

**SENSCOT LIMITED**  
**SOCIAL ENTREPRENEURS NETWORK SCOTLAND**  
(A Company Limited by Guarantee)

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**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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Charity no: SC029210

Company Number: 278156

**SENSCOT LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**

The Directors submit their report together with the financial statements for the year ended 31 March 2007.

**Reference and Administrative Information**

Charity name	Senscot (Social Entrepreneurs Network Scotland)
Charity number	SC029210
Company number	278156
Registered Office and Operational address	54 Manor Place Edinburgh EH3 7EH
<b>Directors</b>	Sophy Copland (Chair) Elizabeth M Gardiner Elizabeth Thomas MBE (resigned Jan.2007) Rodney C Stares (Treasurer) Steven W Whitton Jeremy Lamb (appointed Jun.2006) Emma Hutton (appointed Jun.2006, resigned Apl.2007) Philip Denning (appointed Jan.2007)
<b>Secretary and Executive Director</b>	Aidan Pia
<b>Auditors</b>	Gregor Clark & Co Chartered Accountants 54 Manor Place Edinburgh EH3 7EH
<b>Bankers</b>	Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN

## **DIRECTORS' REPORT (continued)**

### **Structure, Governance and Management**

#### Governing document

Senscot was launched in January 1999 as an unincorporated association with charitable status. On 5 January 2005, the trustees of Senscot decided that the organisation should become a company limited by guarantee. As of 1 April 2005, a resolution was passed at the 2004 AGM, where the trustees of Senscot transferred all its assets and liabilities to the company. Senscot has been operating as the company since that date. Senscot, the company limited by guarantee, is governed by its Memorandum and Articles of Association dated 17 December 2004. It is registered as a charity with the Inland Revenue.

#### Appointment of Directors

Nominations to be a director are requested from the membership and can be submitted at any time before the commencement of the AGM. The board currently comprises four directors from the membership. Any directors appointed by the directors during the year, and two of the remaining member directors, must stand down at the AGM but are eligible for re-election. The nominations for election are put to the membership at the AGM and the full board is thereby elected. At their first meeting after the AGM the directors elect their office bearers for the coming year. Further directors can be co opted by the board of directors during the year.

#### Director induction and training

After election an induction programme is offered to all new directors. In addition all directors receive an information pack that contains the Memorandum and Articles of Association, roles and responsibilities of being a director, and background information on the organisation.

#### Organisation

The full board of directors meets every two months. The board spends a day and half each year undertaking a strategic review and forward planning for the organisation. The Executive Director produces a report of the organisation's progress to the directors on a quarterly basis. The Executive Director has delegated powers to make day-to-day decisions regarding the organisation's operations. A work plan and budget is agreed between the Executive Director and the directors and if there is significant variation required, this is referred to the directors for approval.

#### Risk management

The annual strategic review and forward planning event considers the risks to which the organisation is exposed and identifies what needs to be in place to manage these risks through the year. The risks faced by the company fall into two categories, internal and external.

Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects and to ensure consistent quality of delivery for all operational aspects of the company

External risks relate largely to the continued funding of the company. However an encouraging development is the continued support from both private and public sectors, which should ensure the long-term financial stability of the company. Any variation from the business has an associated risk assessment that is presented to the board of directors.

#### Related parties

Senscot co-operates with other social enterprise organisations throughout Scotland and has formal links with the Scottish Social Enterprise Coalition.

### **Objectives and activities**

Senscot's mission statement is "to continue to build and operate an independent network with the scale and momentum to drive an expanding social enterprise sector in Scotland". The key objectives flowing from this mission are as follows:

- To connect the majority of social enterprises in Scotland to the Senscot network.
- To share information and inspiration electronically.
- To share information and inspiration through local networks.
- To broker mutual support and joint working.
- To create, with others, new services to develop the social enterprise community.
- To influence policy to help the growth of the social enterprise sector.
- To promote the wider benefits of social enterprise.

### **Achievements and performance**

During the year Senscot continued to pursue the key objectives outlined above. Senscot has established contact with approximately half of the estimated 3,000 social enterprises that exist in Scotland. The Senscot weekly electronic bulletin now goes out to almost 3,500 contacts. Both the database and the website are constantly being refined and developed. The database currently holds records on approximately 5,500 organisations and individuals. The website is now attracting over 5,000 hits per week from around 1,500 individual visitors.

During the year, Senscot continued to establish new Local Social Enterprise Networks around the country. There are now 12 geographic networks and 3 thematic ones. The networks also held their second national gathering at New Lanark in November, which was highly successful. The year ahead will see Senscot look towards formalizing the link between each network and to investigate the possibility of a federation operating at national level

The past year has seen the establishment of First Port as a separate company. This will bring together the services of the Senscot Exchange and Scotland UnLtd under one roof. First Port will be operational from 1<sup>st</sup> April 2007

Over the past 5 years, Senscot has been involved, with others, in the establishment of a series of services designed to bring support to social enterprises in Scotland. These have included Scotland UnLtd, DTA Scotland, the Social Enterprise Academy, the Senscot Exchange and ,most recently, First Port. These organisations with others make up a Social Enterprise `cluster` of 11 organisations that Senscot continues to support via the provision of affordable office space and common services at its Edinburgh premises. In addition, we will continue to explore other opportunities to establish new services where gaps exist.

During the year Senscot engaged with policy makers at local and national level. Senscot is a founding member of the Scottish Social Enterprise Coalition that lobbied successfully for a distinct strategy for social enterprise that was published in March 2007. Senscot also continue to promote the wider benefits of social enterprise through speaking at meetings and conferences and by publishing articles, comments etc.

### **Financial review**

A deficit of £21,215 arose during the year (2006 - surplus of £31,198).

#### Principal funding sources

Principal funding sources for the year under review are: the Scottish Executive, Communities Scotland, the Esmee Fairbairn Trust, Coalfields Regeneration Trust, the Royal Bank of Scotland PLC, and income

generated by the activities of Senscot. Other than the Coalfields Regeneration Trust funding, the principal funding sources have been unrestricted contributions to the core costs of Senscot and as such have been applied in support of all its key objectives.

#### Investment policy

Under the Memorandum and Articles of Association, the company has the power to invest in any way the directors wish. However, there are few funds for long-term investment and the directors, having regard to the liquidity requirements of operating the company and to the reserves policy have operated a policy of keeping available funds in an interest bearing current account.

#### Reserves policy

The Board has set a target level of reserves equivalent to three months core running costs for the organisation. Currently reserves are progressing towards this target.

#### **Plans for future periods**

Senscot will continue to seek funding so that it has the capacity to undertake the following

- Continue to seek out new contacts with social enterprises in Scotland
- Formalise the link between each Local Social Enterprise Network and investigate strategic relationships at a regional and national level
- Repeat the success of the first national gathering of Local Social Enterprise Networks by holding a similar event in the coming year
- Further develop the Senscot Exchange to broker support for emerging social enterprises
- Continue to “spread the word” about social enterprise through speaking at meetings and conferences and by publishing articles.

#### **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 company’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 directors 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 company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy the financial position of the company and which 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.

#### **Statement as to the disclosure of information to Auditors**

As far as the directors are aware, there is no relevant audit information of which the company’s auditors are unaware, and each director has taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

## **Directors**

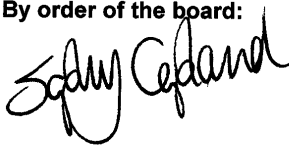
The directors, who are trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on Page 3.

## **Auditors**

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

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting of Charities (issued in March 2005) and in accordance with the provision of Part VII of the Companies Act 1985 relating to small entities.

**By order of the board:**

A handwritten signature in black ink, appearing to read 'Sophy Copland', written in a cursive style.

Sophy Copland (Chair)

| June 2007

**SENSCOT LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Including Income & Expenditure Account)  
For the Year Ended 31 March 2007**

	Notes	Unrestricted General Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
<b>Incoming resources</b>					
<b><i>Incoming resources from generated funds:</i></b>					
<i>Voluntary income</i>					
Grants					
Scottish Executive		70,136	-	70,136	107,943
Scottish Executive (ESF)		70,260	-	70,260	65,287
Communities Scotland		67,000	-	67,000	87,184
Esmee Fairbairn		15,000	-	15,000	30,000
Other	2	108,701	11,223	119,924	83,897
		<u>331,097</u>	<u>11,223</u>	<u>342,320</u>	<u>374,311</u>
<i>Investment income</i>	3	412	-	412	829
<b><i>Incoming resources from charitable activities</i></b>	4	5,078	-	5,078	5,670
<b><i>Other incoming resources</i></b>		-	-	-	-
<b>Total incoming resources</b>		<b><u>336,587</u></b>	<b><u>11,223</u></b>	<b><u>347,810</u></b>	<b><u>380,810</u></b>
<b>Resources expended</b>					
<b><i>Costs of generating funds:</i></b>					
Fundraising costs of grants	5	18,110	-	18,110	14,745
<b><i>Charitable activities:</i></b>					
Support services	5	109,187	11,223	120,410	97,391
Networks	5	120,411	-	120,411	97,391
Promotion & communications	5	70,243	-	70,243	58,984
		<u>317,951</u>	<u>11,223</u>	<u>329,174</u>	<u>253,766</u>
<b>Governance costs</b>	5	39,851	-	39,851	45,862
<b>Total resources expended</b>		<b><u>357,802</u></b>	<b><u>11,223</u></b>	<b><u>369,025</u></b>	<b><u>314,373</u></b>
<b>Net movement in funds</b>		<b>(21,215)</b>	<b>-</b>	<b>(21,215)</b>	<b>66,437</b>
<b><i>Reconciliation of funds:</i></b>					
Total funds brought forward		-	-	66,437	-
<b>Total funds carried forward</b>	17	<b><u>45,222</u></b>	<b>-</b>	<b><u>45,222</u></b>	<b><u>66,437</u></b>

The statement of financial activities includes all gains and losses recognised in year.  
All incoming resources and resources expended derive from continuing activities.  
The notes at pages 12 to 20 form part of these financial statements.

**BALANCE SHEET**  
**As at 31 March 2007**

	Notes	2007		2006	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11		16,472		20,749
<b>Current assets</b>					
Debtors and accrued income	12	93,635		56,876	
Cash at bank and in hand		<u>(5,868)</u>		<u>17,814</u>	
		93,635		74,690	
<b>Current liabilities</b>					
Creditors falling due within one year	13	<u>(59,017)</u>		<u>(29,002)</u>	
<b>Net current assets</b>			28,750		45,688
<b>Net assets less current liabilities</b>			45,222		66,437
Creditors falling due after more than one year			-		-
<b>Net assets</b>			<u>45,222</u>		<u>66,437</u>
<b>The funds of the company</b>					
Unrestricted general income funds			45,222		66,437
Restricted income funds			-		-
	16		<u>45,222</u>		<u>66,437</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board of Directors on 31 May 2007 and were signed on its behalf by:

Rodney Stares, Director



**Resources expended**



	Generating grant income	Support services	Network services	Promotions & comms	Govern- ance	Total 2007	Total 2006
	£	£	£	£	£	£	£
<b>Direct costs</b>							
Staff costs	10,026	60,156	60,156	40,104	30,078	200,520	199,227
Pension costs	630	3,794	3,794	2,530	1,897	12,645	7,128
Travel & subsistence	630	3,777	3,777	2,518	1,888	12,590	13,131
Consultancy	251	1,503	1,503	1,002	751	5,010	33,563
Legal fees	-	-	-	-	-	-	461
Audit & accounting fees	-	-	-	-	1,375	1,375	1,163
First Port expenses	-	15,355	15,355	-	-	30,710	-
Laurence's book	2,580	-	-	-	-	2,580	-
Seminar/event exp's	-	2,529	2,530	-	-	5,059	-
Exchange & network	-	9,338	9,338	-	-	18,676	17,838
<b>Support costs</b>							
Premises	2,707	16,236	16,236	18,942	-	54,121	9,918
Cleaning	242	1,452	1,452	968	726	4,840	3,897
Telephone	219	1,313	1,313	875	656	4,376	4,820
Postage & stationery	142	852	852	569	426	2,841	2,566
Bank charges	12	76	76	50	38	252	288
Loan interest	57	346	346	230	173	1,152	964
Subscriptions	148	896	896	598	448	2,986	6,722
Depreciation	244	1,456	1,456	970	728	4,854	7,758
Repairs & renewals	10	63	63	42	32	210	825
Website costs	75	448	448	299	225	1,495	1,897
Sundry	137	820	820	546	410	2,733	2,207
	<b>18,110</b>	<b>120,410</b>	<b>120,411</b>	<b>70,243</b>	<b>39,851</b>	<b>369,025</b>	<b>314,373</b>