,186	(455,567)

The notes on pages 14 to 22 form part of these financial statements

CASH FLOW STATEMENT (cont'd)
Year ended 31 December 2006

Reconciliation of operating surplus to net cash inflow (outflow) from operating activities

	2006 £	2005 £
Operating surplus	449,417	233,771
Depreciation	540,690	657,705
Deferred income release	(188,658)	(268,702)
Provisions movement	298,733	240,000
Movement in stocks	11,435	(11,737)
Movement in debtors	1,138,535	(510,994)
Movement in creditors	(29,991)	(466,457)
Movement in property reserve	(98,500)	(98,500)
Net cash inflow/(outflow) from operating activities	2,121,661	(224,914)
Increase/(decrease) in cash in the year	2,000,186	(455,567)
Repayment of finance leases		7,744
Change in net funds	2,000,186	(447,823)
Net funds at 1 January 2006	829,965	1,277,788
Net funds at 31 December 2006	2,830,151	829,965

Analysis of Changes in net funds

	1 January 2006 £	Cash Flows £	31 December 2006 £
Cash at bank and in hand	1,534,346	1,295,805	2,830,151
Bank overdraft	(704,381)	704,381	
	829,965	2,000,186	2,830,151
Debt due within one year			
	829,965	2,000,186	2,830,151

The notes on pages 14 to 22 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice ("Accounting and Reporting by Charities") In order to comply with SORP 2005, the prior year figures have been reclassified for comparability

As permitted by Section 229(2) of the Companies Act 1985, group accounts have not been prepared on the grounds that the directors consider that inclusion of the subsidiary undertakings is not material for the purpose of giving a true and fair view Details of the subsidiary companies have been disclosed within note 8

Turnover

Turnover represents the sales value of goods and services provided net of any value added tax The turnover and surplus on ordinary activities are attributable to the provision of service of insulation, urban forestry, environmental improvement services, job coaching, classroom assistants, programme centres, crèche facilities, community outreach and job brokerage services

Depreciation

Depreciation is provided on all fixed assets, excluding heritable land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life or the term of the asset to which the project relates, whichever is the shorter, as follows

Heritable properties	Over 25 years
Tenants improvements	Over 2 to 25 years (dependent on the period of the lease)
Plant & machinery	Over 4 to 10 years
Fixtures and fittings	Over 5 years
Vehicles & office equipment	Over 5 years
Computer equipment	Over 4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase and finance lease agreements

Assets held under hire purchase agreements are capitalised and included within tangible fixed assets at their fair value The capital element of the future payments is treated as a liability and the interest is charged to the income and expenditure account

When the company enters into a lease, which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element that reduces the outstanding obligation for future instalments

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

1 Accounting policies (cont'd)

Operating lease agreements

Rentals payable under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income as incurred

Pension costs

The company operates a defined contribution pension scheme

Pension contributions are charged to the Income and Expenditure Account as and when they are due

Grants

European Social Fund grants and other grants awarded on the basis of incurring specific expenditure are credited to the Income and Expenditure Account and disclosed within the Statement of Financial Activities in the period the approved expenditure takes place

Other revenue grants are credited to income in the period that conditions for receipt have been complied with

Grants for capital expenditure are released to income over the useful life of the relevant asset, and credited in full within the Statement of Financial Activities in the period that conditions for receipt have been complied with

2. Turnover

The turnover and surplus for year are attributable to the one principal activity of the company All turnover arose within the United Kingdom

3. Other operating income

	2006 £	2005 £
Specific Grant Funding		
Revenue grants	12,717,902	10,883,714
Asset related grants	188,658	268,702
Other grant funding	3,067,567	2,494,559
	15,974,127	13,646,975

Included within the above is £22,499 (2005 £nil) of restricted income received from Big Lottery for the Renfrew Recycling Project and a total of £166,134 (2005 £71,784) of CRF income received from, Renfrew Recycling (£126,698), Drumchapel (£18,175), Job Coaching Dumbarton (£5,000) and Calvay Streetscape Project (£16,261)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

	2006	2005
4. Staff costs, depreciation and other operating costs	**No**	**No**
The average number of staff employed by the company during the year was		
Temporary employees	399	528
Permanent employees	431	421
	830	949

In addition an average of 10 (2005 25) trainees on enhanced benefits were provided with training and work experience during the year The average salary for 2006 was £21,218 (2005 £21,151)

	2006 £	2005 £
Staff costs:		
Wages and salaries	11,152,523	11,420,571
Social security costs	900,112	901,912
Other pension costs	418,276	388,962
	12,470,911	12,711,445
Depreciation	540,690	657,705
Other running costs:		
Running costs	5,066,344	4,693,167
Audit fee	22,000	20,500
Certification Fees	13,197	22,476
Operating leases		
Plant and machinery	155,923	176,012
Land and buildings	337,724	316,195
Bad debts	(27,438)	(47,580)
Provisions made in year	398,733	353,000
Provisions released in year	(100,000)	(113,000)
	5,866,483	5,420,770
	18,878,084	18,789,920

Number of employees with total emoluments over £50,000

	2006	2005
£50,000 £59,999	3	4
£60,000 £69,999		1
£70,000 £79,999	1	1
£80,000 £89,999	1	

Pension costs in respect of employees with total emoluments over £50,000

	2006	2005
£50,000 £59,999	£16,853	
£60,000 £69,999		
£70,000 £79,999	£4,598	
£80,000 £89,999		

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

4. Staff costs, depreciation and other operating costs (Cont'd)	**2006 £**	**2005 £**
Directors' emoluments:		
Directors' remuneration	87,240	83,500
Compensation for loss of office		49,177
	87,240	132,677
Company contributions to money purchased pension schemes	3,234	8,531
Members of money purchase pension schemes	1	1

£1,380 relating to reimbursement of expenses was paid to the directors in the year

5 Taxation

There was no charge to UK corporation tax during either the current or the previous year

6. Status

The Wise Group is a company limited by guarantee Each member has guaranteed an amount of £5

7. Notes to SOFA

The main categories of income and expenditure included in Charitable Activities are as follows

INCOME	**2006 Unrestricted**	**2006 Restricted**	**2005**
European Social Fund		3,821,455	3,826,393
Training for Work	853,391		1,065,970
New Deal Programmes	2,139,385		1,507,263
NDDP Programmes	3,269,042		2,583,250
EmploymentZone	2,205,232		1,650,347
Environmental Programmes	1,159,511		2,187,614
Housing Programmes	2,251,190	99,043	2,379,407
Other Project Income	4,353,796	(121,878)	4,610,130
TOTAL	**16,231,547**	**3,798,620**	**19,810,374**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

Analysis of Charitable Activities

EXPENDITURE	2006	2005
Staff Costs	12,470,911	12,711,445
Depreciation	540,690	657,705
Materials and Consumables	971,852	1,055,996
Other Operating Costs	5,720,943	5,179,446
TOTAL	**19,704,396**	**19,604,592**

8. Tangible Fixed Assets

	Heritable Land & Buildings £	Tenant's Improvements £	Furniture/ Office Equipment £	Motor Vehicles & Plant £	Computer Equipment £	Total £
COST						
At 1 January 2006	5,018,397	1,398,881	137,172	13,905	740,854	7,309,209
Additions		68,879	35,267	41,002	75,762	220,910
Disposals		(346,266)	(23,342)	(4,000)	(23,758)	(397,366)
At 31 December 2006	5,018,397	1,121,494	149,097	50,907	792,858	7,132,753
DEPRECIATION						
At 1 January 2006	1,047,066	1,183,359	79,453	10,866	293,025	2,613,769
Charge for the year	184,204	143,180	19,178	5,286	188,842	540,690
Disposals		(346,266)	(23,342)	(4,000)	(23,758)	(397,366)
At 31 December 2006	1,231,270	980,273	75,289	12,152	458,109	2,757,093
NET BOOK VALUE						
At 31 December 2006	3,787,127	141,221	73,808	38,755	334,749	4,375,660
At 31 December 2005	3,971,331	215,522	57,719	3,039	447,829	4,695,440

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

9. Investment in Subsidiaries

The net investment in subsidiaries is the cost of the whole of the share capital of Heatwise Ltd, Landwise Ltd and Wisestart Ltd All these companies are registered in Scotland

Cost	**Share Capital (Shares of £1 each) £**
As at 1 January 2005	
Landwise Services Ltd	100
Heatwise Ltd	100
Landwise Ltd	100
Wisestart Ltd	100
	400
Fully provided for	
Landwise Ltd	(100)
Net Book Value at 31 December 2005 and 31 December 2006	300

None of the above subsidiary companies traded during the year

10. Stocks

	2006 £	**2005 £**
Materials and consumables	59,820	71,255

11. Debtors

	2006 £	**2005 £**
Trade debtors	2,289,075	2,322,732
Other debtors	13,445	922
Taxation refundable		47,063
Prepayments	291,960	225,426
Accrued income	1,096,317	2,233,189
	3,690,797	4,829,332

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

12. Creditors· amounts falling due within one year

	2006 £	2005 £
Amounts due to subsidiaries	300	300
Trade creditors	474,424	795,927
Taxation and social security	596,539	511,993
Other creditors	2,583,668	2,400,218
Accruals and deferred income	294,134	270,618
Bank overdraft		704,381
	3,949,065	4,683,437

The Royal Bank of Scotland holds a Standard Security over the company premises at 72 Charlotte Street, Glasgow and a bond and floating charge over the whole assets of the Wise Group, see note 18

Included within other creditors are amounts received from ENTRUST (in respect of landfill tax) and the Big Lottery Fund (for Renfrew Recycling) The movements during the year were as follows

	Entrust £	Big Lottery Fund £
At 1 January 2006		1,575
Released	(44,934)	(22,499)
Monies received	52,797	20,924
At 31 December 2006	7,863	

13. Provisions for Liabilities

	2006 £	2005 £
At 1 January 2006	400,000	160,000
Provided during the year	398,733	353,000
Provisions released	(100,000)	(113,000)
At 31 December 2006	698,733	400,000

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

14. Statement of funds

	At 1 January 2006 £	(Deficit)/ surplus for year £	At 31 December 2006 £
Restricted fund	773,420	(121,878)	651,542
Property revaluation reserve – restricted	2,331,149	(98,500)	2,232,649
	3,104,569	(220,378)	2,884,191
General reserve – unrestricted	2,942,667	482,072	3,424,739
Total funds	6,047,236	261,694	6,308,930

15. Commitments under operating leases

At 31 December 2006, annual commitments under non cancellable operating leases were as set out below

	Land and Buildings 2006 £	Other Items 2006 £	Land and buildings 2005 £	Other Items 2005 £
Operating leases which expire.				
Within 1 year	183,473	25,746	78,531	43,017
Within 1 – 2 years	119,723	54,474	140,320	65,321
Within 2 – 5 years	44,500			
	347,696	80,220	218,551	108,338

16 Contingent liabilities

There exists a potential liability under European Social Fund grant application rules whereby any claim, or part thereof, may be subsequently disallowed and therefore refundable The directors are of the opinion that the training programme developed by the company complies with the rules of the European Social Fund and therefore any potential liability would only arise from a difference of opinion

The Wise Group has entered into an agreement, along with its subsidiary companies to guarantee the overdraft the Wise Group holds with the Royal Bank of Scotland and as part of that agreement the Royal Bank of Scotland holds a bond and floating charge over the assets of the company

17. Defined contribution pension scheme

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund during the year and amounted to £418,276 (2005 £388,962)