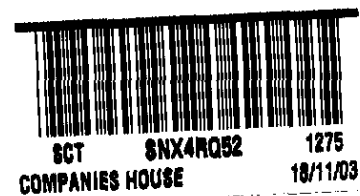


FABB (SCOTLAND) LIMITED
(formerly PHAB (SCOTLAND) LIMITED)
(A Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year to 31 March 2003



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

Contents	Page
<i>Report of the Directors</i>	2 - 3
<i>Independent Auditors' Report</i>	4
<i>Statement of Financial Activities (Incorporating Income and Expenditure Account)</i>	5
<i>Balance Sheet</i>	6
<i>Notes to the Financial Statements</i>	7 - 12

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

Directors

Jean Dunlop (Chairperson)
John Cunningham (Treasurer) (resigned 12 November 2002)
Lori Smith
Michael Hall
Juliette Begg
Jean Halligan
Jim McSharry
Ronnie Wilkes
Janet Brereton (appointed 1 January 2003)

Company Secretary

Fiona Hird

Registered Office

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

Bankers

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

Auditors

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

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

REPORT of the DIRECTORS

The Directors present their report and financial statements for the year to 31 March 2003.

Constitution

FABB (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. The company is governed by its Memorandum and Articles of Association. During the year the company changed its name from PHAB (Scotland) Limited to FABB (Scotland) Limited. The new name stands for 'Facilitating Access Breaking Barriers' and is thought to better represent the objectives of the organisation.

Principle Activity

The principle activity of the company is to encourage and enable disabled people's inclusion through social, leisure, cultural and educational activities.

Review of Activities and Future Proposals

We have to begin this review on an extremely sad note. Our honorary president and founder Ronald Gibbs died this year. Ronald was the visionary behind our organisation. He wanted to see a society without barriers to disabled people. He was passionate about the activities and the residential holidays at Monymusk. Many people we meet remember their experiences and have fond memories of Ronald. Ronald was a great motivator and enthusiastic about the work. He was instrumental in setting up the organisation as a company limited by guarantee, the void that he has left will never be filled but the ethos of FABB Scotland and the clubs, groups and projects established over the years are a tribute to Ronald. Our thoughts are with his wife Margaret and family.

This year has been very challenging for staff, Board members and many of the local clubs throughout Scotland. The competition for resources has made work with other organisations in the voluntary and statutory sector even more important. *There have been a number of examples of excellent partnership work, particularly in Edinburgh and Fife.* We would like to see these examples of good practice in outdoor education and sport and leisure extended to other parts of Scotland.

The demand for inclusive training in the fields of sport and leisure, arts and culture, media and information has increased and we have developed over the past year an excellent training framework and CD ROM to support our training programmes.

There have been a number of changes on the Board and staff over the past year and we would like to thank all the staff, volunteers, supportive parents, board members and other stakeholders who have supported FABB for many years. In particular we acknowledge our funders and those who fundraise for the organisation at national and local level.

Proposals for new projects have been submitted which we hope will enable us to strengthen and expand the work of the organisation to other areas of Scotland.

Risk management

The Directors have examined the major strategic, business and operational risks which the company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Reserves policy

It is the policy of the directors to aim to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure. The charity at the year end had less than one month of unrestricted expenditure.

Investment policy

The Directors consider that where surplus funds are available, they should be held in a suitable high interest bearing bank account.

Directors

The Directors who served during the year are as stated on page 1. Directors are appointed in accordance with the company's Memorandum and Articles of Association.

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

REPORT of the DIRECTORS (Contd.)

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.

Auditors

A resolution to reappoint Chiene & Tait CA as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



FIONA HIRD
Company Secretary

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

27th October 2003



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FABB (SCOTLAND) LIMITED
(formerly PHAB (SCOTLAND) LIMITED)
(A Company Limited by Guarantee)**

We have audited the financial statements of FABB (Scotland) Limited for the year ended 31 March 2003 set out on pages 5 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' (who also act as Trustees of FABB (Scotland) Limited for the purposes of charitable activities) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 directors' remuneration and transactions with the charity is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgements made by the trustees 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 charity's affairs as at 31 March 2003 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.

Chiene & Tait CA

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

13 November 2003

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

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

For the year ended 31 March 2003

	Notes	Restricted Funds £	Un- restricted Funds £	Total 2003 £	Total 2002 £
Incoming resources	2				
Donations, legacies & similar income		-	4,606	4,606	21,029
Activities in furtherance of charity's objects:					
Scottish Office Grants		25,554	909	26,463	31,611
Other Grants		131,717	-	131,717	222,312
Training activities		90	-	90	10,771
Activities for generating funds		3,118	50	3,168	1,251
Investment income:					
Interest received		23	294	317	1,597
Other incoming resources:					
Insurance claim		-	-	-	2,605
Total incoming resources		160,502	5,859	166,361	291,176
Resources expended					
Charitable expenditure					
Cost of activities in furtherance of charity's objects:					
Staff		129,079	7,330	136,409	157,445
Other		65,690	2,658	68,348	65,473
Management and administration:					
Staff		5,283	-	5,283	7,819
Other		14,104	3,760	17,864	18,753
Cost of generating funds		3,319	2	3,321	528
Total resources expended		217,475	13,750	231,225	250,018
Net (resources expended)/incoming resources before transfers between reserves		(56,973)	(7,891)	(64,864)	41,158
Transfers between reserves		(2,194)	2,194	-	-
Net (resources expended)/incoming resources after transfers between reserves		(59,167)	(5,697)	(64,864)	41,158
Fund balances brought forward at 1 April 2002		61,143	7,759	68,902	27,744
Fund balances carried forward at 31 March 2003		1,976	2,062	4,038	68,902

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

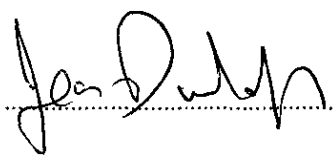
FABB (SCOTLAND) LIMITED
(formerly PHAB (SCOTLAND) LIMITED)
(A Company Limited by Guarantee)

BALANCE SHEET

As at 31 March 2003

	Note	£	2003 £	2002 £
Fixed assets				
Tangible assets	5		6,211	11,559
Current assets				
Debtors	6	5,494		11,897
Cash at bank and in hand		200		61,326
		5,694		73,223
Creditors: amounts falling due within one year	7	7,867		15,880
Net current (liabilities)/assets			(2,173)	57,343
Net assets			4,038	68,902
Financed by:				
Restricted funds	9		1,976	61,143
Unrestricted funds:				
Designated funds	10		-	1,875
General funds	10		2,062	5,884
			4,038	68,902

The financial statements were approved by the Directors on 27th Oct - 2003 and signed on its behalf by:



Jean Dunlop

Director

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

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

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985, the Statement of Recommended Practice - Accounting and Reporting by Charities and with the company's Memorandum and Articles of Association.

Donations, legacies and similar income

Donations are recognised in the Statement of Financial Activities in the year which they are received.

Grants receivable

Revenue Grants, including those relating to FABB (Scotland) Limited projects, are recognised in the Statement of Financial Activities in the year to which they relate. Grants in respect of capital expenditure are credited to a restricted fund. The relevant assets are depreciated over their expected useful lives and an amount equal to the depreciation is released against the restricted reserve.

Resources expended

Resources expended are included on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Funds

Unrestricted funds represent the general funds which the Directors are free to use in accordance with the charity's charitable objectives. Restricted funds are those where the donor has imposed a restriction on the use of the fund. The nature and purpose of each fund are set out in the notes to the financial statements.

Fixed assets

Fixed assets are included at cost. Expenditure below £200 is not capitalised. 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 money purchase pension scheme operated by the Pensions Trust. The company makes related contributions to the scheme. Such contributions are linked to salary and are recognised in the Statement of Financial Activities in the year to which they relate.

Value added tax

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

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

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

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2003

2. Income

Income includes grants from trusts and others, and income from other sources, which were received during the year. Those over £100 received in the year included:

	2003	2002
	£	£
EDC – South Edinburgh Project	40,867	29,671
CEC – Revenue Grant	32,785	36,185
Edinburgh Youth SIP Grant	30,244	-
Scottish Executive - HQ Grant	25,554	24,931
Open All Hours Grant	12,490	-
Inclusion Services – Summer Fun Grant	6,694	-
Drumchapel SIP Grant	4,690	-
Scottish Youth Parliament	2,947	4,274
William Grant & Sons	2,000	-
John Menzies	1,000	1,000
EDC – Go for it	1,000	-
Pilton Partnership grant	500	2,825
PHAB link	500	-
National Lottery Charities Board	-	122,599
EDC – Edinburgh Youth SIP Health Yourself	-	18,809
Wm McCulloch	-	8,396
EDC – Edinburgh Youth Out and About	-	5,692
CEC – Secondment	-	4,358
Scottish Executive - IT Grant	-	4,000
EDC – Play Scheme	-	3,040
Scottish Executive - Training Grant	-	2,680
John Watson Trust	-	1,000
EDC – October Scheme	-	685
Ernst & Young	-	650

3. Net (resources expended)/incoming resources

	2003	2002
	£	£
This is stated after charging:		
Audit fees (as auditor)	1,890	1,890

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

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2003

4. Staffing costs	2003	2002
	£	£
Salaries	129,597	145,802
Employers National Insurance	8,198	12,446
Pension	3,897	7,016
	<u>141,692</u>	<u>165,264</u>
Allocated thus:		
Direct charitable expenditure	136,409	157,445
Management and administration	5,283	7,819
	<u>141,692</u>	<u>165,264</u>
	No.	No.
Average staff numbers:		
Those employed for 20 hours or more per week	5	6
Those employed for less than 20 hours per week	12	9

The are no employees who earn more than £50,000 per annum.

The Directors receive no remuneration for their services. Directors are however eligible to receive reimbursement of travel and subsistence costs. During the year such claims amounted to £1,216 (2002: £1,682).

5. Tangible fixed assets	Office equipment	Computer equipment	Motor vehicle	Total
	£	£	£	
Cost				
As at 31 March 2002	4,002	20,584	28,527	53,113
Additions	699	1,572	-	2,271
	<u>4,701</u>	<u>22,156</u>	<u>28,527</u>	<u>55,384</u>
As at 31 March 2003				
Depreciation				
As at 31 March 2002	3,883	9,144	28,527	41,554
Charge for year	234	7,385	-	7,619
	<u>4,117</u>	<u>16,529</u>	<u>28,527</u>	<u>49,173</u>
At 31 March 2003				
Net book value				
As at 31 March 2003	584	5,627	-	6,211
As at 31 March 2002	119	11,440	-	11,559

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

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2003

6. Debtors	2003	2002
	£	£
Accrued income	-	6,353
Sundry debtors	4,295	4,300
Prepayments	1,199	1,244
	<u>5,494</u>	<u>11,897</u>

7. Creditors: amounts falling due within one year	2003	2002
	£	£
Trade creditors	3,027	9,094
Accruals	4,840	6,786
	<u>7,867</u>	<u>15,880</u>

8. Leasing commitments	2003	2002
	£	£

The company is committed to making the following annual payments
in respect of rental of a property under non-cancellable operating leases:

Expiring within two to five years	4,459	-
Expiring within five to ten years	-	4,459
	<u>4,459</u>	<u>4,459</u>

9. Restricted funds	As at 31 March 2002	Income	Expenditure	Transfer (to) from Unrestricted Funds	As at 31 March 2003
	£	£	£	£	£
Altogether Now Project Fund	-	33,191	(32,762)	-	429
Isolated Young People's Project Fund	58,114	23	(50,990)	(6,100)	1,047
Open All Hours Project Fund	-	12,580	(12,805)	225	-
South Edinburgh Project Fund	3,029	42,160	(46,583)	1,394	-
Edinburgh Inclusion Project Fund	-	41,304	(43,424)	2,120	-
Drum SIP Fund	-	4,690	(4,636)	(54)	-
Administration Fund	-	25,554	(25,554)	-	-
Pilton Partnership Fund	-	500	(721)	221	-
PHAB Link Fund	-	500	-	-	500
	<u>61,143</u>	<u>160,502</u>	<u>(217,475)</u>	<u>(2,194)</u>	<u>1,976</u>

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2003

9. Restricted funds (Contd.)

- (a) The Altogether Now Project Fund reflects the restricted finances of the Altogether Now Project funded by the Edinburgh Youth Social Inclusion Partnership.
- (b) The Isolated Young People's Project Fund reflects the restricted funds and finances of the IT Project funded by the National Lottery Charities Board.
- (c) The Open All Hours Fund reflects funding received for the Open All Hours project from Edinburgh Leisure and the Scottish Executive Changing Children's Services Fund.
- (d) The South Edinburgh Fund reflects the restricted finances of the South Edinburgh Inclusion Project funded by the South Edinburgh Social Inclusion Partnership.
- (e) The Edinburgh Inclusion Project Fund reflects the restricted funds and finances of the Inclusion Project funded by a revenue grant from the City of Edinburgh Council in 2001/02.
- (f) The Drum SIP Fund reflects the funding received to support a specific activity for young people in North Edinburgh.
- (g) The Administration Fund represents the funds restricted to meet the Headquarters costs of the company.
- (h) The Pilton Partnership Fund reflects funding received to support a specific activity for young people in North Edinburgh.
- (i) The PHAB Link Fund represents restricted funding received from the Unemployed Voluntary Action Fund to support the PHAB Link volunteers.

There are two unrestricted, designated funds, the Eliza Munro Fund and the Tracey Clapperton Fund. The balance on these funds has been transferred to the general fund during the year as the reason for designating the funds no longer exists. *The general fund is the free and unrestricted fund of the company.*

The transfers from the Isolated Young People's Project (IYPP) Fund and Drumchapel Fund to the general fund represent costs of the projects funded by the charity.

The closing balance of the IYPP Fund includes the equivalent of funds that have been spent on fixed assets, the costs of which are reflected within note 5 of the financial statements. These assets are being depreciated over their expected useful lives and the depreciation is being charged to fund.

The transfers from unrestricted funds to restricted funds represent funds transferred to cover excess costs incurred by the projects during the year.

	General Fund	Designated Funds Munro/ Clapperton Fund	Total Un-restricted Funds
	£	£	£
10. Unrestricted funds			
Balance at 1 April 2002	5,884	1,875	7,759
Net expenditure for the year	(7,891)	-	(7,891)
Transfer from Restricted Funds	6,154	-	6,154
Transfer to Restricted Funds	(3,960)	-	(3,960)
Transfer to general fund	1,875	(1,875)	-
Balance at 31 March 2003	2,062	-	2,062

Refer to note 9 for details of transfers.

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

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2003

	Tangible Fixed Assets	Net Current Liabilities	Total
	£	£	£
11. Analysis of net assets between funds			
Restricted:			
Isolated Young People's Project Fund	1,047	-	1,047
Edinburgh Inclusion Project Fund	4,579	(4,150)	429
PHAB Link	-	500	500
Unrestricted:			
General Funds	585	1,477	2,062
	6,211	(2,173)	4,038

12. 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. Accordingly the financial statements have been prepared on the going concern basis.

13. Pension contributions

The charity operates a money purchase pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,897 (2002: £7,016). No contributions were outstanding at the year end (2002: £Nil).