

**SENSCOT**

**SOCIAL ENTREPRENEURS NETWORK SCOTLAND**

(An Association with Charitable Status)

---

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2002**

---

Charity no: SC029210

**SENSCOT**  
**(An Association with Charitable Status)**

**CONTENTS**

	<b>Page</b>
Legal and Administrative information	1
Report of the Trustees	2-3
Report of the Auditors	4
Statement of Financial Activities	5
Income & Expenditure Account	6
Balance Sheet	7
Notes forming part of the financial statements	8-10

**SENSCOT**  
**(An Association with Charitable Status)**

LEGAL AND ADMINISTRATIVE INFORMATION

**Constitution**

Senscot is an Association and a registered charity governed by its constitution.

**Committee and trustees**

The committee of the charitable association are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

1. Mel Young – Chairperson
2. Liz Thomas – Vice Chairperson (appointed 13 June 01)
3. Steven Whitton – Secretary
4. Rodney Stares – Treasurer
5. Jim Bennett (appointed 13 June 01 and resigned 17 October 01)

**Chairperson**

Mel Young

**Bankers**

Bank of Scotland, 38 St. Andrew Square, Edinburgh, EH2 2YR

**Principal Address**

54 Manor Place, Edinburgh, EH3 7EH

**Charity Number**

SC029210

**SENSCOT**  
**(An Association with Charitable Status)**

**Report of the Trustees for the year ended 31 March 2002**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2002.

The Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities.

**Background**

Senscot, the Social Entrepreneurs' Network Scotland, was launched in 1999. It has been created *by and for* social entrepreneurs throughout Scotland. Senscot's mission is: **'To help social entrepreneurs become more effective in tackling the social problems of Scottish communities.'**

**Objects of the Charity**

The objects of the charity are;

- To identify and link up social entrepreneurs across Scotland
- To develop and establish, in association with members, new services that will bring benefit to social entrepreneurs and the communities which they serve.
- To raise the public profile of, and respect for, social entrepreneurs, and
- To influence the climate of political support for social innovation in Scotland.

**Review of the Activities and Future Developments**

**Membership development.** Membership has grown from 243 members in April 2001 to over 500 by the end of March 2002. During the year ahead, the target for new members recruitment is set at 20 per month, which would achieve a membership of 700 by March 2003.

**Weekly electronic bulletins.** The network bulletin is sent to members and supporters each Friday. It carries a mixture of information, news items, events, meetings, job vacancies and new initiatives of relevance to people involved in social enterprise. It is currently posted to over 550 e-mail addresses, bulletin readership is estimated to be in excess of 1,000, as many members forward it to their personal lists.

**Network Meetings.** Senscot co-ordinates regular meetings/workshops across the country. This year, Senscot has facilitated 10 meetings across the country, attended by over 300 people. Senscot has also made use of e-groups for virtual discussion and development of themes ideas such as unLTD and a Scottish School for Social Entrepreneurs.

**Database Development.** Senscot, through its Sensor Project, continues to build a database that maps new and emerging social entrepreneurs throughout the country. There are over 1,000 records. Three separate databases have now been merged into a web-based programme from which mailings are sent directly.

**Website Development.** The Senscot website is information bank on issues relating to the Scottish social enterprise sector, providing background on Senscot and social enterprise projects across the country, copies of all previous bulletins, news, job ads, relevant documents and web links.

**Project Development.** Senscot is involved in brokering new services for social entrepreneurs in Scotland. This area of work has included the unLTD consortium in the UK, the Praxis Programme, and DTA Scotland. Senscot is currently hosting the School for Social Entrepreneurs 2002-2003 UK programme in Scotland. In the year ahead, Senscot will be continuing to develop and improve all areas of membership, network development and database coverage, so that it can provide the most up to date tool for mapping social enterprise in Scotland.

**SENSCOT**  
**(An Association with Charitable Status)**

**Report of the Trustees (cont'd)**

**Organisation**

A committee of no less than 4 and no more than 8 members, who meet at least 4 times a year administer the charity. The C.E.O. Laurence Demarco is appointed by the Trustees to manage the day-to-day operations of the charity.

**Results for the year**

A surplus of £27,976 (2001 - £510) arose during the year.

**Reserves Policy and Risk Management**

The charity has agreed that its policy on reserves should be to provide sufficient liquid resources to meet both revenue and capital needs.

The risks faced by the charity fall into two categories, internal and external. Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects to ensure consistent quality of delivery for all operational aspects of the charity.

External risks relate largely to the continued funding of the charity. However an encouraging development is the continued support from both private and public sectors which should ensure the long term financial stability of the charity.

**Trustees responsibilities in relation to the financial statements**

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy the financial position of the charity and which enable them to both ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law and regulations. 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.

**Auditors**

M.L.Cowan & Co, C.A. resigned as auditors during the period and J.D.Bryce & Co, C.A. were appointed auditors on 11 April 2002. On the 1 May 2002 J.D.Bryce & Co, C.A merged its practice with Gregor Clark & Co, C.A. The name of the new merged practice is to be Gregor Clark & Co, C.A. Gregor Clark & Co, C.A have expressed their willingness to continue in office as auditors to the charity.

**By order of the trustees:**

Mel Young (Chairperson)

May 2002

**SENSCOT**  
**(An Association with Charitable Status)**

**Report of the auditors**

**Independent Auditors' Report to the Trustees of Sencot**

We have audited the financial statements of Sencot for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustee's Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regularity 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 Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept property accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Trustee's Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of 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 an 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 2002 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Gregor Clark & Co  
Chartered Accountants & Registered Auditors  
Edinburgh

May 2002

**SENSCOT**  
(An Association with Charitable Status)

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the Year Ended 31 March 2002

	Notes	Unrestricted Funds General Fund	Designated Funds	Restricted Funds	Total Funds 2002	Total Funds 2001
		£	£	£	£	£
<b>Income and Expenditure</b>						
<b>Incoming resources</b>						
Membership fees		3,739	-	-	3,739	1,365
Donations	2	10,000	-	16,000	26,000	3,500
Scottish Enterprise		10,000	-	30,000	40,000	30,030
Scottish Executive		-	-	36,671	36,671	-
Other income	3	2,638	-	9,960	12,598	143
<b>Total incoming resources</b>		<b>26,377</b>	<b>-</b>	<b>92,631</b>	<b>119,008</b>	<b>35,038</b>
<b>Resources expended</b>						
Direct charitable expenditure		-	-	55,155	55,155	6,685
Management and administration of the charity	4	11,959	-	23,918	35,877	27,843
<b>Total resources expended</b>		<b>11,959</b>	<b>-</b>	<b>79,073</b>	<b>91,032</b>	<b>34,528</b>
Net movements in funds before transfers		14,418	-	13,558	27,976	510
Transfer between funds		-	-	-	-	-
<b>Net movements in funds</b>		<b>14,418</b>	<b>-</b>	<b>13,558</b>	<b>27,976</b>	<b>510</b>
Funds brought forward at 1 April 2001		1,314	-	-	1,314	804
<b>Funds carried forward at 31 March 2002</b>		<b>15,732</b>	<b>-</b>	<b>13,558</b>	<b>29,290</b>	<b>1,314</b>

A statement of total recognised gains and losses is not shown as all gains and losses are shown in the income and expenditure account.

The notes on pages 8 to 10 form part of these financial statements.

**SENSCOT**  
(An Association with Charitable Status)

**INCOME AND EXPENDITURE ACCOUNT**  
For the Year Ended 31 March 2002

	Notes	Unrestricted Funds General Fund	Designated Funds	Restricted Funds	Total Funds 2002	Total Funds 2001
		£	£	£	£	£
<b>Income</b>						
Membership fees		3,739	-	-	3,739	1,365
Donations	2	10,000	-	16,000	26,000	3,500
Scottish Enterprise		10,000	-	30,000	40,000	30,030
Scottish Executive		-	-	36,671	36,671	-
Other income		2,300	-	9,960	12,260	-
		<u>26,039</u>	<u>-</u>	<u>92,631</u>	<u>118,670</u>	<u>34,895</u>
<b>Expenditure</b>						
Operating expenses	4	11,959	-	23,918	35,877	27,843
Project expenses		-	-	55,155	55,155	6,685
		<u>11,959</u>	<u>-</u>	<u>79,073</u>	<u>91,032</u>	<u>34,528</u>
<b>Surplus/(Deficit) before</b>						
Interest and transfers		14,080	-	13,558	27,638	367
Interest received		338	-	-	338	143
<b>Surplus/(Deficit) for the year</b>		<u>14,418</u>	<u>-</u>	<u>13,558</u>	<u>27,976</u>	<u>510</u>

The notes on pages 8 to 10 form part of these financial statements.



**SENSCOT**  
(An Association with Charitable Status)

**BALANCE SHEET**  
As at 31 March 2002

	Notes		2002		2001
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets:					
Office Equipment		5,565			
Computer Equipment		710			
		6,275	6,275		-
<b>Current Assets</b>					
Debtors and accrued income		18,518		-	
Bank		6,478		1,314	
Cash		74	25,070	-	1,314
		31,345	31,345	1,314	1,314
<b>Current liabilities:</b>	Amounts falling due within one year	5	2,055		-
			29,290		1,314
<b>Net assets</b>					
			<b>29,290</b>		<b>1,314</b>
<b>Capital and reserves</b>					
Unrestricted funds:					
Designated funds			-		-
General funds			15,732		1,314
Restricted funds	6		13,558		-
			29,290		1,314
			<b>29,290</b>		<b>1,314</b>

The financial statements were approved by the Trustees on      May 2002 and were signed on its behalf by

..... Chairperson  
Mel Young

The notes on page 8 to 10 form part of these financial statements.

**SENSCOT**  
**(An Association with Charitable Status)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2002**

**1. Accounting Policies**

**Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2000) issued in October 2000.

The charity has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No 1.

**Depreciation**

Depreciation is provided by the company to write off the cost or valuation of fixed tangible assets over their estimated useful economic lives as follows:

Office equipment	20% reducing balance
Computer equipment	33.3% straight line

**Charitable status**

The charity is recognised by the Inland Revenue.

**Deferred income**

Capital grants received towards the cost of projects are credited to a deferred income account and the associated expenses are debited to this account in the year that they are incurred.

**Donations**

Donations of a revenue nature are credited to the income and expenditure account in the year in which they are received.

**VAT**

The charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

**Operating expenses**

The operating cost of the charity has been allocated between direct charitable and administration expenses on an equitable basis.

**Fund Accounting – Funds held by the charity are either**

- *Unrestricted funds*-these funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds*-these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds*- these funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**SENSCOT**  
(An Association with Charitable Status)

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**For the Year Ended 31 March 2002**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>2. Donations</b>		
<b>General Fund</b>		
Development Trust Association	5,000	-
BT	5,000	3,500
<b>Restricted Funds</b>		
Robertson Trust	16,000	-
	<u>26,000</u>	<u>3,500</u>
<b>3. Other Income</b>		
<b>General Fund</b>		
Rents receivable	2,300	-
Bank interest – net	338	143
Reclaimed expenses	5,960	-
SSE	4,000	-
	<u>12,598</u>	<u>143</u>
<b>4. Detailed operating expenses</b>		
Premises	6,035	3,600
Staff salaries	20,072	22,365
Consultants	1,251	-
Telephone	2,203	333
Post & stationery	967	853
Publications and subscriptions	556	51
Travel & subsistence	749	378
Sundry	1,267	50
Accountants fee	235	200
Audit	763	-
Bank charges	34	13
Depreciation	1,745	-
	<u>35,877</u>	<u>27,843</u>
<b>5. Creditors: Amounts falling due within one year</b>		
Accruals	763	-
Other creditors	787	-
Tax and social security	505	-
	<u>2,055</u>	<u>0</u>

**SENSCOT**  
**(An Association with Charitable Status)**

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**  
**For the Year Ended 31 March 2002**

**6. Restricted Funds**

	<b>Balance 1 April 2001</b>	<b>Incoming Resources</b>	<b>Funds Resources</b>	<b>Balance 31 March 2002</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Projects	-	92,631	55,155	37,476
	<u>-</u>	<u>92,631</u>	<u>55,155</u>	<u>37,476</u>
	<b><u>-</u></b>	<b><u>92,631</u></b>	<b><u>55,155</u></b>	<b><u>37,476</u></b>