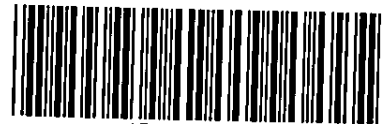


Company No. SC134379
Charity No. SC016015

COMPANIES
HOUSE

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year to 31 March 2011

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FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

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FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

Directors and Administrative Details

Directors

Jean Dunlop (Chairperson)
Jack Calder
Caroline Davis
Denise Dalrymple
Derek Miller (resigned 1 October 2011)
Douglas McGowan (resigned 3 November 2010)
Alan Archibald (appointed 11 March 2011)
Sandi Gurlytlu (appointed 11 March 2011)

Company Secretary/Chief Executive

Fiona Hird

Registered Office

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

Bankers

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

Independent Examiners

Chiene + Tait
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

REPORT of the DIRECTORS

The Board of Directors is pleased to present its Annual Report together with the financial statements for the year ended 31 March 2011. The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities, issued in 2005.

Constitution

Fabb Scotland Limited is a company limited by guarantee established in October 1991 and has no share capital. It is recognised by H M Revenue and Customs as a Scottish Charity. The company is governed by its Memorandum and Articles of Association.

Organisational Structure

The management and governance of the Company is the responsibility of the Board of Directors, who are elected under the terms of the Memorandum and Articles of Association. Board members are provided with an induction pack and training as appropriate. The board of directors delegates day to day management of the company to the Chief Executive. The Directors who served during the year are as stated on page 1.

Vision Statement

Fabb Scotland's vision is of a Scotland where disabled children and young people are empowered to actively engage in the social, leisure, educational and vocational activities of their choice.

Purpose and Objectives

At Fabb Scotland we aim to:

Support young disabled people to become successful learners, confident individuals, effective contributors and responsible citizens in their youth groups and communities.

Deliver more choices and opportunities for young disabled people by increasing the effectiveness of those who work with them, particularly voluntary and part-time youth workers.

Improve the life chances of young people by sustaining and developing strong and resilient community based youth work.

Build on our reputation for high quality, effective and efficient services.

Risk Management

The Board of Directors and management have adopted a structured approach incorporating financial and organisational risk management into risk management practices. The risks facing the organisation are reviewed regularly and risk assessments are undertaken for all of the organisation's activities.

The main risks to the charity going forward continue to be: lack of sufficient funding to continue all operations of the organisation and disruptions to service provision should staff move on. The continuity, motivation and commitment of staff and volunteers in the organisation is a major strength and the fact that services have been sustained and new ones developed against a backdrop of severe constraints and cuts in funding is exceptional.

The risks have been measured and steps have been taken to minimise these risks for the organisation by working to achieve a more stable funding base, introducing annual fundraising to establish a financial reserve, securing continued funding for existing services and procuring new funding for new projects.

We continue to provide opportunities for staff to expand their professional competence and to encourage and support our volunteers' development. We ensure staff and volunteers feel valued and are involved in the delivery and planning of our services.

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

REPORT of the DIRECTORS *(cont'd)*

Internal Controls

The company's internal controls include:

- a strategic three year plan and project specific plans
- annual budget and monitoring at quarterly board meetings
- ensure the company maintains proper accounting records
- identification and management of risks
- disclosure checks for all staff and volunteers
- annual insurance and liability review
- staff and volunteer supervision and support
- review of policies and procedures

Achievements and performance – Review of the Year

Fabb Scotland is a small voluntary organisation with a big reach.

We provide direct specialist youth work services for disabled young people to engage in sport, leisure, arts, cultural events, play and outdoor adventure activities. We provide support, information and training to enable inclusion for disabled young people in universal social, leisure and community services across Scotland.

This year we have consolidated and built upon existing programmes, projects and partnerships and embarked upon new and innovative ones. We hope you find this report helpful in summarising the work that has taken place over the past year.

Achievements and performance - Participation

This year we have enabled young people to meet new challenges and to play an active role in their own groups and communities. A good example of this is the Fabb Young Zone who has successfully raised funds for new projects and opportunities.

The young disabled people who form the committee are working to secure a new location for the growing number of young people in the 18-30 age categories looking for safe social networking and opportunities to participate in leisure and recreation.

We also encouraged more young people to recognise the benefits of a healthy and active lifestyle. Through a grant awarded as part of Youth Scotland's well established Girls on the Move programme, we have continued to support a project for disabled young woman to participate in a weekly inclusive physical activity programme.

Fabb Scotland became a key partner in an inclusive outdoor programme in Fife. The accessible facilities at Loch Ore meadows and the awareness of the staff at the centre is a model that should be replicated. One project Talking Tandems has grown to be very successful and provides cycling for visually impaired people. Cycling is an activity which can equip young disabled people with freedom, independence and improved health and well being. We hope to pursue opportunities to develop new inclusive cycling projects in other parts of Scotland.

In order to deliver more choices and more chances for young people, Fabb Scotland is committed to increasing the effectiveness of those who work with them, particularly volunteer and part-time youth workers. We offered a comprehensive programme of training to our volunteers and staff. Three staff members completed the PDA in Youth Work, congratulations to Emma, Chris and Katie,

We aim to improve the life chances of young people by sustaining and developing strong and resilient community based youth work. This includes making sure communities and organisations have access to advice, guidance and practical support to establish inclusive local youth provision.

This year Fabb Scotland has developed a number of partnerships to generate innovative responses to new challenges.

REPORT of the DIRECTORS *(cont'd)*

Achievements and performance - Participation *(cont'd)*

We took forward a Volunteering Action Plan for Open All Hours which we hope to secure funding for in 2012. We secured funding for a ten anniversary celebration event for Open All hours in partnership with Edinburgh Leisure and the City of Edinburgh Council Community Learning and Development. The inclusive event, to be held in October 2011, will bring together 300 young people to participate in a range of exciting activities for young people.

For a number of years Fabb Scotland has been promoting partnership working, particularly across disability services for young people. For example, we have been involved in developing resources and models of training to encourage sharing across and between the voluntary disability sectors. A network of playscheme providers has been working to ensure equality and fairness in the allocation of resources for disabled children and young people during school holiday periods. The Chief Executive has been representing the voluntary sector through EVOC at the Strategic Disability Management group of the NHS/local authority.

Funding

The Board of Directors and the staff team wish to thank every individual, volunteer, partner and agency whose financial and/or in kind support has provided such benefit during the year. In particular we want to thank the individuals who have cycled, jumped of cliffs, ran events and donated to Fabb Scotland this year. We appreciate every penny raised particularly at a time when funding is scarce. In spite of the ongoing funding challenges that Fabb faces we continue to make small recoveries year on year and have been able to deliver our full programme of services as well as support new initiatives.

Fabb receives a grant from the Scottish government towards it's headquarters costs and the City of Edinburgh Council is very supportive of the work we do in Edinburgh. Other funding sources are listed in the financial statements and we wish to thank all for their support.

Plans for future periods

We are in the process of reviewing our existing strategic plan and preparing a draft plan for 2012-2015 for consultation. Our existing strategy supports a number of the Scottish government's outcomes and specific project plans relate directly to local service plans.

The strategic objectives for 2009-2012 are:

1. Develop and deliver quality services, which facilitate equal access to community services for disabled young people and adults.
2. Create new opportunities in local communities to ensure real pathways to inclusion, through partnerships and alliances.
3. Work with disabled young people and adults to break physical and attitudinal barriers to inclusion and to influence policy and practice.
4. Create a more stable funding base for Fabb activities.

Our values are:

- We offer a person-centred approach to people with differing abilities, offering choices through working in partnership.
- We advocate progression from a supported setting into the wider community through well-organised local clubs and groups. This "stepping stone" model has been evidenced to be extremely effective. In many areas of Scotland the opportunity to participate in local clubs and groups does not exist or ceases to exist when young disabled people leave school.
- We commit to the involvement of trained staff and volunteers in support of local clubs and groups and believe in the value of volunteering in engendering community spirit.
- Our person-centred approach puts people first and focuses on individual needs, interests and aspirations, often involving appropriately high levels of investment of time, skills and resources.

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

REPORT of the DIRECTORS (cont'd)

Financial review

Incoming resources for the year increased to £119,810 from £106,332 in the previous year. The reason for this was the increase in service income by £5k and the increase in fundraising income by £7k. Total expenditure during the year decreased by £14k to £109,166 due to a reduction in the cost base during the year.

The surplus for the year amounted to £10,644 (2010: deficit £16,663). This surplus reduced the deficit on unrestricted funds at the year end from £21,899 in 2010 to £11,255 in 2011. The Directors are fully aware of the deficit on unrestricted funds at the year end and are actively considering ways to clear this deficit. They are looking at a number of opportunities to increase the funding for the charity and are also continuing to review opportunities to reduce overheads to ensure that the organisation remains financially viable.

Investment policy

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

Reserves policy

The board of directors have agreed a policy of reserves that maintains unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately three months unrestricted expenditure. The directors continue to strive to create a more stable funding base for Fabb activities.

Statement of Directors' responsibilities

The directors (who are also trustees of Fabb Scotland Limited for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Small Company Exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

BY ORDER OF THE BOARD

FIONA HIRD

Company Secretary

Fiona Hird 2011

27 / 10 / 2011

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND MEMBERS
OF FABB SCOTLAND LIMITED**



I report on the financial statements of Fabb Scotland Limited for the year ended 31 March 2011 which are set out on pages 7 to 17.

This report is made to the directors of Fabb Scotland Limited, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the directors and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the directors and members of Fabb Scotland Limited, as a body, for my work or for this report.

Respective responsibilities of directors and independent examiner

The responsibilities of the directors (who are the directors of the charity for the purposes of company law) for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

The directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (the Regulations) does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment Act 2005 (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 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors 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 financial statements.

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 Act and Regulation 4 of the Regulations, and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Malcolm A Beveridge

**Malcolm Beveridge BA CA
CHIENE + TAIT
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL**

27 October 2011

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2011

	Note	Restricted Funds £	Un- Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources	2				
Incoming resources from generated funds:					
Voluntary income		29,514	479	29,993	29,335
Activities for generating funds		-	7,144	7,144	382
Incoming resources from charitable activities:					
Other grants		54,339	-	54,339	54,764
Service income		12,922	12,635	25,557	20,310
Other income		-	2,777	2,777	1,541
Total incoming resources		<u>96,775</u>	<u>23,035</u>	<u>119,810</u>	<u>106,332</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	5	-	839	839	81
Charitable activities	6	102,099	-	102,099	116,740
Governance costs	8	-	6,228	6,228	6,174
Total resources expended		<u>102,099</u>	<u>7,067</u>	<u>109,166</u>	<u>122,995</u>
Net incoming/(outgoing) resources before transfers		(5,324)	15,968	10,644	(16,663)
Transfers between funds	13	5,324	(5,324)	-	-
Net movement in funds		-	10,644	10,644	(16,663)
Fund balances at 1 April 2010	13 & 14	-	(21,899)	(21,899)	(5,236)
Fund balances at 31 March 2011	13 & 14	<u>-</u>	<u>(11,255)</u>	<u>(11,255)</u>	<u>(21,899)</u>

The Statement of Financial Activities includes all gains and losses recognised during the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 9 to 17 form part of these financial statements

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET

As at 31 March 2011

	Note	£	2011 £	£	2010 £
Fixed Assets					
Tangible assets	9		-		-
Current Assets					
Debtors	10	2,739		1,492	
Cash on hand		34		150	
		<u>2,773</u>		<u>1,642</u>	
Creditors: amounts falling due within one year	11	14,028		23,541	
		<u> </u>		<u> </u>	
Net current liabilities			(11,255)		(21,899)
Net liabilities			<u>(11,255)</u>		<u>(21,899)</u>
			=====		=====
Financed by:					
Restricted funds	13		-		-
Unrestricted funds:					
General Funds	14		(11,255)		(21,899)
			<u>(11,255)</u>		<u>(21,899)</u>
			=====		=====

Audit exemption statement

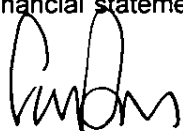
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements 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 sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) 2005 for charities.

The financial statements were approved by the Directors on 27.10.11 and signed on its behalf by:-



Caroline Davis
Company No. SC134379

Director

The notes on pages 9 to 17 form part of these financial statements

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2011

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 2006, Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice – Accounting and Reporting by Charities issued in March 2005 and with the company's Memorandum and Articles of Association.

Donations, legacies and similar income

Donations, legacies and similar income are recognised once the charity has entitlement to the resources, the Directors are certain that the resources will be received and the monetary value can be measured with sufficient reliability.

Grants receivable

Revenue Grants, including those relating to Fabb Scotland Limited projects, are recognised in the Statement of Financial Activities in the year in 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

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, inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to the category.

- Costs of generating funds comprise those costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examiner's fees and costs linked to the strategic management of the charity.
- Costs directly attributable to the cost of generating funds, charitable activities, and governance, are allocated to the appropriate activity. Support costs, including staff costs, which cannot be directly attributed to an activity are allocated on the basis of the time spent by staff on each activity.

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
Motor vehicles	–	25% straight line

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

1. Accounting policies (cont'd)

Pensions

All employees are given the opportunity to join the Pension Trust's Growth Plan. This is a multi-employer defined benefit scheme. 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.

2. Income

Income includes grants from trusts and others, and income from other sources, which were received during the year. Included in this figure are the following:

	2011	2010
	£	£
CEC – Revenue Grant	38,312	38,312
Scottish Government – HQ Grant	29,034	29,034
ACERS – Children in Need grant	5,000	5,425
CEC – Holiday Programme	11,027	11,027
	=====	=====

3. Net resources expended

	2011	2010
	£	£
This is stated after charging:		
Operating lease payments	5,451	5,336
Depreciation	-	5,512
Independent examiner's fee	1,284	1,200
	=====	=====

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

4. Staffing costs

	2011 £	2010 £
Salaries	82,142	83,662
Employers National Insurance	6,817	6,087
Pension	-	-
	<u>88,959</u>	<u>89,749</u>
	=====	=====
	No.	No.
Average staff numbers:		
Those employed for 20 hours or more per week	2	2
Those employed for less than 20 hours per week	15	23
	<u>=====</u>	<u>=====</u>

The charity also draws on the input of 23 volunteers (2010: 15). The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution of volunteers can be found in the Report of the Directors.

There are no employees who earn more than £60,000 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 £789 (2010: £681).

5. Costs of generating voluntary income

	2011 £	2010 £
Promotion and publicity costs	839	81
	<u>=====</u>	<u>=====</u>

6. Charitable activities

	Edinburgh Inclusion Project £	Holiday P'gramme £	Open All Hours £	ACERS £	Head Quarters £	2011 Total £	2010 Total £
Staff costs	28,696	5,551	5,551	2,250	24,472	66,520	61,438
Sessional staff costs	2,644	2,014	5,559	2,333	1,809	14,359	19,480
Activity/ Programme costs	1,273	2,003	70	41	47	3,434	8,353
Supports costs (note 7)	5,699	1,641	1,922	1,031	7,493	17,786	27,469
	<u>38,312</u>	<u>11,209</u>	<u>13,102</u>	<u>5,655</u>	<u>33,821</u>	<u>102,099</u>	<u>116,740</u>
	=====	=====	=====	=====	=====	=====	=====

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

7. Support costs

	Edinburgh Inclusion Project £	Holiday P'gramme £	Open All Hours £	ACERS £	Head Quarters £	2011 Total £	2010 Total £
Administrator staff costs	990	285	334	179	1,308	3,096	3,887
Staff travel	252	73	85	46	333	789	681
Staff training	225	65	76	41	296	703	847
Fabb Scotland Zone	-	-	-	-	-	-	420
Recruitment	-	-	-	-	-	-	350
Rent	1,743	502	588	315	2,303	5,451	5,691
Insurance	199	57	67	36	262	621	688
Printing and stationery	67	19	22	12	88	208	249
Postage	46	13	15	9	60	143	172
Computer running costs	86	25	29	15	113	268	103
Vehicle costs	1,043	300	352	188	1,348	3,231	8,117
Telephone	397	114	134	72	525	1,242	1,881
Subscriptions	18	5	6	3	22	54	73
Board expenses	61	18	21	11	80	191	2,401
General expenses	166	48	56	30	220	520	722
Volunteer expenses	166	48	56	30	219	519	782
Room Hire	93	27	31	17	122	290	-
Bank charges	147	42	50	27	194	460	405
	5,699	1,641	1,922	1,031	7,493	17,786	27,469
	=====	=====	=====	=====	=====	=====	=====

8. Governance costs

	2011 £	2010 £
Independent examiner's fees	1,284	1,200
AGM expenses	-	30
Staff costs	4,944	4,944
	6,228	6,174
	=====	=====

9. Tangible fixed assets

	Office equipment £	Computer equipment £	Motor Vehicles £	Total £
Cost				
As at 31 March 2010 and 2011	2,827	5,032	37,796	45,655
	-----	-----	-----	-----
Depreciation				
As at 31 March 2010	2,827	5,032	37,796	45,655
Charge for year	-	-	-	-
	-----	-----	-----	-----
As at 31 March 2011	2,827	5,032	37,796	45,655
	-----	-----	-----	-----
Net book value				
As at 31 March 2011	-	-	-	-
	=====	=====	=====	=====
As at 31 March 2010	-	-	-	-
	=====	=====	=====	=====

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

10. Debtors

	2011	2010
	£	£
Sundry debtors	2,203	956
Prepayments	536	536
	<u>2,739</u>	<u>1,492</u>
	=====	=====

11. Creditors: amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	5,042	8,982
Loan	-	4,000
Trade creditors	484	1,369
Sundry creditors	2,242	5,247
Accruals and deferred income	6,260	3,943
	<u>14,028</u>	<u>23,541</u>
	=====	=====

12. Leasing commitments

	2011	2010
	£	£
The company is committed to making the following annual payments In respect of rental of a property under non-cancellable operating leases:		
Lands and buildings - expiring in less than one year	-	-
- expiring in more than five years	3,073	5,336
	=====	=====

13. Restricted funds	As at 31 March 2010 £	Income £	Expenditure £	Transfer From/(to) Unrestricted Funds £	As at 31 March 2011 £
The Inclusion Project	-	38,312	(38,312)	-	-
The Administration fund	-	29,514	(33,821)	4,307	-
The Holiday programme fund	-	11,027	(11,209)	182	-
The ACERS fund	-	5,000	(5,655)	655	-
The Open All Hours fund	-	12,922	(13,102)	180	-
	<u>-</u>	<u>96,775</u>	<u>(102,099)</u>	<u>5,324</u>	<u>-</u>
	=====	=====	=====	=====	=====

FABB SCOTLAND LIMITED
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

13. Restricted funds (cont'd)

- (a) The Inclusion Project reflects the restricted funds and finances of the Edinburgh Inclusion Project funded by a revenue grant from the City of Edinburgh Council.
- (b) The Administration fund represents the funds received from the Scottish Government which are restricted to meet the Headquarter costs of the charity.
- (c) The Holiday Programme fund reflects the restricted finances for the holiday playschemes and residential programmes funded by the City of Edinburgh Council.
- (d) The ACERS fund reflects the restricted funds from Children in Need to finance Fabb Scotland's support of the ACERS initiative.
- (e) The Open All Hours fund reflects the restricted finances of the partnership project with Edinburgh Leisure and Community Learning and Development.

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

14. Unrestricted funds – General Fund

	Total Unrestricted Funds £
Balance at 1 April 2010	(21,899)
Net incoming resources for the year	15,968
Transfer to Restricted Funds	(5,324)
Balance at 31 March 2011	(11,255)

The general fund is the free and unrestricted fund of the charity.

Refer to note 13 for details of transfers.

15. Analysis of net assets between funds	Tangible Fixed Assets £	Net Current Liabilities £	Total £
Restricted	-	-	-
Unrestricted	-	(11,255)	(11,255)
	-	(11,255)	(11,255)

NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

16. Going Concern

As disclosed on the balance sheet the charity had net liabilities at the year end of £11,255 (2010: £21,899) and they have reported a surplus for the year of £10,644 (2010: deficit £16,663). The current financial climate will require that the Board, our stakeholders and supporters continue to prioritise strategic objective 4 "to create a more stable funding base for Fabb activities" over all others. The Directors are continuing to focus on increasing the funding base of the charity and during the year they have undertaken a number of successful fundraising activities in order to assist with reducing the deficit. In addition, they are continuing to look at ways of reducing the charity's cost base and making better use of volunteers to assist in the delivery of the charity's projects.

Detailed budgets and projections have been prepared for the current financial year along with regular cashflow forecasts. Based upon these budgets and forecasts the Directors are satisfied that, with the support of stakeholders, grant providers and supporters, they will be able to continue to operate and are taking significant steps in the reduction of the deficit that existed at 31 March 2011. The Directors are also in discussion with their major funders and are confident that funding will continue to be provided in the future.

After making enquiries, and considering the uncertainties with regard to the future funding of the charity, the directors have a reasonable expectation that the charity, with the support of its stakeholders and grant providers, will be in a position to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

17. Pension contributions

Fabb Scotland Limited participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

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NOTES to the FINANCIAL STATEMENTS (cont'd)

For the year ended 31 March 2011

17. Pension contributions (cont'd)

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Fabb Scotland Limited paid contributions at the rate of 0% during the accounting period. Members paid contributions at the rate of 0% during the accounting period.

As at the balance sheet date there were no active members of the Plan employed by Fabb Scotland Limited (2010: none). Fabb Scotland Limited continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	% per annum
- Investment return pre-retirement	7.6
- Investment return post-retirement	
Actives/deferreds	5.1
Pensioners	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2010. The market value of the Plan's assets at that date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £825 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £45 million, equivalent to a funding level of 95%.

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NOTES to the FINANCIAL STATEMENTS (*cont'd*)

For the year ended 31 March 2011

17. Pension contributions (*cont'd*)

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in-line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre-retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post-retirement (pensioners).

The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre-October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Fabb Scotland Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2010. As of this date the estimated employer debt for Fabb Scotland Limited was £77,159.

18. Members' liability

Fabb Scotland Limited is a company limited by guarantee and therefore has no share capital. Each member undertakes to contribute an amount not exceeding £1, in the event of the company being wound up.