

EDINBURGH HEADWAY GROUP
Annual Report and Financial Statements
For the year ended 31 March 2003



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EDINBURGH HEADWAY GROUP

Annual Report and Financial Statements

For the year ended 31 March 2003

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Executive Committee

Directors: Mrs J M Bryden MBE
J B Armstrong Dip Arch
JDM Urquhart CA
W Bryden MA, LLB, SSC
Mrs M S Miller
T R Campbell CA (resigned 30 July 2002)
M A B Dickson BSc (co-opted 30 July 2002, appointed 30 October 2002)

Co-opted Members: B Pentland FRCP (Co-opted 30 October 2002)
Mrs D Wallace (Co-opted 30 October 2002)
M G M Manson (Co-opted 30 October 2002)
D Williamson BSc CA (Co-opted 19 March 2003)

Chairman

Mrs Jean M Bryden MBE

Secretary

T R Campbell CA (resigned 30 July 2002)
M A B Dickson BSc (appointed 30 October 2002)

Treasurer

J D M Urquhart CA

Auditor

A B Dobson & Co CA

Bankers

Bank of Scotland

Solicitors

Balfour & Manson

Registered office

Headway House
Astley Ainslie Hospital
Canaan Lane
Edinburgh
EH9 2HL

Registered Number: 138081

Registered Charity: SC006528

EDINBURGH HEADWAY GROUP

Report of the Directors

For the year ended 31 March 2003

The Directors have pleasure in presenting their report for the year ended 31 March 2003.

Constitution

Edinburgh Headway Group was incorporated in April 1992 as a company limited by guarantee and on 26 May 1992 acquired the net assets of the Edinburgh Headway Group, a trust which had been formed in 1982. It has received permission from the Registrar of Companies to omit the word "limited" from the company name.

Objectives and Activities

It is the intention of the Group to carry on the rehabilitation of persons who have suffered traumatic head injuries and to provide care and support for such persons, their relatives and carers. To carry out this work the Group will continue to provide a full programme of activities and therapy sessions.

Executive Committee

Directors

The directors during the year were as shown on page 1.

Co-opted Members

B Pentland, M G M Manson and Mrs D Wallace were co-opted on 30 October 2002, D Williamson on 19 March 2003 as members of the committee until the Annual General Meeting and are eligible for re-appointment by the Board of Directors to the Executive Committee.

Financial results

The Group's surplus as disclosed in the Income and Expenditure Account and Statement of Financial Activities amounted to £94,290 (2002- £50,376). £90,000 has been transferred to the Capital and Development Fund and the balances of £25,780 and £3,259 have been carried forward in the General Fund and Restricted Fund respectively.

During the year under review the Group was grateful to receive continued support from many sources including Henderson Boyd Jackson, Lloyds TSB Foundation and grants from Lothian Health Board and the City of Edinburgh Council.

In addition, a legacy of £50,000 was received from the estate of the late John Murray. Investment losses of £55,229 arose during the year which were in line with the general fall in the stockmarket.

Reserves Policy

The Directors have reviewed the financial requirements of the Group and have concluded that, in view of the planned changes at the Astley Ainslie Hospital over the next 2-3 years, the unrestricted funds required by the Group are as follows:-

General Fund	£25,000
Capital and Development Fund	£500,000

At the above levels the Directors believe that the Group would be able to meet any foreseeable expenditure relating to property from the Capital and Development Fund and ordinary expenditure from the General Fund, when supplemented by recurring grants and fundraising. The current levels of reserves are £25,780 and £258,832 respectively and the Directors will continue to seek additional funds to meet the shortfall (see note 9a).

EDINBURGH HEADWAY GROUP

Report of the Directors

For the year ended 31 March 2003

Investment Policy

Under the Memorandum and Articles of Association, the Group has power to make any investment which the Directors see fit.

Investment decisions are made after receiving expert advice and the Group's investment approach is reviewed annually.

The Groups' investments policy is based on a medium to low investment risk.

The fall in the stock market during the year has resulted in a considerable decrease in the value of the group's investments, in common with most other organisations. Due to the continuing uncertainty the directors have retained a significantly higher level of cash.

Risk Assessment

The Directors have conducted their own review of the major risks to which the Group is exposed and have taken steps to mitigate those risks.

Statement of 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 and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to:

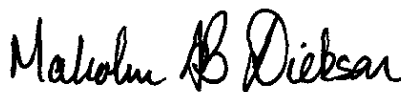
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 that the financial statements comply with the Companies Act 1985. They 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.

Auditor

A resolution to re-appoint A B Dobson & Co CA as Auditor of the Group will be submitted to the members at the Annual General Meeting to be held on 17 September 2003.

By order of the Directors



Secretary
M A B Dickson BSc

24 June 2003

EDINBURGH HEADWAY GROUP

Independent Auditors' Report to the Members

For the year ended 31 March 2003

We have audited the financial statements of the Edinburgh Headway Group for the year ended 31 March 2003, which comprise the Income and Expenditure Account (incorporating a Statement of Financial Activities), the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Members of the Edinburgh Headway Group, as a body, in accordance with Companies Act 1985. Our audit work has been undertaken so that we might state to the Group'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 Group and the 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 trustees (who are also the directors of the Edinburgh Headway Group for the purposes of company law) have responsibilities for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards and these responsibilities are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We are not required to consider whether any statement in the Directors' Annual Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which 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.

EDINBURGH HEADWAY GROUP

Independent Auditors' Report to the Members

For the year ended 31 March 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its incoming resources and application of resources including, in its income and expenditure account, the surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

A B Dobson & Co CA.

A B Dobson & Co CA
Chartered Accountant and Registered Auditor
Edinburgh

26 August 2003

EDINBURGH HEADWAY GROUP

Income & Expenditure Account incorporating Statement of Financial Activities

For the year ended 31 March 2003

	Notes	Unrestricted Fund £	Designated Fund £	Restricted Fund £	2003 £	2002 £
Incoming resources						
Voluntary income						
- Donations		54,663	-	15,000	69,663	72,261
- Legacy		50,000	-	-	50,000	-
- Friends of Headway		159	-	-	159	228
Activities in furtherance of objectives						
- Grants	2	28,127	-	19,539	47,666	46,845
- Transport contributions		2,909	-	-	2,909	4,015
Activities for generating funds						
- Miscellaneous Fund Raising		972	-	250	1,222	574
- Subscriptions		192	-	-	192	164
Investment Income		9,963	-	-	9,963	9,169
Miscellaneous		-	-	-	-	8,359
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		146,985	-	34,789	181,774	141,615
Resources expended						
Activities in furtherance of objectives						
- Charitable expenditure	4	51,644	-	31,273	82,917	88,170
- Administrative costs	3	3,883	-	684	4,567	3,069
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		55,527	-	31,957	87,484	91,239
Net incoming resources						
Before transfers		91,458	-	2,832	94,290	50,376
Transfers between funds	9	(90,000)	90,000	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus/(deficit) for year		1,458	90,000	2,832	94,290	50,376
Investment gains/(losses) - Realised		-	(106)	-	(106)	(979)
- Unrealised	6&9	-	(55,123)	-	(55,123)	17
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		1,458	34,771	2,832	39,061	49,414
Balances at 1 April	9	24,322	224,061	427	248,810	199,396
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances at 31 March	9	25,780	258,832	3,259	287,871	248,810
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

All activities relate to continuing operations.

There are no recognised gains and losses other than those included above.

The notes on pages 8 to 11 form part of these financial statements

EDINBURGH HEADWAY GROUP

Balance Sheet

As at 31 March 2003

	Notes	2003	2002
		£	£
Fixed assets	5	1,106	1,739
Investments	6	147,492	204,057
		<hr/>	<hr/>
Current assets		148,598	205,796
Debtors and prepayments		1,708	1,988
Cash at bank and on deposit		147,659	46,370
		<hr/>	<hr/>
		149,367	48,358
Creditors: Amounts falling due within one year	8	(10,094)	(5,344)
		<hr/>	<hr/>
Net current assets		139,273	43,014
		<hr/>	<hr/>
Total net assets		287,871	248,810
		<hr/>	<hr/>
Funds			
Designated fund	9a	258,832	224,061
Restricted funds	9b	3,259	427
Unrestricted funds	9c	25,780	24,322
		<hr/>	<hr/>
		287,871	248,810
		<hr/>	<hr/>

The Financial Statements were approved by

the Committee on 24/06 2003

 Chairman
Jean M Bryden MBE

The notes on pages 8 to 11 form part of these financial statements

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements

For the year ended 31 March 2003

1. Accounting policies

Basis of accounting

Apart from investments which are stated at market value, the financial statements have been prepared on the historical cost basis of accounting, are in accordance with applicable Financial Reporting Standards in the United Kingdom. They are in accordance with the recommendations in the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in October 2000). There have been no changes in the accounting policies.

As allowed by paragraph 3 (3) of schedule 4 to the 1985 Companies Act the directors have, due to the special nature of the company's business, adapted the prescribed format of the Profit and Loss Account.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:-

Minibus	5 years
Equipment	3 to 5 years

Investment income

Income from investments is credited gross to the Income and Expenditure Account in the year in which it is received.

Therapy costs

Therapy costs are shown after deduction of £1,806 (2002 - £2,009) in respect of contributions by beneficiaries.

Pensions

The Group operates a stakeholder pension scheme, which currently has no members.

VAT

Edinburgh Headway Group is not registered for VAT and expenditure includes VAT where applicable.

Charitable activities

Expenditure has been allocated between administration and the services of the Group to reflect the value derived by each activity.

2. Grants	2003 £	2002 £
Lothian Health Board	28,127	27,576
City of Edinburgh	19,539	19,269
	<hr/>	<hr/>
	47,666	46,845
	<hr/>	<hr/>

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2003

3. Administrative Costs		2003	2002
		£	£
Printing, stationery, postage and telephone		4,000	4,043
Insurance		1,726	2,137
Property and equipment costs		349	669
Professional fees		5,364	8,038
Auditors remuneration		585	567
Recruitment expenses		540	-
Miscellaneous expenses		1,563	1,807
		<hr/>	<hr/>
		14,127	17,261
Less : Allocated to Charitable expenditure (notes 1 and 4)		(9,560)	(14,192)
		<hr/>	<hr/>
		4,567	3,069
		<hr/>	<hr/>
4. Charitable expenditure	Notes	2003	2002
		£	£
Staff costs	- Salaries	51,062	45,389
	- Social security costs	2,724	1,672
	- Superannuation	-	885
		<hr/>	<hr/>
		53,786	47,946
Therapy costs	1	6,032	7,876
Training		664	663
Advertising		930	857
Motor and travelling expenses		7,448	6,569
Volunteer expenses		3,054	2,948
Project monitoring costs		-	2,750
Depreciation	5	1,443	4,369
		<hr/>	<hr/>
		73,357	73,978
Allocated costs	3	9,560	14,192
		<hr/>	<hr/>
		82,917	88,170
		<hr/>	<hr/>

The average weekly number of employees during the year was 10 (2002 - 8).

No remuneration was paid to any member of the Executive Committee during the period (2002 - Nil).

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2003

5. Fixed assets	Minibus	Equipment	Total
	£	£	£
<i>Cost</i>			
At 1 April 2002	24,116	26,654	50,770
Additions during year	-	810	810
	<hr/>	<hr/>	<hr/>
	24,116	27,464	51,580
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2002	24,116	24,915	49,031
Charge for year	-	1,443	1,443
	<hr/>	<hr/>	<hr/>
	24,116	26,358	50,474
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2003	-	1,106	1,106
	<hr/>	<hr/>	<hr/>
At 31 March 2002	-	1,739	1,739
	<hr/>	<hr/>	<hr/>
6. Investments	2003	2002	
	£	£	
Market value at 1 April	204,057	152,588	
Disposal at opening Market Value	(1,570)	(6,835)	
Additions at cost	128	58,287	
Unrealised (losses)/gains	(55,123)	17	
	<hr/>	<hr/>	
Market value at 31 March	147,492	204,057	
	<hr/>	<hr/>	
Cost at 31 March	203,120	204,434	
	<hr/>	<hr/>	
Analysis of how the portfolio is structured:			
	Over 5%	Total %	
UK Government stocks		23.3	
Treasury 2% I/L Stock 2006	6.2		
Treasury 5 ½% Stock 2008/12	5.1		
Reckitt & Coleman 9.5% Cnv Cap Bds 3/2005	5.2		
Other UK Equities		76.7	
GlaxoSmithKline Ord 25p	5.1		
Unilever Plc Ord 0.14p	9.0		
Barclays Ord £1	5.5		
Land Securities Ord £1	5.9		
Scottish Mortgage Trust Plc 25p	5.4		
BP Ord USD 0.25	6.3		
Gus Ord 25p	5.3		
Scottish & Newcastle Ord 20p	5.3		
		<hr/>	
		100.00	
		<hr/>	

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2003

7. Taxation

Edinburgh Headway Group is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result there is no liability to taxation on any of its income.

8. Creditors: amount falling due within one year

	2003 £	2002 £
Other creditors	5,094	5,344
Deferred grant	5,000	-
	<u>10,094</u>	<u>5,344</u>

9. Funds

a. Designated Fund	2003 £	2002 £
Capital & Development Fund		
Balance at 1 April	224,061	175,023
Investment losses		
- Realised	(106)	(979)
- Unrealised	(55,123)	17
Transfer from General Fund	90,000	50,000
	<u>258,832</u>	<u>224,061</u>

The Capital and Development Fund has been established to provide resources for the acquisition of premises when the scheduled re-development of the Astley Ainslie Hospital takes place, the first phase of which is due to commence in 2005. The existing premises are supplied by the Hospital on an informal year-to-year basis and are due to be demolished as part of Phase 1 of the redevelopment. The probable current cost of suitable replacement premises has been professionally estimated at £370,000. This cost excludes site acquisition which cannot be readily predicted but would be a significant amount. The cost of temporary accommodation and furniture and fittings have been similarly excluded.

The Fund may not normally be applied for the purposes of revenue expenditure.

b. Restricted Fund	2003 £	2002 £
Balance at 1 April	427	-
Incoming/(Outgoing) resources per Income & Expenditure Account	2,832	427
	<u>3,259</u>	<u>427</u>

The Restricted Fund is in respect of grants given specifically for the Befriending Project and is used solely for that purpose.

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2003

9. Funds – continued

c. Unrestricted General Fund

	2003 £	2002 £
Balance at 1 April	24,322	24,373
Surplus for year per Income and Expenditure Account	91,458	49,949
Transfer to Designated Fund - Capital and Development Fund	(90,000)	(50,000)
	<u>25,780</u>	<u>24,322</u>

10. Analysis of net assets between funds

	Designated Fund £	Restricted Fund £	Unrestricted Fund £	Total Funds £
Balances at 31 March 2003	258,832	3,259	25,780	287,871
Represented by:				
Fixed assets	1,106	-	-	1,106
Investments	147,492	-	-	147,492
Net current assets/liabilities	110,234	3,259	25,780	139,273
	<u>258,832</u>	<u>3,259</u>	<u>25,780</u>	<u>287,871</u>

11. Capital

The Group has no Share Capital as it is a company limited by guarantee.

12. Pensions

Defined contribution scheme

As there are no employees currently within the pension scheme the cost for the year was nil (31 March 2002 - £885)