

EDINBURGH HEADWAY GROUP

Registered Number SC138081

Registered Charity SC006528

Annual Report and Financial Statements

For the year ended 31 March 2007

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EDINBURGH HEADWAY GROUP
Annual Report and Financial Statements
For the year ended 31 March 2007

Contents	Pages
Report of the Directors	2 4
Independent Auditors' Report to the Members	5
Income & Expenditure Account and Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 13

Executive Committee

Directors Mrs J M Bryden MBE
 J B Armstrong Dip Arch
 JDM Urquhart CA
 W Bryden MA, LLB, SSC
 M A B Dickson BSc (re appointed 20 September 2006)
 D Williamson BSc CA

Co-opted Members B Pentland FRCP (co-opted 20 September 2006)
 Mrs D Wallace (co-opted 20 September 2006)
 C Normand WS (co-opted 20 September 2006)
 F Watt (co-opted 20 September 2006)

Chairman

Mrs Jean M Bryden MBE

Secretary

M A B Dickson BSc

Treasurer

J D M Urquhart CA

Auditor

Whitelaw Wells CA

Bankers

Royal Bank of Scotland

Investment advisors

Bell Lawrie

Solicitors

Balfour & Manson

Registered office

Headway House
Astley Ainslie Hospital
Canaan Lane
Edinburgh
EH9 2HL

EDINBURGH HEADWAY GROUP
Report of the Directors
For the year ended 31 March 2007

The Directors have pleasure in presenting their report for the year ended 31 March 2007

Structure, governance and management

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.

The Executive Committee is responsible for the policy and direction of the Group. It supervises the finances and other management practices, but the day to day management is carried out by the Chairman and the Manager of Support Services. The Committee met eight times in the year.

Induction and training

Members of the Executive Committee are encouraged to identify potential new members to meet the needs of the committee. Prior to appointment, new members of the Executive Committee meet with the Chairman, Company Secretary and a representative of the Committee and are given access to Committee papers to familiarise themselves with the Charity and the service it offers. They are also given information as to their role and responsibilities and the ethos under which the company operates.

Existing Committee members are familiar with the work of the charity and have been briefed on their duties and responsibilities under the Charities and Trustee Investment (Scotland) Act 2005. If there are any areas where additional training is required, this is discussed at a board meeting and a solution identified and implemented. Committee members and staff attend training courses as appropriate.

Executive Committee

Directors

The directors during the year were as shown on page 1. No directors have a financial interest in the company.

Co-opted Members

B Pentland, Mrs D Wallace, C Normand and F Watt were co-opted on 20 September 2006 as members of the Executive Committee until the next Annual General Meeting. All are eligible for re-appointment by the Board of Directors to the Executive Committee.

Objectives and activities

It is the purpose of the Group to carry on the rehabilitation of adults who have suffered traumatic head injuries and other forms of acquired brain injury and to provide care and support for such persons, their relatives and carers. To carry out this work the Group provides a full programme of activities and therapy sessions, including

- a befriending service funded by the City of Edinburgh Council
- a Big Lottery funded project to improve access to support services for the brain injured family and carers

Plans for Future Periods

The charity plans continuing the activities outlined above in the forthcoming year subject to satisfactory funding arrangements.

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2007

Achievements and performance

Including Unrealised Gains of £34,338 (2006 £84,986) the Group's surplus as disclosed in the Income and Expenditure Account and Statement of Financial Activities amounted to £ 124,060 (2006 £109,819) The balances of £67,910, £558,607 and £26,042 have been carried forward in the General Fund, Designated Fund and Restricted Funds respectively

During the year under review the Group was again grateful to receive grants and donations from many sources Support has continued from the City of Edinburgh Council, the Big Lottery Fund and Lothian Health Board Amongst the many donations were substantial donations from Hutchesons Grammar School and, as in previous years, HBJ Gateley Wareing from whom the proceeds of two major fundraising events were received

The financial results do not include any value for the work done by the many volunteers, without which the work of the Group could not be carried out During the year over 9,000 hours (2006 8,619) were worked by volunteers, including the chairman who works full time on a voluntary basis

Big Lottery Fund Project

In May 2004 the Directors were delighted to be awarded a grant of £173,321 over a period of 3 years to develop a project to improve access to support services including those provided by the Group Income in the current year includes Big Lottery Fund Project grants of £53,866 which is comprised of £44,286 received during the year plus £9,580 deferred at 31 March 2006

Reserves Policy

The Directors have reviewed the financial requirements of the Group and have concluded that, in view of the changes at the Astley Ainslie Hospital which commenced in early 2005, the unrestricted funds required by the Group are as follows

General Fund	£50,000
Capital and Development Fund	£900,000

The Directors believe that the Group would be able to meet any foreseeable ordinary expenditure from the General Fund, when supplemented by recurring grants and fundraising

The Capital and Development Fund requirement has been estimated by the directors at £900,000 on the basis of a professional estimate of probable current building costs of £592,000 to replace Headway House This cost excludes site acquisition which cannot be readily predicted but would be very material bearing in mind Edinburgh land values The costs of temporary accommodation, fit out costs and furniture and fittings have also been excluded from this estimate It is emphasised that the adequacy of the fund must be viewed in the context of the ongoing changes at the Astley Ainslie Hospital, together with constantly increasing cost of site acquisition in the Edinburgh area

The current levels of reserves are £67,910 and £558,607 respectively and the Directors will continue to seek additional funds to meet the material shortfall in the Capital and Development Fund (see note 8a)

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 with its investment advisors

The Group's investment policy is based on a medium investment risk for income and growth Performance reports are received regularly from the investment advisers and considered by the Committee In addition, from time to time, the advisers recommend specific changes to the portfolio as appropriate

EDINBURGH HEADWAY GROUP
Report of the Directors (continued)
For the year ended 31 March 2007

Investment Policy (continued)

The rise in the stock market, together with additional invested funds of £35,000, during the year, has resulted in an increase in the value of investments to £531,261

Risk Assessment

The Directors have reviewed and documented the major risks to which the Group is exposed and have taken steps to mitigate those risks

Company Status

The company is limited by guarantee and is a charity recognised by HM Revenue and Customs

Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of that period. In preparing these financial statements the Directors are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures as disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue 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 enable and 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

Disclosure of information to auditors

- As far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- Each Director has taken all the steps he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

A resolution to re-appoint Whitelaw Wells CA as Auditors of the Group will be submitted to the members at the Annual General Meeting to be held on 17 October 2007

11 October 2007

By order of the Directors

Malcolm A B Dickson
Secretary

M A B Dickson BSc

EDINBURGH HEADWAY GROUP
Independent Auditors' Report to the Members
For the year ended 31 March 2007

We have audited the financial statements of Edinburgh Headway Group for the year ended 31 March 2007 set out on pages 6 to 13. 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 company's members, as a body, in accordance with Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 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 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 directors and auditors

The Directors' responsibilities for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We report to you whether, in our opinion, the Directors' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and transactions with the charity is not disclosed.

We read the Directors' Annual 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 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.

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 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information given in the Directors' Annual Report is consistent with the financial statements.

Whitelaw Wells

Whitelaw Wells CA
Chartered Accountant and Registered Auditor
Edinburgh

12 OCTOBER 2007

EDINBURGH HEADWAY GROUP

Income & Expenditure Account incorporating Statement of Financial Activities

For the year ended 31 March 2007

	Notes	General Fund £	Designated Fund £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		118,501			118,501	49,414
Miscellaneous fund raising		1,206			1,206	1,283
Subscriptions		156			156	181
Investment income						
Dividends		16,435			16,435	14,550
Bank interest		3,038			3,038	2,780
Incoming resources from charitable activities:						
Grants	2	19,649		88,150	107,799	100,516
Other						250
Total incoming resources		<u>158,985</u>	<u></u>	<u>88,150</u>	<u>247,135</u>	<u>168,974</u>
Resources expended						
Cost of generating funds:						
Investment managers fees	3	294			294	295
Charitable expenditure:						
Activities in furtherance of Chantry's objects	3	74,502		69,892	144,394	145,185
Governance costs	3	<u>4,412</u>	<u></u>	<u>4,300</u>	<u>8,712</u>	<u>2,800</u>
Total resources expended		<u>79,208</u>	<u></u>	<u>74,192</u>	<u>153,400</u>	<u>148,280</u>
Net incoming resources before transfers		79,777		13,958	93,735	20,694
Transfer between funds		<u>(50,000)</u>	<u>50,000</u>			
Net incoming resources before revaluations and investment asset disposals		29,777	50,000	13,958	93,735	20,694
Realised (loss)/gains on investments			<u>(4,013)</u>		<u>(4,013)</u>	<u>4,139</u>
Surplus for the year		<u>29,777</u>	<u>45,987</u>	<u>13,958</u>	<u>89,722</u>	<u>24,833</u>
Unrealised gains on investments	5		<u>34,338</u>		<u>34,338</u>	<u>84,986</u>
Net movement in funds		<u>29,777</u>	<u>80,325</u>	<u>13,958</u>	<u>124,060</u>	<u>109,819</u>
Total funds at 1 April 2006		<u>38,133</u>	<u>478,282</u>	<u>12,084</u>	<u>528,499</u>	<u>418,680</u>
Total funds at 31 March 2007	9	<u><u>67,910</u></u>	<u><u>558,607</u></u>	<u><u>26,042</u></u>	<u><u>652,559</u></u>	<u><u>528,499</u></u>

All activities relate to continuing operations

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

The notes on pages 8 to 13 form part of these financial statements

EDINBURGH HEADWAY GROUP

Balance Sheet

As at 31 March 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets	4		3,930		6,635
Investments	5		531,261		465,970
			<hr/>		<hr/>
			535,191		472,605
Current assets					
Debtors and prepayments	7	61,150		2,663	
Cash at bank and on deposit		66,243		70,439	
		<hr/>		<hr/>	
		127,393		73,102	
Creditors. Amounts falling due within one year	8	(10,025)		(17,208)	
		<hr/>		<hr/>	
Net current assets			117,368		55,894
			<hr/>		<hr/>
Total net assets			652,559		528,499
			<hr/>		<hr/>
Funds					
Designated fund	9a		558,607		478,282
Restricted funds	9b		26,042		12,084
Unrestricted funds	9c		67,910		38,133
			<hr/>		<hr/>
			652,559		528,499
			<hr/>		<hr/>

The Financial Statements were approved by
the Committee on 31 July 2007

 Chairman
Jean M. Bryden MBE

The notes on pages 8 to 13 form part of these financial statements

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements

For the year ended 31 March 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the applicable accounting standards in the United Kingdom, with Charities Accounts (Scotland) Regulations 2006 and Statement of Recommended Practice Accounting and Reporting by Charities (2005)

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.

Cashflow statement

The Charity qualifies as a small entity under the provision of FRS 1 and accordingly has not presented a cashflow statement

Fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The cost of minor additions or those costing under £200 are not capitalised

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

Equipment 3 to 5 years

Incoming resources

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

Income resources from grants where related to performance are accounted for as the charity provides the service

Therapy costs

Therapy costs are shown after deduction of £2,672 (2006 £2,441) 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

Expenditure Allocation

Where possible expenditure has been charged directly to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements continued

For the year ended 31 March 2007

2. Grants	2007 £	2006 £
Lothian Health Board	19,649	19,649
City of Edinburgh Council	34,284	34,284
Big Lottery Fund	53,866	46,583
	<hr/>	<hr/>
	107,799	100,516
	<hr/>	<hr/>

3. Resources expended	Cost of						Total 2007	Total 2006
	Generating Funds	General	Befriending	Support services	Governance costs			
Other operating charges	£	£	£	£	£	£	£	£
Therapy costs (Note 1)	-	1 575	-	-	-	1 575	2 294	
Training	-	320	745	520	-	1 585	2 013	
Advertising	-	68	318	568	-	954	140	
Transport costs	-	366	294	1 005	-	1 665	2 102	
Volunteer expenses	-	88	1 838	-	-	1 926	2 291	
Care Commission	-	856	-	-	-	856	856	
Depreciation (Note 4)	-	2 016	-	1 197	-	3 213	3 074	
Printing stationery postage and telephone	-	2 129	1 536	1 482	-	5 147	5 755	
Insurance	-	1 968	980	980	-	3 928	2 684	
Property and equipment costs	-	2 085	-	-	-	2 085	628	
Professional fees	294	4 968	880	880	7 462	14 484	11 601	
Auditors remuneration	-	-	-	-	1 250	1 250	1 175	
Recruitment expenses	-	-	-	-	-	-	1 297	
Miscellaneous expenses	-	1 714	88	1 481	-	3 283	3 736	
Staff Costs:								
Salaries and wages	294	18 153	6 679	8 113	8 712	41 951	39 646	
Social security costs	-	52 660	23 708	26 721	-	103 089	100 723	
	-	3 689	1 896	2 775	-	8 360	7 911	
	294	74 502	32 283	37 609	8 712	153 400	148 280	

The average weekly number of employees during the year was 11 (2006 - 11)

No remuneration was paid to any member of the Executive Committee during the year (2006 - Nil) and no reimbursements of expenses incurred on behalf of the Group have been requested by the Directors (2006 – Nil)

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements continued

For the year ended 31 March 2007

4. Fixed assets	Equipment	
	£	
Cost		
At 1 April 2006	25,264	
Additions during year	508	
Disposals in year	(3,339)	
	<hr/>	
	22,433	
	<hr/>	
Depreciation		
At 1 April 2006	18,629	
Charge for year	3,213	
Disposals during year	(3,339)	
	<hr/>	
	18,503	
	<hr/>	
Net book value		
At 31 March 2007	3,930	
	<hr/>	
At 31 March 2006	6,635	
	<hr/>	
5. Investments	2007	2006
	£	£
Market value at 1 April 2006	441,518	376,863
Disposals at opening Market Value	(131,532)	(78,917)
Additions at cost	182,864	58,586
Unrealised gains	34,338	84,986
	<hr/>	<hr/>
Market value at 31 March 2007	527,188	441,518
Cash held as part of portfolio	4,073	24,452
	<hr/>	<hr/>
	531,261	465,970
	<hr/>	<hr/>
Cost at 31 March 2007	433,534	354,368
	<hr/>	<hr/>
Analysis of how the portfolio is structured		
	2007	2006
	%	%
UK Government Stocks	9.6	5.7
Other UK Fixed Interest and Convertible Stocks	16.2	9.8
UK Equities	73.4	79.3
Cash	0.8	5.2
	<hr/>	<hr/>
	100.0	100.0
	<hr/>	<hr/>

The following represent at least 5% in the portfolio market value at the year end Barclays Plc, M&G Securities Ltd Charifund and Standard Life Investment Select Property Retail

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements continued

For the year ended 31 March 2007

6. 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.

7. Debtors

	2007 £	2006 £
Income Tax recoverable	10,007	894
Other debtors	49,906	1,119
Prepayments	1,237	650
	<hr/>	<hr/>
	61,150	2,663
	<hr/>	<hr/>

8. Creditors, amount falling due within one year

	2007 £	2006 £
Other creditors	7,342	5,323
Social security and other taxes	2,683	2,305
Deferred grant		9,580
	<hr/>	<hr/>
	10,025	17,208
	<hr/>	<hr/>

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2007

9. Funds	Balance at 31 March 2006 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2007 £
a. Designated Fund					
Capital & Development Fund	478,282	34,338	(4,013)	50,000	558,607
	<hr/> 478,282	<hr/> 34,338	<hr/> (4,013)	<hr/> 50,000	<hr/> 558,607
b. Restricted Funds					
Befriending Project	1,777	34,284	(34,432)		1,629
Big Lottery Fund	10,307	53,866	(39,760)		24,413
	<hr/> 12,084	<hr/> 88,150	<hr/> (74,192)	<hr/>	<hr/> 26,042
c. Unrestricted General Fund	38,133	158,985	(79,208)	(50,000)	67,910
	<hr/> 38,133	<hr/> 158,985	<hr/> (79,208)	<hr/> (50,000)	<hr/> 67,910

The Capital and Development Fund has been established to provide resources for the relocation of Headway House which will arise from the re-development of the Astley Ainslie Hospital, the first phase of which commenced in early 2005. The existing premises are supplied by Lothian Health Board on an informal year to-year basis and are due to be demolished as part of Phase 1 of the re-development. The probable current building cost of suitable replacement premises has been professionally estimated at £592,000.

This cost excludes site acquisition which cannot be readily predicted but would be very material, bearing in mind Edinburgh land values. The costs of temporary accommodation, fit out costs and furniture and fittings, which would also be considerable, have also been excluded. As noted on page 3, the Directors estimate that the total cost of relocation to new premises would be £900,000.

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

Restricted Funds are in respect of grants given specifically for a) The Befriending Project which seeks to reduce the isolation of head injured people and give respite for family and carers and b) The Big Lottery Fund which funds the improvement of access to support services for the head injured family and carers.

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements continued

For the year ended 31 March 2007

10	Analysis of net assets between funds	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total Funds £
	Balances at 31 March 2007	67,910	558,607	26,042	652,559
		<hr/>	<hr/>	<hr/>	<hr/>
	Represented by:				
	Fixed assets		3,586	344	3,930
	Investments		531,261		531,261
	Net current assets	67,910	23,760	25,698	117,368
		<hr/>	<hr/>	<hr/>	<hr/>
		67,910	558,607	26,042	652,559
		<hr/>	<hr/>	<hr/>	<hr/>

11 Capital

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

12. Pensions

Defined contribution scheme

As there were no employees within the pension scheme during the year the cost for the year was £Nil (31 March 2006 - £Nil)

13 Indemnity Insurance

The Group arranged indemnity insurance cover in respect of the directors, other committee members, employees and volunteers at a cost of £510 (2006 £980)