

EDINBURGH HEADWAY GROUP
Annual Report and Financial Statements
For the year ended 31 October 1997



Annual Report and Financial Statements

For the year ended 31 October 1997

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Executive Committee

Directors: Mrs J M Bryden MBE
J B Armstrong
D Duncan FCIS
J S Emslie
W R Laird
JDM Urquhart CA

Coopted Members: W Bryden SSC (co-opted 4 June 1997)
Miss K MacPherson (resigned 26 November 1996)
A P H Jeffries (co-opted 4 June 1997)
B Pentland FRCP (co-opted 28 January 1997)

Chairman

Mrs Jean M Bryden MBE

Secretary

D Duncan FCIS

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 October 1997

The Directors have pleasure in presenting their report for the year ended 31 October 1997.

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.

Executive Committee

Directors

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

D Duncan and J D M Urquhart retire by rotation, and J D M Urquhart, being eligible, offers himself for re-election.

Co-opted Members

During the year W Bryden, Miss K MacPherson and A P H Jeffries were co-opted as members of the committee until the Annual General Meeting. W Bryden, B Pentland and A P H Jeffries 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 of the company 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.

EDINBURGH HEADWAY GROUP

Report of the Directors - continued

For the year ended 31 October 1997

State of affairs

The Group's surplus as disclosed in the Income and Expenditure Account amounted to £5,026 [1996 - £7,370], which has been transferred to General Fund.

During the year under review the Group obtained a new source of funding for a period of 3 years from 1 April 1997 from Unemployed Voluntary Action Force (UVAF) which enabled it to operate a Volunteer Befriending Project, which has been very successful.

It also continued to operate the scheme, commenced in February 1996 and funded for a period of 3 years by the National Lottery Charities Board which seeks to contact and provide assistance for head injured people in the Lothian area.

Donations included the sum of £24,086 raised by Henderson Boyd Jackson WS for the purchase of a mini-bus which has been of great assistance to the work of the group. This amount has been transferred to the Capital and Development Fund.

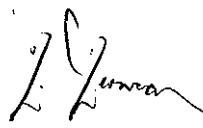
Activities

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 and that of the above projects the Group will continue to provide a full programme of activities and therapy sessions.

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.

By order of the Directors


Secretary
D Duncan

2/6/ 1998

EDINBURGH HEADWAY GROUP

Auditors' Report to the Members

For the year ended 31 October 1997

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of director and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

An audit includes the 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 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 October 1997 and of its surplus for the year ended and have been properly prepared in accordance with the Companies Act 1985.



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

2 June 1998

EDINBURGH HEADWAY GROUP

Income and Expenditure Account

For the year ended 31 October 1997

	Notes	1997	1996
		£	£
Income			
Grants	2	78,493	50,429
Donations		44,428	24,247
Miscellaneous Fund raising		785	1,909
Transport contributions		3,200	2,597
Sale of Headway goods		691	449
Investment income		5,882	4,805
Subscriptions		125	177
		<u>133,604</u>	<u>84,613</u>
Less: Administration costs	3	(1,616)	(1,576)
Disposable income		<u>131,988</u>	<u>83,037</u>
Utilised thus:			
Charitable expenditure	4	<u>(95,987)</u>	<u>(57,091)</u>
Surplus for year per Statement of Financial Activities, before transfers	8	36,001	25,946
Transfer to:			
Restricted funds	8	(6,889)	(8,576)
Development fund	8	(24,086)	(10,000)
		<u>(30,975)</u>	<u>(18,576)</u>
Surplus for year	8	<u><u>5,026</u></u>	<u><u>7,370</u></u>

Statement of Total Recognised Gains and Losses

	1997	1996
	£	£
Surplus for year	5,026	7,370
Net unrealised gains on investments	5,700	3,893
	<u>10,726</u>	<u>11,263</u>

The notes on pages 5 to 12 form part of these financial statements

EDINBURGH HEADWAY GROUP

Statement of Financial Activities

For the year ended 31 October 1997

	Notes	Unrestricted Funds £	Designated Capital and Development Fund £	Restricted Funds £	1997 £	1996 £
Incoming resources						
Grants		24,605	-	53,888	78,493	50,429
Donations	2	44,268	-	160	44,428	24,247
Miscellaneous Fund Raising		785	-	-	785	1,909
Transport contributions		3,200	-	-	3,200	2,597
Sale of Headway goods		691	-	-	691	449
Investment Income		5,460	-	422	5,882	4,805
Subscriptions		125	-	-	125	177
		<u>79,134</u>	<u>-</u>	<u>54,470</u>	<u>133,604</u>	<u>84,613</u>
Resources expended						
Charitable expenditure	4	(45,979)	-	(50,008)	(95,987)	(57,091)
Administration costs	3	(1,366)	-	(250)	(1,616)	(1,576)
		<u>(47,345)</u>	<u>-</u>	<u>(50,258)</u>	<u>(97,603)</u>	<u>(58,667)</u>
Net incoming resources before transfers		31,789	-	4,212	36,001	25,946
Transfers between funds	8	(26,763)	24,086	2,677	-	-
Net incoming resources		5,026	24,086	6,889	36,001	25,946
Gains on investments unrealised	6&8	-	5,700	-	5,700	3,893
Net movement in funds	8	5,026	29,786	6,889	41,701	29,839
Balances at 1 November		<u>12,403</u>	<u>93,893</u>	<u>8,576</u>	<u>114,872</u>	<u>85,033</u>
Balances at 31 October	8	<u>17,429</u>	<u>123,679</u>	<u>15,465</u>	<u>156,573</u>	<u>114,872</u>

The notes on pages 5 to 12 form part of these financial statements

EDINBURGH HEADWAY GROUP

Balance Sheet

As at 31 October 1997

	Notes	1997		1996	
		£	£	£	£
Fixed assets	5		30,373		5,750
Investments	6		80,456		74,756
			<u>110,829</u>		<u>80,506</u>
Current assets					
Debtors and prepayments		3,115		19,084	
Cash at bank and on deposit		53,747		19,327	
		<u>56,862</u>		<u>38,411</u>	
Creditors : Amounts falling due within one year		<u>(10,638)</u>		<u>(3,085)</u>	
Net current assets			46,224		35,326
Total net assets			<u>157,053</u>		<u>115,832</u>
Funds					
Unrestricted funds	8		17,429		12,403
Designated funds	8		123,679		93,893
Restricted funds	8		15,465		8,576
			<u>156,573</u>		<u>114,872</u>
Capital grant	10		480		960
			<u>157,053</u>		<u>115,832</u>

The accounts have been approved by
the Committee on ...2/6/98..

.....Jean M. Bryden..... Chairman

The notes on pages 5 to 12 form part of these financial statements

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements

For the year ended 31 October 1997

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting, are in accordance with applicable Accounting Standards in the United Kingdom and comply with the Statement of Recommended Practice for Accounting by Charities.

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 £2,636 (1996 - £2,308) in respect of contributions by beneficiaries.

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.

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 October 1997

2. Grants		1997	1996	
		£	£	
National Lottery Charities' Board		41,236	36,211	
Lothian Health Board		24,605	14,218	
UVAF		12,652	-	
		<u>78,493</u>	<u>50,429</u>	
3. Administration Costs		1997	1996	
		£	£	
Printing, stationery, postage and telephone		7,311	4,040	
Insurance		886	1,118	
Property and equipment costs		1,524	6,121	
Professional Fees		3,274	1,863	
Auditors remuneration		750	700	
Miscellaneous expenses		2,142	1,697	
		<u>15,887</u>	<u>15,539</u>	
Less : Allocated to Charitable expenditure (notes 1 and 4)		<u>(14,271)</u>	<u>(13,963)</u>	
		<u>1,616</u>	<u>1,576</u>	
4. Charitable expenditure		Notes	1997	1996
			£	£
Staff costs	- Salaries		55,587	30,630
	- Social security costs		3,279	2,154
	- Superannuation		2,468	-
			<u>61,334</u>	<u>32,784</u>
Training			1,647	-
Advertising			967	-
Motor and travelling expenses			4,414	4,833
Therapy costs		1	6,647	3,675
Volunteer expenses			405	-
Depreciation		5	9,415	2,315
Capital grant amortisation		10	(480)	(479)
Gain on sale of fixed assets			(3,628)	-
Capital costs			995	-
			<u>81,716</u>	<u>43,128</u>
Allocated costs		3	<u>14,271</u>	<u>13,963</u>
			<u>95,987</u>	<u>57,091</u>

The average weekly number of employees during the period was 5 (1996 - 3).

No remuneration was paid to any member of the Executive Committee during the year (1996 - Nil).

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 October 1997

5.	Fixed assets	Minibus £	Equipment £	Total £
	<i>Cost</i>			
	At 1 November 1996	21,500	10,429	31,929
	Disposal during year	(21,500)	-	(21,500)
	Additions during year	24,116	9,922	34,038
		<u>24,116</u>	<u>20,351</u>	<u>44,467</u>
	<i>Depreciation</i>			
	At 1 November 1996	21,500	4,679	26,179
	Disposal during year	(21,500)	-	(21,500)
	Charge for year	4,824	4,591	9,415
		<u>4,824</u>	<u>9,270</u>	<u>14,094</u>
	<i>Net book value</i>			
	At 31 October 1997	<u>19,292</u>	<u>11,081</u>	<u>30,373</u>
	At 31 October 1996	<u>-</u>	<u>5,750</u>	<u>5,750</u>
6.	Investments		1997 £	1996 £
	Market value at 1 November		74,756	70,863
	Net unrealised gains		5,700	3,893
	Market value at 31 October		<u>80,456</u>	<u>74,756</u>
	Cost at 31 October		<u>69,567</u>	<u>69,567</u>

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.

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 October 1997

8. Funds

	Unrestricted General Funds	Designated Capital and Development Fund £	Restricted Funds £	1997 Total £	1996 Total £
Balance at 1 November	12,403	93,893	8,576	114,872	85,033
Surplus/(deficit) for year per Income and Expenditure account	5,026	24,086	6,889	36,001	25,946
Unrealised gains for year	-	5,700	-	5,700	3,893
	<u>17,429</u>	<u>123,679</u>	<u>15,465</u>	<u>156,573</u>	<u>114,872</u>

The Capital and Development Fund has been established to provide resources for the acquisition of suitable larger premises at some future date and for the extension of the therapeutic and remedial services already provided by the Group. The Group presently occupies, on an informal year to year basis, premises owned by the Astley Ainslie Hospital which are scheduled for re-development.

9. Analysis of net assets between funds

	Unrestricted Funds £	Capital and Development Fund £	Restricted Funds £	Total Funds £
Balances at 31 October 1997	<u>17,429</u>	<u>123,679</u>	<u>15,465</u>	<u>156,573</u>
Represented by:				
Fixed assets	-	30,373	-	30,373
Investments	-	80,456	-	80,456
Net current assets	<u>17,429</u>	<u>12,850</u>	<u>15,465</u>	<u>45,744</u>
	<u>17,429</u>	<u>123,679</u>	<u>15,465</u>	<u>156,573</u>

Unrealised investments gains included above

Unrealised gains at 31 October 1996	-	5,189	-	5,189
Gains on revaluation at 31 October 1997	-	5,700	-	5,700
Unrealised gains at 31 October 1997	<u>-</u>	<u>10,889</u>	<u>-</u>	<u>10,889</u>

EDINBURGH HEADWAY GROUP

Notes to the Financial Statements - continued

For the year ended 31 October 1997

10. Capital grant	1997 £	1996 £
Opening balance	960	-
National Lottery Charities' Board	-	1,439
Less: Transfer to Income and Expenditure account	(480)	(479)
	<u>480</u>	<u>960</u>

11. Capital

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

12. Pensions

The Group operates a defined benefits pension scheme which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group in independently administered funds.

Contributions to the scheme are charged to the Income and Expenditure account so as to spread the cost of the pensions over the employees' working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The most recent valuation was at 30 September 1996. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase of salaries and pensions.

The pensions charge for the year was £2,468 (1996 - Nil)

The contributions of the Group and of the employees' were set at 9.4% and 4.2% of earnings respectively.