

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

**REPORT AND ACCOUNTS  
For the year ended 31 March 2010**

**Company No. SC184821**

**Charity No. SCO 27771**

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

**SATURDAY**



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**COMPANIES HOUSE**

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

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**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)  
William Watt  
James Shedden  
Charles Black  
Gail Cousins  
John MacGregor

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 2010.

**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 2006. 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<sup>st</sup> March 2010 has seen our company move from our business plan 'Award Inclusive' to our new rolling three year plan 'Supporting Transitions'. This has been a natural progression of our work which recognises the strengths of the development work to make the D of E available to marginalised young people and the skills and self confidence it provides to assist participants to make positive life choices. There are four main strands to the plan: building capacity of partner agencies working with young people in our target groups, providing work and training based opportunities for participants as part of their D of E programme, providing pathways to allow young people to continue D of E as they leave primary support agencies and a comprehensive package of Expedition support.

We have further developed our enterprise programme whereby we have secured commissioning through Fairer Scotland funding for aspects of our work and started, at a modest level to sell our expertise through the delivery of training.

Through a partnership with the City of Edinburgh Council we are currently developing a junior award programme aimed at P6 – S2 children to support their transition from primary to secondary education and to provide schools with a toolkit to deliver Curriculum for Excellence.

We are at an advanced stage in discussions with managers in West Lothian Council in relation to extending aspects of our work there. Progress in this area is dependent upon funding being secured.

Total income has decreased to £115,771 (2009: £162,240) while resources expended have also decreased to £114,574 (2009: £179,494) resulting in a net increase in funds of £1,197.

The main expense was staff costs which fell from £142,528 to £82,802.

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.

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

**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.

Total reserves held by the charity are £46,581; 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 £1,324 of unrestricted funds, £15,000 designated funds and £30,257 of restricted funds.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Friends of the Award in Edinburgh & the Lothians receive both restricted and unrestricted grants and hold £30,257 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**

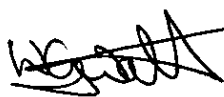
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for 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 26 October 2010 and signed on their behalf by:



WG Watt

Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FRIENDS OF THE  
AWARD IN EDINBURGH AND THE LOTHIAN**

I report on the accounts of the charity for the year ended 31 March 2010 which are set out on pages 5 to 14.

**Respective Responsibilities of Directors and Examiner**

The Directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Directors consider that the audit requirement of regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of Independent Examiner's Statement**

My examination is carried out in accordance with regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.


**Independent Examiner's Statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**I Allan Sim BSc CA  
Johnston Smillie Ltd  
Chartered Accountants  
22 Craigmount Avenue  
Edinburgh**

Date:

4/11/10

Relevant professional body: The Institute of Chartered Accountants of Scotland

**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 2010**

	Notes	General Fund £	Restricted Funds £	2010 Total Funds £	2009 Total Funds £
<b>Incoming Resources:</b>					
Incoming resources from generated funds:					
- Voluntary income	3	-	73,588	73,588	146,815
- Activities for generating funds		-	-	-	-
- Investment income (Bank Interest)		231	-	231	2,419
Incoming resources from charitable activities	4	10,952	6,000	16,952	13,006
Other incoming resources	5	-	25,000	25,000	-
<b>Total Incoming Resources</b>		<b>11,183</b>	<b>104,588</b>	<b>115,771</b>	<b>162,240</b>
<b>Resources Expended:</b>	6				
Costs of generating funds					
- Costs of generating voluntary income					
Charitable activities:					
- Office costs		3,968	7,753	11,721	14,637
- Expedition costs		2,490	34,056	36,546	34,893
- Projects costs		2,822	52,010	54,832	123,883
- Training costs		-	7,073	7,073	579
Governance costs		4,402	-	4,402	5,502
<b>Total Resources Expended</b>		<b>13,682</b>	<b>100,892</b>	<b>114,574</b>	<b>179,494</b>
<b>Net Movement in Funds</b>		<b>(2,499)</b>	<b>3,696</b>	<b>1,197</b>	<b>(17,254)</b>
<b>Reconciliation of Funds</b>					
Balance at 1 April 2009		18,823	26,561	45,384	62,638
<b>Total funds carried forward</b>		<b>16,324</b>	<b>30,257</b>	<b>46,581</b>	<b>45,384</b>

The notes on pages 7 to 13 form part of these accounts.

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

**BALANCE SHEET**

As at 31 March 2010

	Notes	2010 £	2009 £
<b>Fixed Assets:</b>			
Tangible assets	8	<u>4,651</u>	<u>1,448</u>
<b>Current Assets:</b>			
Debtors		82	7,086
Cash at bank and in hand		<u>49,555</u>	<u>40,630</u>
		49,637	47,716
<b>Creditors:</b>			
Amounts falling due within one year	9	<u>(7,707)</u>	<u>(3,780)</u>
Net Current Assets		<u>41,930</u>	<u>43,936</u>
Total Assets less current liabilities		<u>46,581</u>	<u>45,384</u>
<b>Creditors:</b>			
Amounts falling due after one year	9	<u>-</u>	<u>-</u>
Net Assets	10	<u>46,581</u>	<u>45,384</u>
<b>Capital and Reserves</b>			
Unrestricted Funds	11	1,324	3,823
Designated Funds	11	15,000	15,000
Restricted Funds	11	<u>30,257</u>	<u>26,561</u>
<b>Total Charitable Funds</b>		<u>46,581</u>	<u>45,384</u>

The notes on pages 7 to 13 form part of these accounts.

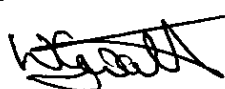
In preparing these financial statements:

- a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006;
- b) No notice has been deposited under Section 476 of the Companies Act 2006; and
- c) The directors acknowledge their responsibilities for;
  - (i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006, 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 394 and 395, 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 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 26 October 2010 and signed on their behalf by

WG Watt  
Director





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

**NOTES TO THE ACCOUNTS  
For the Year Ended 31 March 2010**

**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 April 2008), the Companies Act 2006 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.

**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 2010**

**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 £540 (2009: £576) were reimbursed to 1 of the Trustees (2009: 2 Trustees). These were 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 2010**

**3. VOLUNTARY INCOME**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2010 £</b>	<b>Total 2009 £</b>
Grants:				
Big Lottery Fund	-	-	-	56,622
Hendrie Trust	-	-	-	40,000
Tulip Trust	-	-	-	5,000
Lloyds TSB	-	-	-	8,000
Project Scotland	-	-	-	1,965
Scottish Community Foundation	-	-	-	4,700
HBOS Foundation	-	-	-	6,541
Jubilee Fund	-	-	-	400
Active Futures	-	2,362	2,362	23,587
Miller	-	1,000	1,000	-
Robertson Trust	-	10,500	10,500	-
StateStreet	-	8,010	8,010	-
Cashback for Communities	-	2,000	2,000	-
Postcode Lottery	-	11,652	11,652	-
Third Sector	-	36,464	36,464	-
Catherine Smith Memorial Trust	-	800	800	-
John Watsons Trust	-	800	800	-
<b>Total Voluntary Income</b>	<b>-</b>	<b>98,588</b>	<b>98,588</b>	<b>146,815</b>

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**

	<b>2010 £</b>	<b>2009 £</b>
<b>Incoming Resources</b>		
CEC	6,000	5,783
Duke of Edinburgh Award	1,540	208
Membership fees	740	108
Kit hire	3,189	4,005
Schools contribution to Hendrie Project	4,276	2,901
BELA Income	559	-
Other income	648	1
<b>Total incoming resources</b>	<b>16,952</b>	<b>13,006</b>

**5. OTHER INCOMING RESOURCES**

	<b>2010 £</b>	<b>2009 £</b>
Fairer Scotland (Note 10)	25,000	-

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

NOTES TO THE ACCOUNTS (cont'd)

For the Year Ended 31 March 2010

6. TOTAL RESOURCES EXPENDED

	Fundraising Trading £	Office costs £	Expedition costs £	Projects £	Training £	Governance £	Total 2010 £	Total 2009 £
Project work, includes project work in schools	-	-	-	3,990	-	-	3,990	16,290
Expenses	-	-	3,171	1,259	-	832	5,262	2,090
Staff Costs (Note 6)	-	7,753	27,089	41,187	6,773	-	82,802	142,528
Other Costs	-	799	589	1,951	-	-	3,339	447
Annual report costs	-	-	-	-	-	2,320	2,320	2,310
Insurance	-	1,045	-	-	-	-	1,045	977
Staff training costs	-	828	2,310	-	300	-	3,438	1,992
Computer expenses	-	-	-	1,232	-	-	1,232	874
Advertising	-	350	-	517	-	-	867	1,595
Subscriptions	-	290	-	-	-	-	290	410
Accountancy Fees	-	-	-	-	-	1,250	1,250	2,191
Depreciation	-	656	2,490	-	-	-	3,146	3,429
Project Scotland	-	-	-	4,696	-	-	4,696	2,092
Kit	-	-	897	-	-	-	897	2,269
<b>Total</b>	-	<b>11,721</b>	<b>36,546</b>	<b>54,832</b>	<b>7,073</b>	<b>4,402</b>	<b>114,574</b>	<b>179,494</b>

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

**NOTES TO THE ACCOUNTS (cont'd)  
For the Year Ended 31 March 2010**

**7. STAFF COSTS AND NUMBERS**

	2010 £	2009 £
Salaries and Wages	64,544	128,279
Social Security Costs	15,054	11,259
Pension Contributions	3,204	2,990
	<u>82,802</u>	<u>142,528</u>

The average number of employees during the year was:

	2010	2009
Employees on payroll	6	7

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 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.

**8. TANGIBLE FIXED ASSETS**

	Equipment, fixtures & fittings £
<b>Cost</b>	
At 1 April 2009	31,097
Additions during the year	6,349
Disposals during the year	-
At 31 March 2010	<u>37,446</u>
<b>Depreciation</b>	
At 1 April 2009	29,649
Charge for the year	3,146
Depreciation eliminated on disposal	-
At 31 March 2010	<u>32,795</u>
<b>Net Book Value</b>	
At 31 March 2010	<u>4,651</u>
At 31 March 2009	<u>1,448</u>

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

**NOTES TO THE ACCOUNTS (cont'd)  
For the Year Ended 31 March 2010**

**9. CREDITORS**

	2010 £	2009 £
<b>Amounts Falling Due Within One Year</b>		
Other creditors	1,761	1,825
Deferred income	4,696	-
Accruals	1,250	1,955
	<u>7,707</u>	<u>3,780</u>

**10. FUNDS**

	Opening Balance at 1 April 2009 £	Funds received £	Funds expended £	Closing Balance at 31 March 2010 £
Grants:				
Big Lottery Fund	14,156	-	(14,156)	-
Active Futures	-	2,362	(2,362)	-
Lloyds TSB	6,000	-	(6,000)	-
HBOS Foundation	2,200	-	(2,200)	-
Scottish Community Foundation	4,205	-	(4,205)	-
Council Funding	-	6,000	(6,000)	-
Third Sector	-	36,464	(36,464)	-
Miller	-	1,000	(1,000)	-
Robertson Trust	-	10,500	(10,500)	-
StateStreet	-	8,010	(8,010)	-
Cashback for Communities	-	2,000	-	2,000
Postcode Lottery	-	11,652	(5,048)	6,604
Fairer Scotland	-	25,000	(4,947)	20,053
Catherine Smith Memorial	-	800	-	800
John Watsons	-	800	-	800
<b>Total Restricted Income</b>	<u>26,561</u>	<u>104,588</u>	<u>(100,892)</u>	<u>30,257</u>
<b>Designated Funds</b>	15,000	-	-	15,000
<b>General Funds</b>	3,823	11,183	(13,682)	1,324
<b>Total Balances</b>	<u>45,384</u>	<u>115,771</u>	<u>(114,574)</u>	<u>46,581</u>

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

**NOTES TO THE ACCOUNTS (cont'd)  
For the Year Ended 31 March 2010**

**10. FUNDS (cont'd)**

Grants from the Big Lottery Fund were to be spent on staff costs. The current grant expired on 30 June 2009.

Active Futures is a project run in partnership with Edinburgh Leisure who are the main grant partner. Grants received are to help fund staff costs associated with the project.

The Lloyds TSB grant was made to support projects relating to mental health.

HBOS supplied a grant for website and IT development.

The grant from the Scottish Community Foundation was made to support expedition expenses.

The City of Edinburgh Council provided funds to support expedition expenses.

The grant from Third Sector is to cover the cost of expenses and the salary of Lynn Molleson. A total of £69,000 is due to be received over a 2 year period.

The Robertson Trust grant is part of a 3 year programme to deliver transitions work in Edinburgh until April 2012.

StateStreet provided funds in order to assist with project costs.

The Postcode Lottery grant was received in 2 instalments. The first instalment of £5,952 is in respect of the delivery of BELA Courses in 2010. The second instalment of £5,700 is towards the purchase of expedition kit.

Fairer Scotland is funding FOTA to carry out work on their behalf. The money received this year of £25,000 is to cover the staffing costs of this work. A further £25,000 will be received in the year to April 2011.

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible Fixed Assets	4,651	-	-	4,651
Current Assets less	4,380	15,000	30,257	49,637
Current Liabilities	(7,707)	-	-	(7,707)
Creditors due after one year	-	-	-	-
Net Assets at 31 March 2010	<u>1,324</u>	<u>15,000</u>	<u>30,257</u>	<u>46,581</u>