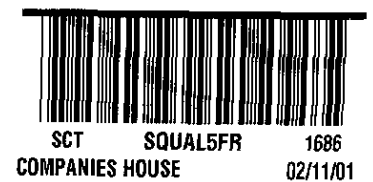
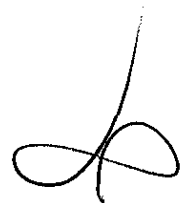


PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year to 31 March 2001



PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

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PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

Directors

Jean Dunlop (Chairperson)
John Cunningham (Treasurer)
Fiona Hird (Company Secretary)
Lori Smith
Gordon Mungall
Bob Forsyth
John Dye
John Toal (resigned 1 April 2000)
Michael Hall (appointed 21 October 2000)
James Stevenson (appointed 21 October 2000)

Company Secretary

F Hird

Registered Office

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

Registered Number

SC134379

Charity Number

SC016015

Bankers

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

Solicitors

Warden Bruce & Co WS
Scotiabank House
South Charlotte Street
Edinburgh
EH2 4EB

Auditors

Chiene & Tait, CA
Registered Auditors
61 Dublin Street
Edinburgh
EH3 6NL

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

REPORT of the DIRECTORS

The Directors of Phab (Scotland) Limited have pleasure in presenting their report and the audited financial statements for the year to 31 March 2001.

Constitution

Phab (Scotland) Limited is a company limited by guarantee established in October 1991 and has no share capital. It is recognised by the Inland Revenue as a Scottish Charity.

Principal activity

The principal activity of the company is to empower people who have disabilities to actively engage in the social, leisure, educational and vocational activities of their choice.

Financial results

The financial results for the year are set out in the financial statements which follow. The Directors regard the financial position to be satisfactory.

Review of the year and future developments

2000/2001 has been a year of consolidation and review.

We moved premises to a permanent office in Norton Park, Edinburgh, which is managed by the Albion Trust and provides supported office accommodation for a wide range of voluntary sector organisations.

A number of our projects reached the end of their funding during the year and the Board undertook to restructure to provide longer term stability for the organisation.

This coincided with an HMI review on behalf of the Scottish Executive and National Lottery Charities Board monitoring visit. Both were well received and benefited the organisation greatly in formulating future plans. Closer co-operation and joint working between Board, staff and volunteers has enabled core services to be maintained and new services developed. Ongoing training has been provided and funding secured to continue key services.

The task ahead is for the company to take the future plans and make them a reality in association with other key bodies.

The Directors, staff and other stakeholders in the organisation wish to thank Phab Scotland's many supporters, funders and partners for their contribution to our work.

Directors

The Directors are as stated on page 1.

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.

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

REPORT of the DIRECTORS (Contd)

Auditors

Messrs Chiene & Tait CA are auditors to the company and the Directors will recommend their reappointment at the Annual General Meeting.

BY ORDER OF THE BOARD



FIONA HIRD
Company Secretary

Norton Park
57 Albion Road
Edinburgh

26th Oct . 2001



AUDITORS' REPORT TO THE MEMBERS OF

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

We have audited the accounts on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 7.

Respective responsibilities of Directors 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 examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company'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.

As described in note 16 the financial statements have been prepared on the going concern basis which assumes that adequate grants and fund raising income will be received in order for the company to be able to meet its day to day working capital commitments. In view of the significance of this matter we should like to draw it to your attention but our opinion is not qualified in this respect.

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 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chiene & Tait CA

CHIENE & TAIT, CA
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

26 October 2001

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

INCOME and EXPENDITURE ACCOUNT
(Incorporating Statement of Financial Activities)

For the year ended 31 March 2001

	Notes	Restricted Funds £	Un- restricted Funds £	Total 2001 £	Total 2000 £
Income	2				
Income from supporters		-	2,138	2,138	2,324
Scottish Office		26,039	-	26,039	26,118
Training activities		6,114	10,367	16,481	15,279
Fundraising		3,940	9,070	13,010	7,121
Grants		185,270	18,510	203,780	280,311
Interest received		734	1,031	1,765	2,778
Insurance claim		-	9,460	9,460	-
		222,097	50,576	272,673	333,931
Expenditure					
Direct charitable expenditure	3	195,651	58,369	254,020	310,831
Management and administration	4	24,427	11,085	35,512	31,052
Publicity and fundraising	5	2,019	5,291	7,310	6,690
		222,097	74,745	296,842	348,573
Net income/(expenditure) before transfers		-	(24,169)	(24,169)	(14,642)
Transfer between funds		-	-	-	-
Net income/(expenditure) for the year		-	(24,169)	(24,169)	(14,642)
Balances brought forward		12,139	39,774	51,913	66,555
Balances carried forward		12,139	15,605	27,744	51,913

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

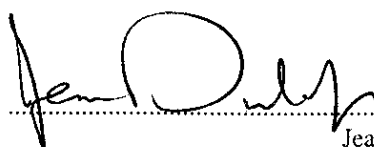
PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET

As at 31 March 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	8		4,746		-
Current assets					
Debtors	9	21,051		15,044	
Cash at bank and in hand		96,599		86,448	
			-----	-----	
		117,650		101,492	
Creditors: amounts falling due within one year	10	94,652		49,579	
			-----	-----	
Net current assets			22,998		51,913
			-----		-----
Net assets			27,744		51,913
			=====		=====
Financed by:					
Unrestricted funds:					
Designated funds	14		35,161		35,411
General funds	14		(19,556)		4,363
Restricted funds	13		12,139		12,139
			-----		-----
			27,744		51,913
			=====		=====

The financial statements were approved by the Directors on *26 October* 2001 and signed on its behalf by:



Jean Dunlop

Director

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

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2001

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of accounting

The financial statements are prepared in all material respects with the Statement of Recommended Practice - Accounting by Charities (1995), except as noted below regarding the treatment of grants to fund the purchase of fixed assets.

Donations

Donations are taken to the Income and Expenditure Account in the year which they are received.

Grants receivable

Revenue Grants, including those relating to Phab (Scotland) Limited projects, are taken to the Income and Expenditure Account in the year to which they relate. Grants to fund the purchase of fixed assets are deducted from the cost of the relevant asset. Grant income to fund Phab (Scotland) Limited project expenditure not yet incurred is included in creditors as grants received in advance.

Funds

The Edinburgh Inclusion Project fund reflects the restricted funds and finances of the Inclusion project funded through transitional funding from the City of Edinburgh Council in 2000/01. The Isolated Young People's Project fund reflects the restricted funds and finances of the IT project funded by the National Lottery Charities Board. The Out and About Fund reflects the restricted fund and finances of this action research project funded by the Edinburgh Youth Social Inclusion Partnership. The Administration fund represents the funds restricted to meet the salary costs of the Chief Executive. The Ewing Bequest is an unrestricted fund and designated fund and contains an endowment provided by a legacy from the estate of the late Miss Catherine Ewing of East Lothian. There are three other unrestricted and designated funds, the Eliza Munro Fund, the Tracey Clapperton Fund and the Development fund. The development fund is to be used to fund the strategic development of the company. The general fund is the free and unrestricted fund of Phab (Scotland) Limited.

Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Office equipment – 25% straight line

Computer equipment – 33 % straight line

Pensions

All employees are given the opportunity to join a pension scheme operated by the Pensions Trust. The company makes related contributions to the scheme. Such contributions are linked to salary and are charged to the Income and Expenditure Account in the year that they are paid.

Taxation

The organisation is recognised as a charity for taxation purposes.

Value added tax

The organisation is not registered for Value Added Tax (VAT). All VAT on incurred costs is included in the attributable expenditure.

Cash flow statement

The company is a small company as defined by Section 247 of the Companies Act 1985 and is entitled to exemption from preparation of a cash flow statement as required under FRS1. Consequently a cash flow statement has not been prepared.

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2001

2. Income

Income includes grants from trusts and others, and income from other sources, which were received during the year. These amounts are only credited to the Income and Expenditure Account, or set against the costs of fixed assets purchased, in the period where the related expenditure is incurred. Those over £100 received in the year included:

	2001	2000
	£	£
Transitional funding - City of Edinburgh Council	100,000	163,813
National Lottery Charities Board	82,696	81,008
Scottish Executive (HQ Grant)	24,205	24,205
Children in Need	16,125	21,500
TSB Foundation Scotland	-	19,818
SCVO Baring Foundation	-	792
Kirkcaldy Round Table	-	200
C Pringle & Friends (Glasgow Marathon)	-	1,070
Scottish Executive (Training Grant)	1,834	1,913
Bank of Scotland	1,000	-
Clydesdale Bank	500	-
EDC - Health Your Self	3,164	-
EDC - Out and About	4,740	-
JBB Europe	250	-
Mr Mrs Gibbs	1,462	-
Music Live	1,215	-
Scottish Arts Council	1,000	-
Tay Charitable Trust	500	-
John Menzies plc	-	1,299
William Grant Charitable Trust	-	500
Nambarrie Tea Company	-	1,113
Help a Child (Radio Forth)	-	1,000
M Hunter	-	113
N Majid	-	135
K Whitely	-	130
J Dye	-	185
J Boyle	-	680
	=====	=====

	Restricted	Un-	2001	2000
	Funds	restricted	Total	Total
	£	Funds	£	£
3. Direct charitable expenditure				
Staff costs	135,528	54,760	190,288	221,392
Projects and activities	60,123	3,609	63,732	89,439
	-----	-----	-----	-----
	195,651	58,369	254,020	310,831
	=====	=====	=====	=====

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2001

	Restricted Funds £	Un- restricted Funds £	2001 Total £	2000 Total £
4. Management and administration				
Staff costs	8,120	-	8,120	8,130
Other costs	16,307	11,085	27,392	22,922
	<u>24,427</u>	<u>11,085</u>	<u>35,512</u>	<u>31,052</u>
5. Publicity and fundraising				
Other costs	<u>2,019</u>	<u>5,291</u>	<u>7,310</u>	<u>6,690</u>
6. Net income/(expenditure) for the year			2001 £	2000 £
This is stated after charging:				
Board of Directors costs			2,275	731
Audit fees (as auditor)			<u>1,080</u>	<u>1,050</u>
7. Staffing costs				
Salaries			176,057	205,688
Employers NIC			15,570	17,572
Employers superannuation			6,781	6,262
			<u>198,408</u>	<u>229,522</u>
Allocated thus:				
Direct charitable expenditure (note 3)			190,288	221,392
Management and administration (note 4)			8,120	8,130
			<u>198,408</u>	<u>229,522</u>
Average staff numbers:			No.	No.
Those employed for 20 hours or more per week			9	10
Those employed for less than 20 hours per week			<u>4</u>	<u>5</u>

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2001

8. Tangible fixed assets	Leasehold improvement £	Office equipment £	Computer equipment £	Motor vehicle £	Total
Cost					
As at 31 March 2000	47,365	21,510	-	28,527	97,402
Additions	-	239	6,850	-	7,089
Disposals	(47,365)	(17,747)	-	-	(65,112)
As at 31 March 2001	-	4,002	6,850	28,527	39,379
Grants received					
As at 31 March 2000	47,365	21,510	-	28,527	97,402
Charge for year	-	-	-	-	-
Disposal	(47,365)	(17,747)	-	-	(65,112)
As at 31 March 2001	-	3,763	-	28,527	32,290
Depreciation					
charge for year	-	60	2,283	-	2,343
At 31 March 2001	-	60	2,283	-	2,343
Net book value					
As at 31 March 2001	-	179	4,567	-	4,746
As at 31 March 2000	-	-	-	-	-

9. Debtors	2001 £	2000 £
Prepayments	1,450	3,376
Sundry debtors	7,127	11,668
Accrued income	12,474	-
	21,151	15,044

10. Creditors: amounts falling due within one year

Other creditors	82,498	35,005
Trade creditors	6,285	7,570
Accruals	5,869	7,004
	94,652	49,579

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2001

11. Leasing commitments	2001	2000
	£	£
Annual cost of leases -		
Expiring within one to two years	1,523	1,523
Expiring within five to ten years	4,194	12,000
	<u>5,717</u>	<u>13,523</u>

12. Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at either 31 March 2001 or 31 March 2000.

13. Restricted funds	As at 31 March 2000 £	Income £	Expenditure £	Transfer From Unrestricted Funds £	As at 31 March 2001 £
Inclusion Project Fund	-	112,554	(112,554)	-	-
Out and About Fund	-	4,340	(4,340)	-	-
Isolated Young People's Project Fund	12,139	77,690	(77,690)	-	12,139
Administration Fund	-	26,039	(26,039)	-	-
Health Yourself Fund	-	1,474	1,474	-	-
	<u>12,139</u>	<u>222,097</u>	<u>(222,097)</u>	<u>-</u>	<u>12,139</u>

14. Unrestricted funds	Designated Funds				Total Un- restricted Funds £
	General Fund £	Development Fund £	Ewing Bequest Fund £	Clapperton/ Davidson Funds £	
Balance at 1 April 2000	4,363	10,000	23,286	2,125	39,774
Net expenditure for the year	(23,919)	-	-	(250)	(24,169)
Transfer to Restricted Funds	-	-	-	-	-
Transfer to Development Fund	-	-	-	-	-
Balance at 31 March 2001	<u>(19,556)</u>	<u>10,000</u>	<u>23,286</u>	<u>1,875</u>	<u>15,605</u>

PHAB (SCOTLAND) LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2001

	Tangible Fixed Assets £	Net Current Assets £	Total £
15. Analysis of net assets between funds			
Restricted:			
Isolated Young People's Project Fund	-	12,139	12,139
Unrestricted:			
Designated Funds	-	35,161	35,161
General Funds	4,746	(24,302)	(19,556)
	<u>4,746</u>	<u>22,998</u>	<u>27,744</u>

16. Going concern

The future operation of the company is dependent on the receipt of grants from outside sources in order that liabilities can be met as they fall due. The Directors are not aware of any circumstances which indicate that grant support will not continue for the foreseeable future. The financial statements have been prepared on the going concern basis.