

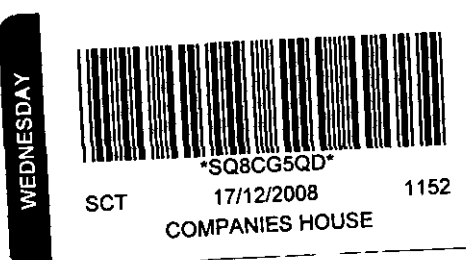
**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

**REPORT AND ACCOUNTS
For the year ended 31 March 2008**

Company No. SC184821

Charity No. SCO 27771

**Johnston Smillie Ltd
Chartered Accountants
22 Craigmount Avenue
Edinburgh
EH12 8HQ**



**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

CONTENTS	Page
LEGAL AND ADMINISTRATIVE INFORMATION	1
REPORT OF THE DIRECTORS	2
ACCOUNTANTS' REPORT TO THE MEMBERS	4
INCOME AND EXPENDITURE AND STATEMENT OF FINANCIAL ACTIVITIES	5
BALANCE SHEET	6
NOTES TO THE ACCOUNTS	7

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

LEGAL AND ADMINISTRATIVE INFORMATION

Company number: SC184821

Charity registration number: SCO 27771

Registered office and operational address:

Room 7
New Parliament House
5 – 7 Regent Road
Edinburgh
EH7 5BL

Directors

The following persons served as directors during the year

Robert Hope (Chairperson)
John H Mayhew (Resigned 11/10/2007)
Norman Hall
William Watt
James Shedden
Charles Black
Peter Wright (Resigned 11/10/2007)
Gail Cousins (Appointed 11/10/2007)
John MacGregor (Appointed October 2008)

For the purposes of charity law the directors of the company are also charity trustees

Company secretary:

William Watt

Reporting accountants:

Johnston Smillie Ltd
Chartered Accountants
22 Craigmount Avenue
Edinburgh
EH12 8HQ

Bankers:

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and accounts for the year ended 31 March 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a company limited by guarantee and a registered charity. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 1985. The directors of the company are also charity trustees for the purposes of charity law. Under the company's Articles, the directors are elected to serve for a maximum period of three years, after which they can offer themselves for re-election. Members and the directors are entitled to elect new directors, up to a maximum of 8. The directors who served during the year are set out on page 1.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to advance the mental, physical and spiritual welfare of young people in the City of Edinburgh and the Lothians by the provision of facilities for recreation and other leisure time occupations in the interests of social welfare and furthermore by promoting the scheme of awards as established by the Duke of Edinburgh's Award.

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2008 again finds our company in good shape. We have enjoyed a period of prosperity which has allowed us to deliver on our goals and in many instances exceed delivery of individual project targets. There is still a lot to be done in relation to specific developments, preparation of 'Best Practice' guidelines and the roll out of projects. One of the main achievements for the year was extending the schools project to give young people work based opportunities.

During the year we have retained contact with both East Lothian and Midlothian Councils. We would be happy to provide further support in either Council area.

Total income has increased to £215,324 (2007: £187,050) while resources expended have increased to £205,411 (2007: £162,737) resulting in a net increase in funds of £9,913.

The main expense was staff costs which rose from £108,212 to £142,883.

We are delighted to report that a wide range of funding bodies are still supporting our work, with monies in our account to cover many of our project areas. This provides us with what appears to be a healthy bank balance, however it must be noted that most of this has been provided for specific projects which are ongoing. We continue to seek funding to cover running costs and project work as the need arises pending a full evaluation in line with our business plan.

As we enter 2009, we begin a period of evaluation and forward planning in consultation with our partners which will guide our work in the future.

POLICY ON RESERVES

The Board has a strategy for holding funds in reserve which was advised as good business practice to cover unforeseen costs or necessary redundancy. This has been set as a designated fund of £15,000.

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

POLICY ON RESERVES (cont).

Total reserves held by the charity is £62,638, it is the objective of the charity to maintain sufficient reserves in order to ensure that day to day operations can continue and that liabilities can be met. The charity holds £5,680 of unrestricted funds, £15,000 designated funds and £41,958 of restricted funds.

PRINCIPAL RISKS AND UNCERTAINTIES

Friends of the Award in Edinburgh & the Lothians receive both restricted and unrestricted grants and hold £41,958 of restricted funds at the year end, therefore they are exposed to risk relating to the correct use of restricted income. The directors are careful to ensure that the restricted income is used correctly in order to negate this risk and perform sufficient risk assessments to negate any other significant risk. It is the policy to review risk on an annual basis.

RESPONSIBILITIES OF THE DIRECTORS

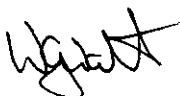
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements the directors should follow best practice and,

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Memorandum and Articles of Association of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (Revised 2005) and with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the directors on 11  2008 and signed on their behalf by



WG Watt

Secretary

Friends of the Award in Edinburgh & the Lothians

(Limited by Guarantee)

**ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED
ACCOUNTS OF FRIENDS OF THE AWARD IN EDINBURGH & LOTHIAN
(LIMITED BY GUARANTEE)**

We report on the accounts for the year ended 31 March 2008 which are set out on pages 5 to 14

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, its members as a body and its directors as a body, for our work, for this report, or for the opinions we have formed

Respective responsibilities of directors and reporting accountants

As described on page 3 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion

Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)



**Johnstone Smillie Ltd
Reporting Accountants**

**22 Craigmount Avenue
Edinburgh
EH12 8HQ**

Date 12/4/08

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2008**

	Notes	General Fund £	Restricted Funds £	2008 Total Funds £	2007 Total Funds £
Incoming Resources:					
Incoming resources from generated funds					
Voluntary income	3	1,000	179,928	180,928	153,759
Activities for generating funds		1,491		1,491	9,004
Investment income (Bank Interest)		6,767		6,767	4,860
Incoming resources from charitable activities	4	20,065		20,065	19,427
Other incoming resources		6,073	-	6,073	
<i>Total Incoming Resources</i>		<u>35,396</u>	<u>179,928</u>	<u>215,324</u>	<u>187,050</u>
Resources Expended:					
Costs of generating funds	5				
Costs of generating voluntary income					
Charitable activities					
Office costs		23,361	6,467	29,828	26,249
Expedition costs		8,700	25,019	33,719	32,971
Projects costs		8,180	125,319	133,499	95,467
Training costs		882	3,200	4,082	3,259
Governance costs		4,283		4,283	4,791
<i>Total Resources Expended</i>		<u>45,406</u>	<u>160,005</u>	<u>205,411</u>	<u>162,737</u>
<i>Net Movement in Funds</i>		<u>(10,010)</u>	<u>19,923</u>	<u>9,913</u>	<u>24,313</u>
Reconciliation of Funds					
Total funds brought forward as previously reported		15,690	37,035	52,725	17,454
Prior year adjustment	12	15,000	(15,000)		10,958
		<u>30,690</u>	<u>22,035</u>	<u>52,725</u>	<u>28,412</u>
Total funds carried forward		<u>20,680</u>	<u>41,958</u>	<u>62,638</u>	<u>52,725</u>

The notes on pages 7 to 14 form part of these accounts

Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
BALANCE SHEET
As at 31 March 2008

	Notes	2008 £	2007 £
Fixed Assets:			
Tangible assets	7	<u>3,622</u>	<u>11,735</u>
Current Assets:			
Cash at bank and in hand		<u>109,862</u>	<u>122,400</u>
		109,862	122,400
Creditors:			
Amounts falling due within one year	8	<u>(50,846)</u>	<u>(41,410)</u>
Net Current Assets		<u>59,016</u>	<u>80,990</u>
Total Assets less current liabilities		<u>62,638</u>	<u>92,725</u>
Creditors:			
Amounts falling due after one year	8	<u></u>	<u>(40,000)</u>
Net Assets	10	<u>62,638</u>	<u>52,725</u>
Capital and Reserves			
Unrestricted Funds	11	5,680	15,690
Designated Funds	11	15,000	15,000
Restricted Funds	11	<u>41,958</u>	<u>22,035</u>
Total Charitable Funds		62,638	52,725

The notes on pages 7 to 14 form part of these accounts

In preparing these financial statements

- a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- c) The directors acknowledge their responsibilities for,
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to the accounts so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board for issue on 11 *March* 2008

WG Watt
 WG Watt
 Director

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS
For the Year Ended 31 March 2008**

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005)

Tangible Fixed Assets

The company's policy is to capitalise all fixed assets of a value greater than £100
See note 12 on prior year adjustment regarding the capitalisation of assets

Depreciation

Depreciation is provided on all tangible 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

Plant & Machinery	33 3% Straight Line
Computer Equipment	33 3% Straight Line

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without specified purpose and are available as general funds. The Trustees have decided to set up a designated contingency fund that will allow for necessary expenses to be paid if the Charity faces a period of hardship

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund

Income

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Grants for the purchase of fixed assets are treated as deferred income, and released to the Income and Expenditure account as the relevant assets are written off. Donations and legacies are credited to income upon receipt

**NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008**

1. ACCOUNTING POLICIES (CONT'D)

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Costs are allocated dependent on the activity categories of the resources expended. The support costs of overall direction and administration, comprising the salary and overhead costs of the central function are apportioned on an appropriate basis e.g. staff time, as set out in note 5.

- **Charitable activities**

Costs of charitable activities include all expenditure for the running of the organisation including expedition costs and costs of running the various projects undertaken by the organisation. Staff costs are allocated as appropriate as shown in note 5.

- **Governance costs**

Governance costs comprise all costs associated with the governance arrangements of the charity which relate to the general running of the charity. Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

Pensions

Amounts are paid in to a defined contribution Stakeholder Pension Scheme. The pension cost charge represents contributions paid or payable by the company.

2. TRUSTEES' REMUNERATION

During the period expenses, amounting to £1,173 (2007: £632) were reimbursed to 1 of the Trustees (2007: 2 Trustees). These were for purchase of IT equipment and for board expenses.

No Trustees received any remuneration during the year.

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)**

**NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008**

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Grants				
Big Lottery Fund		55,649	55,649	53,373
NOF				4,890
Hendrie Trust		90,000	90,000	40,000
CEC – Action fund				8,570
Tulip Trust				5,000
Lloyds TSB		17,500	17,500	9,000
Project Scotland		2,655	2,655	1,930
Awards for All				8,176
Duke of Edinburgh	1,000		1,000	1,000
Youthlink Scotland		3,722	3,722	4,000
Robertson Trust				7,000
Glenmore				5,000
HBOS Foundation				4,960
Dumbiedykes				860
Active Futures		5,174	5,174	
Local Initiative Fund		5,000	5,000	
Other Grants		228	228	
Total Voluntary Income	1,000	179,928	180,928	153,759

The Trustees would like to thank all the members and supporters who have contributed their time and effort to raising money for the Trust

4. INCOME FROM CHARITABLE ACTIVITIES

	2008 £	2007 £
Incoming Resources		
CEC	10,880	16,501
Green team		232
Edinburgh Leisure		1,337
Duke of Edinburgh		240
Insurance claim		299
Membership fees	1,981	42
Kit hire	2,219	
Minibus sale		
Schools contribution to Hendrie Project	4,985	
Other income		776
Total incoming resources	20,065	19,427

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008**

5. TOTAL RESOURCES EXPENDED

	Fundraising Trading £	Office costs £	Expedition costs £	Charitable Activities Projects £	Training £	Governance £	Total 2008 £	Total 2007 £
Project work, includes project work in schools	-	-	-	18,549	-	-	18,549	-
Expenses	-	2,046	1,514	2,193	-	-	5,753	10,864
Staff Costs (Note 6)	-	10,510	22,189	110,184	-	-	142,883	108,212
Other Costs	-	2,443	-	-	-	-	2,443	3,502
City of Edinburgh Council	-	-	-	-	-	-	-	3,023
Ceildh	-	-	-	-	-	-	-	943
Honorariums	-	343	-	-	-	-	343	250
Annual report costs	-	-	-	-	-	2,180	2,180	3,351
Course Costs	-	-	-	-	2,795	-	2,795	2,160
Insurance	-	959	-	-	-	-	959	996
Travel expenses	-	-	1,112	2,573	362	-	4,047	2,883
Room Hire	-	820	-	-	-	-	820	227
Green team	-	-	-	-	-	-	-	1,350
Bike Station	-	-	-	-	-	-	-	2,363
Transfer from LDC	-	-	-	-	-	-	-	1,200
Petty cash expenditure	-	-	-	-	-	-	-	800
Staff training costs	-	-	-	-	925	-	925	3,920
Award Inclusive	-	-	-	-	-	-	-	1,143
Computer expenses	-	3,451	-	-	-	-	3,451	1,012
Advertising	-	500	-	-	-	-	500	300
Street works project	-	-	-	-	-	-	-	1,179
Subscriptions	-	445	-	-	-	-	445	458
Accountancy Fees	-	-	-	-	-	2,103	2,103	1,440
Telephone	-	-	-	-	-	-	-	559
Depreciation	-	3,397	6,550	-	-	-	9,947	9,336
Lloyds TSB grant to SEAOG and EAGLE	-	1,500	-	-	-	-	1,500	800
Donations	-	-	-	-	-	-	-	60
Project Scotland	-	3,414	-	-	-	-	3,414	-
Kit	-	-	2,354	-	-	-	2,354	-
Total	-	29,828	33,719	133,499	4,082	4,283	205,411	162,737

Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008

6. STAFF COSTS AND NUMBERS

	2008 £	2007 £
Salaries and Wages	127,561	97,043
Social Security Costs	10,569	8,235
Pension Contributions	4,753	2,934
	<u>142,883</u>	<u>108,212</u>

The average number of employees during the year was

	2008	2007
Employees on payroll	7	6

There are no employees with emoluments above £60,000

Pension Costs

Amounts are paid in to a defined contribution Stakeholder Pension Scheme. The pension cost charge represents contributions paid or payable by the company.

Volunteers

During the year a number of volunteers contributed a many hours in carrying out a variety of administrative and support tasks. If the work carried out by these volunteers had been undertaken by employees paid at the minimum wage, the cost to the Trust would have been material. The Trustees would like to recognise the vital contribution made by the volunteers to the smooth running of the Trust and thank them for their hard work.

7. TANGIBLE FIXED ASSETS

	Equipment, fixtures & fittings £
Cost	
At 1 April 2007	28,008
Additions during the year	1,834
Disposals during the year	
At 31 March 2008	<u>29,842</u>
Depreciation	
At 1 April 2007	16,273
Charge for the year	9,947
Depreciation eliminated on disposal	
At 31 March 2008	<u>26,220</u>
Net Book Value	
At 31 March 2008	<u>3,622</u>
At 31 March 2007	<u>11,735</u>

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008**

8. CREDITORS

	2008	2007
	£	£
Amounts Falling Due Within One Year		
Other creditors	5,744	
Accruals	5,102	1,410
Deferred Income (Note 9)	40,000	40,000
	<u>50,846</u>	<u>41,410</u>
Amounts Falling Due After One Year	2008	2007
	£	£
Deferred Income (Note 9)		40,000
		<u>40,000</u>

9. DEFERRED INCOME

	£
Deferred Income at 1 April 2007	80,000
Released in year	<u>(40,000)</u>
Deferred Income at 31 st March 2008	<u>40,000</u>
Falling Due Within One Year	<u>40,000</u>
Falling Due After One Year	<u> </u>

The deferred income relates to a grant for £120,000 from the Hendrie trust to be used for staff costs over 3 years. Therefore £40,000 of this income relates to 2008/09

**Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008**

10. FUNDS

	Opening Balance at 1 April 2007 £	Funds received £	Funds expended £	Closing Balance at 31 March 2008 £
Grants				
Big Lottery Fund		55,649	55,649	
Active Futures		5,174	5,174	
Hendrie Trust		90,000	50,000	40,000
CEC – Action Fund	2,570		2,570	
Tulip Trust	2,000		2,000	
Lloyds TSB	5,250	17,500	21,331	1,419
Project Scotland	965	2,655	3,414	206
Awards for All	3,300		2,967	333
Youthlink Scotland		3,722	3,722	-
Robertson Trust	1,750		1,750	
Glenmore	3,200		3,200	
HBOS Foundation	3,000		3,000	
Local Initiative Fund		5,000	5,000	
P Wright		228	228	
Total Restricted Income	22,035	179,928	160,005	41,958
Designated Funds	15,000			15,000
General Funds	15,690	35,396	45,406	5,680
Total Balances	52,725	215,324	205,411	62,638

On reconsideration the Trustees have decided that the contingency fund should be a designated fund rather than a restricted fund. The comparatives have been adjusted to reflect this change.

Grants from the Big Lottery Fund and Active Futures were to be spent on staff costs. These have been fully utilised.

The Hendrie Trust Grant was partially for staff costs, with £50,000 of the grant being for project costs. There was no specific date for this money to be spent by.

The City of Edinburgh Council action fund was for use in Schools projects.

The grant by Project Scotland is for project costs relating to a work placement scheme.

The Grant from the Robertson Trust was to be used to fund the salary of the Mental Health Development Officer. The grant from Lloyds TSB is also for this purpose and for supporting the work he does and is due to be spent by December 2008.

Restricted income from Youthlink Scotland was to be spent on projects costs.

The grant from the Tulip Trust was for training purposes.

HBOS supplied a grant for expedition equipment.

Friends of the Award in Edinburgh & the Lothians
(Limited by Guarantee)
NOTES TO THE ACCOUNTS (cont'd)
For the Year Ended 31 March 2008

10. FUNDS (Cont'd)

The Glenmore trust issued a grant for expedition training

Awards for All donated a grant for website development This initially had to be fully utilised by 30 September 2007, but this date has been extended to April 2008

The Local Initiative Fund is to support a local project

P Wright gave money to be used for the Mental Health Project

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	3,622			3,622
Current Assets less	12,904	15,000	81,958	109,862
Current Liabilities	10,846		40,000	50,846
Creditors due after one year				
Net Assets at 31 March 2008	<u>5,680</u>	<u>15,000</u>	<u>41,958</u>	<u>62,638</u>

12. PRIOR YEAR ADJUSTMENT

With effect from 1 April 2006 expenditure on Expedition and Computer Equipment has been capitalised and depreciated at 33⅓% of cost per annum This represented a change of accounting policy as prior to that date such expenditure had been treated as revenue expenditure and written off in the year of purchase The results for the year ended 31 March 2006 have been restated on the new basis and funds brought forward at 1 April 2005 and 1 April 2006 have been adjusted accordingly

On reconsideration the Trustees have decided that the contingency fund should be a designated fund rather than a restricted fund The comparatives have been adjusted to reflect this change