

SENSCOT
SOCIAL ENTREPRENEURS NETWORK SCOTLAND

(An Association with Charitable Status)

ABBREVIATED REPORT AND FINANCIAL STATEMENTS

31 MARCH 2004

Charity no: SC029210

SENSCOT
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Report of the Trustees for the year ended 31 March 2004

The trustees are pleased to present their report together with the financial statements of Senscot for the year ended 31 March 2004.

The financial statements comply with current statutory requirements, the constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Background

Senscot was launched in January 1999 – this is our sixth AGM. During the past year, Trustees and staff jointly refined our mission statement as:

“Senscot will continue to build and operate an independent network with the scale and momentum to drive an expanding social enterprise sector in Scotland.”

Seven actions flow from our mission, which is the basis of our review of business.

Review of the business

1. Connecting the majority of social enterprises in Scotland to our network.

Our working assumption is that there are around 3,000 social enterprises in Scotland. Senscot has contact with around half of them and will continue to seek out new ones.

2. Sharing information and inspiration electronically.

Our weekly electronic bulletin now goes out to 2,500 contacts – we estimate the potential to be around 4,000. Within the next month we will activate our new website with additional features.

3. Sharing information and inspiration through local networks.

Last year we hosted / partnered 31 meetings around Scotland. We expect this work to increase to 35 in the current year.

4. Brokering mutual support and joint working.

The past year saw an increasing flow of requests for assistance from individuals. We have achieved funding for a new post of Exchange Manager to broker help between new and experienced entrepreneurs.

5. Creating, with others, new services to develop the social enterprise community.

Scotland UnLtd is now well established – DTA Scotland has completed its first successful year – The Social Enterprise Academy has appointed a CEO and is ready to roll.

6. Influencing policy to help the growth of the social enterprise sector.

Senscot has participated in various working groups with the Scottish Executive and other sectoral policy makers.

7. Promoting the wider benefits of social enterprise.

We have “spread the word” about social enterprise through speaking at meetings and conferences and by publishing articles, comment, etc.

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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 Senscot. The Founder / Director, Laurence Demarco is appointed by the Trustees to manage the day-to-day operations of Senscot.

Results for the year

A loss of £25,157 (2003 – surplus of £3,756) arose during the year. This loss incurred during the year has arisen primarily as a result of the time required to fill office space in the Senscot basement and also the decision to withhold approaches to corporate sponsors during the year 2003-04.

Reserves Policy and Risk Management

Senscot 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 Senscot. 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.

An objective of the trustees is to pursue a policy of building up reserves over the next three years to a level which would cover three months running costs.

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

Gregor Clark & Co, C.A’s have expressed their willingness to continue in office as auditors to the charity.

By order of the trustees:

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Report of the auditors

Independent Auditors' Report to the Trustees of Senscot

We have audited the financial statements of Senscot for the year ended 31 March 2004 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 Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' 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 Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992, and the terms of the deed of constitution. 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 proper 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 Trustees' 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 2004 and of its incoming resources and application of resources for the year then ended and have been properly prepared.

Gregor Clark & Co
Chartered Accountants & Registered Auditors

Edinburgh
June 2004

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STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 March 2004

Notes	Unrestricted Funds General Fund	Designated Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£	£
Income and Expenditure					
Incoming resources					
Membership fees	7,955	-	-	7,955	4,298
Esmee Fairbairn	30,000	-	-	30,000	17,500
Scottish Enterprise	-	-	-	-	30,000
Scottish Executive (ESF)	50,632	-	-	50,632	35,158
Communities Scotland	52,745	-	-	52,745	44,806
Other income	20,454	-	16,590	37,044	29,458
	<u>161,786</u>	<u>-</u>	<u>16,590</u>	<u>178,376</u>	<u>161,220</u>
Total incoming resources	161,786	-	16,590	178,376	161,220
Resources expended					
Fund raising and publicity	5,121	-	-	5,121	7,507
Direct charitable expenditure	116,646	-	32,515	149,161	103,569
Management and administration of the charity	49,251	-	-	49,251	46,388
	<u>171,018</u>	<u>-</u>	<u>32,515</u>	<u>203,533</u>	<u>157,464</u>
Total resources expended	171,018	-	32,515	203,533	157,464
Net movements in funds before transfers	(9,232)	-	15,925	(25,157)	3,756
Transfer between funds	-	-	-	-	-
	<u>(9,232)</u>	<u>-</u>	<u>15,925</u>	<u>(25,157)</u>	<u>3,756</u>
Net movements in funds	(9,232)	-	15,925	(25,157)	3,756
Funds brought forward at 1 April 2003	16,528	-	16,518	33,046	29,290
	<u>16,528</u>	<u>-</u>	<u>16,518</u>	<u>33,046</u>	<u>29,290</u>
Funds carried forward at 31 March 2004	7,296	-	593	7,889	33,046
	<u>7,296</u>	<u>-</u>	<u>593</u>	<u>7,889</u>	<u>33,046</u>

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

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BALANCE SHEET
As at 31 March 2004

	Notes			2004			2003
		£		£	£		£
Fixed Assets							
Tangible assets:	Office Equipment	7,726			8,392		
	Computer Equipment	1,144			1,044		
	Leasehold Improvements	8,269			7,084		
		17,139		17,139	16,520		16,520
Current Assets							
Debtors and accrued income		21,172			41,505		
Bank and cash		57,539		78,711	26,709		68,214
		95,850		95,850	84,734		84,734
Current liabilities:	Amounts falling due within one year			78,358			37,350
				17,492			47,384
Net assets				9,603			14,338
Long term liabilities:	Amounts falling due in more than one year			7,889			33,046
Net assets				7,889			33,046
Capital and reserves							
Unrestricted funds:							
Designated funds				-			-
General funds				593			16,528
Restricted funds				7,296			16,518
				7,889			33,046
				7,889			33,046

The financial statements were approved by the Trustees on June 2004 and were signed on its behalf by

..... Treasurer
Rodney Stares