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EDINBURGH HEADWAY GROUP
Annual Report and Financial Statements
For the year ended 31 March 2002



EDINBURGH HEADWAY GROUP

Annual Report and Financial Statements

For the year ended 31 March 2002

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Executive Committee

Directors:	Mrs J M Bryden MBE J B Armstrong 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)
Co-opted Members:	B Pentland FRCP (Co-opted 30 October 2001) Mrs P Watt (resigned 30 October 2001) Mrs D Wallace (Co-opted 30 October 2001) M G M Manson (Co-opted 30 October 2001)

Chairman

Mrs Jean M Bryden MBE

Secretary

T R Campbell CA (resigned 30 July 2002)
M A B Dickson BSc (Co-opted 30 July 2002)

Treasurer

JDM 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 2002

The Directors have pleasure in presenting their report for the year ended 31 March 2002.

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 caring 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 2001 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.

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.

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 performance of the portfolio for the year was considered satisfactory by the Directors.

EDINBURGH HEADWAY GROUP

Report of the Directors - continued

For the year ended 31 March 2002

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.

Financial results

The Group's surplus as disclosed in the Income and Expenditure Account and Statement of Financial Activities amounted to £50,376 (2001- £24,377). £50,000 has been transferred to the Capital and Development Fund and the balances of £24,322 and £427 have been carried forward in the General Fund and Restricted Fund respectively.

The Group's activities during the year were largely financed by £30,000 from the proceeds of a function held by Henderson Boyd Jackson, the second year's grant of £15,000 from Lloyds TSB Foundation, the first full year's grant of £19,269 from the City of Edinburgh Council and a continuing grant from Lothian Health Board.

During the year the Group completed legal actions against a former employee resulting in recovery of £8,359, which represented all costs etc incurred by the Company.

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 (see Note 8a)	£350,000

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 £24,322 and £224,061 respectively.

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 30 October 2002.

By order of the Directors

18 September 2002

M. Dickson
Secretary
M A B Dickson

EDINBURGH HEADWAY GROUP

Auditors' Report to the Members

For the year ended 31 March 2002

We have audited the financial statements of the Edinburgh Headway Group for the year ended 31 March 2002 which comprise the Income and Expenditure Account (incorporating a Statement of Financial Activities), the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors 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 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' Annual 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 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 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.

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 2002 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 applicable to small companies.

A B Dobson TC CA
A. B. Dobson & Co.
Chartered Accountant and Registered Auditor
Edinburgh, *18 September* 2002

EDINBURGH HEADWAY GROUP

Income & Expenditure Account incorporating Statement of Financial Activities

For the year ended 31 March 2002

	Notes	Unrestricted Fund £	Designated Fund £	Restricted Fund £	2002 £	2001 £
Incoming resources						
Voluntary income						
- Donations		57,261	-	15,000	72,261	67,330
- Friends of Headway		228	-	-	228	5,994
Activities in furtherance of objectives						
- Grants	2	27,576	-	19,269	46,845	35,818
- Transport contributions		4,015	-	-	4,015	4,058
Activities for generating funds						
- Miscellaneous fund raising		574	-	-	574	929
- Subscriptions		164	-	-	164	217
Investment income		9,169	-	-	9,169	8,793
Miscellaneous		8,359	-	-	8,359	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		107,346	-	34,269	141,615	123,139
Resources expended						
Activities in furtherance of objectives						
- Charitable expenditure	4	55,016	-	33,154	88,170	92,216
- Administrative costs	3	2,381	-	688	3,069	6,546
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		57,397	-	33,842	91,239	98,762
Net incoming resources before transfers		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		49,949	-	427	50,376	24,377
Transfers between funds	8	(50,000)	50,000	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus for year		(51)	50,000	427	50,376	24,377
Investment gains/(losses) - realised		-	(979)	-	(979)	2,517
- unrealised	6&8	-	17	-	17	(11,080)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	8	(51)	49,038	427	49,414	15,814
Balances at 1 April	8	24,373	175,023	-	199,396	183,582
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances at 31 March	8 & 9	24,322	224,061	427	248,810	199,396
		<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 7 to 12 form part of these financial statements


EDINBURGH HEADWAY GROUP

Balance Sheet

As at 31 March 2002

	Notes	£	2002	£	2001	£
Fixed assets	5		1,739		6,108	
Investments	6		204,057		152,588	
			<hr/>		<hr/>	
Current assets			205,796		158,696	
Debtors and prepayments		1,988		2,527		
Cash at bank and on deposit		46,370		47,572		
		<hr/>		<hr/>		
Creditors: Amounts falling due within one year		48,358		50,099		
		(5,344)		(9,399)		
		<hr/>		<hr/>		
Net current assets			43,014		40,700	
			<hr/>		<hr/>	
Net assets			248,810		199,396	
			<hr/>		<hr/>	
Funds						
Restricted funds	8a		427		-	
Designated fund	8b		224,061		175,023	
Unrestricted funds	8c		24,322		24,373	
			<hr/>		<hr/>	
			248,810		199,396	
			<hr/>		<hr/>	

The Financial Statements were approved by
the Committee on 30 July 2002

 Chairman
Jean M Bryden MBE

The notes on pages 7 to 12 form part of these financial statements

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements

For the year ended 31 March 2002

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 and are in accordance with applicable Financial Reporting Standards in the United Kingdom, and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in October 2000).

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 £2,009 (2001 - £2,218) in respect of contributions by beneficiaries.

Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds.

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	2002 £	2001 £
Lothian Health Board	27,576	26,903
UVAF	-	(720)
City of Edinburgh	19,269	9,635
	<hr/>	<hr/>
	46,845	35,818
	<hr/>	<hr/>

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2002

3. Administrative Costs	2002 £	2001 £
Printing, stationery, postage and telephone	4,043	4,522
Insurance	2,137	1,544
Property and equipment costs	669	947
Professional fees	8,038	10,531
Auditors remuneration	567	550
Miscellaneous expenses	1,807	1,146
	<hr/>	<hr/>
	17,261	19,240
Less : Allocated to Charitable expenditure (notes 1 and 4)	(14,192)	(12,694)
	<hr/>	<hr/>
	3,069	6,546
	<hr/>	<hr/>

The basis for the allocation of costs between management and charitable expenditure has been reviewed and the comparatives have been restated on the same basis.

4. Charitable expenditure	Notes	2002 £	2001 £
Staff costs	- Salaries	45,389	49,807
	- Social security costs	1,672	2,773
	- Superannuation	885	1,820
		<hr/>	<hr/>
		47,946	54,400
Therapy costs	1	7,876	8,082
Training		663	1,116
Advertising		857	376
Motor and travelling expenses		6,569	4,894
Volunteer expenses		2,948	2,033
Project monitoring costs		2,750	1,750
Depreciation	5	4,369	6,871
		<hr/>	<hr/>
		73,978	79,522
Allocated costs	3	14,192	12,694
		<hr/>	<hr/>
		88,170	92,216
		<hr/>	<hr/>

The basis for the allocation of costs between management and charitable expenditure has been reviewed and the comparatives have been restated on the same basis.

The average weekly number of employees during the year was 8 (2001 - 7).

No remuneration was paid to any member of the Executive Committee during the period (2001 - Nil).

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2002

5. Fixed assets	Minibus £	Equipment £	Total £
<i>Cost</i>			
At 1 April 2001	24,116	26,654	50,770
Additions during year	-	-	-
	<hr/> 24,116	<hr/> 26,654	<hr/> 50,770
<i>Depreciation</i>			
At 1 April 2001	21,303	23,359	44,662
Charge for year	2,813	1,556	4,369
	<hr/> 24,116	<hr/> 24,915	<hr/> 49,031
<i>Net book value</i>			
At 31 March 2002	-	1,739	1,739
	<hr/>	<hr/>	<hr/>
At 31 March 2001	2,813	3,295	6,108
	<hr/>	<hr/>	<hr/>
6. Investments	2002 £	2001 £	
Market value at 1 April	152,588	121,491	
Disposal at opening Market Value	(6,835)	(17,012)	
Additions at cost	58,287	59,189	
Unrealised gains/(losses)	17	(11,080)	
	<hr/>	<hr/>	
Market value at 31 March	204,057	152,588	
	<hr/>	<hr/>	
Cost at 31 March	204,434	151,114	
	<hr/>	<hr/>	
Analysis of how the portfolio is structured:	Over 5%	Total %	
UK Government and Other Fixed Interest stocks		17.4	
GlaxoSmithKline Ord 25p	5.5		
Unilever Plc Ord 0.14p	6.2		
Barclays Ord £1	6.0		
CGNU Ord 25p	5.1		
Edinburgh Investment Trust Plc 25p	5.9		
Land Securities Ord £1	6.0		
Scottish Mortgage Trust Plc 25p	6.2		
BP Ord USD 0.25	7.1		
Gus Ord 25p	5.5		
Scottish & Newcastle Ord 20p	6.3		
	<hr/>		
		59.8	
Individual holdings under 5%		22.8	
		<hr/>	
		100.00	
		<hr/>	

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2002

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. Funds

a. Restricted Fund

	2002 £	2001 £
Balance at 1 April	-	3,563
Incoming/(Outgoing) resources per Income & Expenditure Account	427	(3,563)
Balance at 31 March	427	-

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

b. Designated Fund

Capital & Development Fund

	Total 2002 £	Total 2001 £
Balance at 1 April	175,023	148,586
Investment losses - Realised	(979)	2,517
- Unrealised	17	(11,080)
Transfer from General Fund	50,000	35,000
Balance at 31 March	224,061	175,023

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 existing premises are presently supplied by the Hospital on an informal year-to-year basis. The current indications of the probable cost of suitable replacement premises has been professionally estimated at £350,000.

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

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2002

8. Funds – continued

c. Unrestricted General Fund

	2002 £	2001 £
Balance at 1 April	24,373	31,433
Surplus for year per Income and Expenditure Account	49,949	27,940
Transfer to Designated Fund - Capital and Development Fund	(50,000)	(35,000)
	<u>24,322</u>	<u>24,373</u>

9. Analysis of net assets between funds

	Restricted Fund £	Designated Fund £	Unrestricted Fund £	Total Funds £
Balances at 31 March 2002	427	224,061	24,322	248,810
Represented by:				
Fixed assets	-	1,739	-	1,739
Investments	-	204,057	-	204,057
Net current assets/liabilities	427	18,265	24,322	43,014
	<u>427</u>	<u>224,061</u>	<u>24,322</u>	<u>248,810</u>
Unrealised investments gains included above				
Unrealised gains at 31 March 2001	-	1,356	-	1,356
Losses on revaluation at 31 March 2002	-	(979)	-	(979)
	<u>-</u>	<u>377</u>	<u>-</u>	<u>377</u>

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 March 2002

10. Capital

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

11. Pensions

Defined contribution scheme

The pension cost charged for this scheme amounted to £885 (31 March 2001 - £1,820)