

Coopers
& Lybrand

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Annual report
for the year ended 31 May 1994

Registered No: SC 80355



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Annual report
for the year ended 31 May 1994

	Page
Directors and advisors	1
Report of the directors	2 - 6
Report of the auditors	7
Income and expenditure account	8
Balance sheet	9
Notes to the financial statements	10 - 14



SCOTTISH BUSINESS IN THE COMMUNITY**Directors and advisors****Executive directors**

T Farmer CBE (Chairman)
B Sealey CBE (Vice-Chairman)
G C Borthwick CBE
C Christie
Sir Charles Fraser KCVO
Sir Russell Hillhouse KCB
D Logan
Trevor Slater OBE
Professor John Ward
Sir James Mellon KCMG
William Thornton
John Mackay

**Secretary
and registered office**

Mrs J McCulloch
Romano House
43 Station Road
Edinburgh
EH12 7AF

Auditors

Coopers & Lybrand
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

Solicitors

W&J Burness WS
16 Hope Street
Edinburgh
EH2 4DD

Bankers

TS Bank Scotland plc
PO Box 177
120 George Street
Edinburgh
EH2 4TS

SCOTTISH BUSINESS IN THE COMMUNITY

(A company limited by guarantee)

Report of the directors for the year ended 31 May 1994

The directors present herewith their report and the audited financial statements for the year ended 31 May 1994.

The income and expenditure account for the year is set out on page 8.

Principal activities

The principal activity of the company is to encourage and assist companies to adopt a philosophy of corporate social responsibility. The organisation is recognised for tax purposes by the Inland Revenue (CR 43854).

The company promotes these activities through a series of local initiatives, namely the Scottish Local Enterprise Trusts and Business Support Groups and various national schemes including The Scottish Corps of Retired Executives.

Review of the business

80 companies and organisations subscribe centrally to this philosophy and 69 support its implementation with a financial or in-kind contribution. During the year the following members provided substantial support through the secondment of personnel:- British Gas plc (Scotland), The Forestry Commission, The Scottish Office, Shell U.K. Limited, The Royal Bank of Scotland plc, TSB Bank Scotland plc.

ScotRail made specific provision to SCORE through honoraria for 3 staff.

As the Chairman noted in last year's report the company has an accumulating financial deficit. During the next financial year a strategy will come in to operation to address this situation including the following elements:-

- an increase in the standard subscription from £2,000 to £3,000;
- the conversion of the Scottish Corps of Retired Executives into a stand-alone, self-funded project,
- and the recruitment of more companies as members of SBC.

Following the closure of the SBC Training Centre at Queen Margaret College and the integration of this function into Romano House, the administration of the funds held for training of Enterprise Trust staff was brought within the core activity of SBC.

The management of the Scottish Community Projects Funds has been transferred to the Royal Incorporation of Architects in Scotland.

SBC's role in directly assisting the promotion and development of Education/Business Partnerships ceased during the year and these funds were brought within the core activities of SBC.

The directors express their thanks to all sponsors and supporters of the company.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Report of the directors
for the year ended 31 May 1994 (continued)

Review of the business (continued)

During the last year the 44 Enterprise Trusts assisted in the creation of 2,332 new businesses which have consequently created 3,728 jobs. 49,680 counselling sessions were given and 9,898 follow-up meetings were held, leading to 1,313 existing jobs being supported or saved.

The Trusts' total income was £12.78 million, with £2.07 million being provided by the private sector.

A conference for the Enterprise Trusts entitled "Success at the Sharp End" was held on 23 and 24 January 1994. The conference identified many concerns for and challenges to the Trust movement but there was broad support that SBC should facilitate the development of the network and assume a central role in raising standards, spreading good practice and improving awareness.

The continuing drive for BS5750 within the Trusts was supported by the delivery by SBC of related courses for Lead Assessors and Internal Auditors. Courses relating to the core activities of the Trusts were organised on the following subjects:- Business Counselling, Business Information, Aftercare, Enquiry Handling and Financial Awareness.

The Certificate of Business Counselling was given increased impetus with the secondment for 13 months of an experienced counsellor to advise and assess those undertaking this competence based award.

Under the guidance of SBC 12 Enterprise Trusts ran a programme of 25 seminars to disseminate business-related environmental information to small and medium sized enterprises. A two-day seminar on the development of standards of competence and accreditation for environmental managers throughout industry was also organised.

SBC has continued its association with the Scottish Environment & Business Initiative by being represented on the Steering Group.

Building on the success of Business Support Groups operating in peripheral housing estates two new Business Support Groups have been established in Perthshire and Drumchapel and two are planned in Mayfield, Dalkeith and Abbeyview, Dunfermline, bring the total to 12.

A Business Support Group conference entitled "Reality or Rhetoric" was held on 1 and 2 November 1993. As well as bringing together suggestions for the way forward for the BSG movement in Scotland, the conference report produced as an annex a definitive guide to establishing a Business Support Group.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Report of the directors
for the year ended 31 May 1994 (continued)

Review of the business (continued)

The secondment of Scottish Prison Service officers to act as Managers of a number of BSGs has been particularly successful. Secondments have also been brokered for LINC in Glasgow from the Clydesdale Bank plc, Work Wise Limited from the Halifax Building Society, the Edinburgh Education Business Partnership from the Employment Service, Strathkelvin Enterprise Trust from the Benefits Agency and for the first time on an assignment to the Scottish Office, a secondee from General Accident has joined the Crime Prevention Unit.

The Scottish Corps of Retired Executives continues to provide business skills through volunteer retired professionals and executives.

The Best Business/Community Relationship Awards were presented in May. The Premier Award was bestowed on Work Wise Limited, with their partner McVities.

SBC continues to offer an administrative service to the Development Director of Action Scotland (formally ARC).

The quality of our service and staff continues to be a priority. Our commitment to quality was recognised through BS5750 accreditation and to our people through the achievement of the Investors in People Award.

The liability of each of the guarantors in the event of a winding up is limited to £5. At 31 May 1994 there were 12 guarantors in the register of members.

Directors

The following were the directors of the company in the year to 31 May 1994:

Tom Farmer CBE	(Chairman)
Barry Sealey CBE	(Vice-Chairman)
Mike Bett CBE	(Resigned 26 November 1993)
George C Borthwick CBE	
Campbell Christie	
Sir Gerald Elliot	(Resigned 17 February 1994)
Sir Charles Fraser KCVO	
Sir Russell Hillhouse KCB	
Cllr George Hood	(Resigned 26 November 1993)
David Logan	
Trevor Slater OBE	(Appointed 8 July 1993)
Professor John Ward	(Appointed 8 July 1993)
Sir James Mellon KCMG	(Appointed 8 July 1993)
William Thornton	(Appointed 17 February 1994)
John Mackay	(Appointed 26 November 1993)

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Report of the directors
for the year ended 31 May 1994 (continued)

Directors (continued)

In accordance with the companies Articles of Association, one third of the directors retired. These were:

Michael Bett
George Borthwick
George Hood
David Logan

George Borthwick and David Logan were re-elected.

Changes in the presentation of the financial statements

Following the introduction of Financial Reporting Standard No 3, 'Reporting Financial Performance', the presentation of the financial statements has been amended to conform with the new requirements. Income and operating deficit have been analysed into continuing and discontinued activities.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 6 to the accounts.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 May 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Report of the directors
for the year ended 31 May 1994 (continued)

Auditors

A resolution to reappoint Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board

James M'ulloch

Secretary
Edinburgh,

4 November 1994

Report of the auditors to the members of

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

We have audited the financial statements set out on pages 8 to 14.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 company's affairs at 31 May 1994 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Edinburgh,

4th November 1994.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

**Income and expenditure account
for the year ended 31 May 1994**

	Notes	1994 £	1993 £
Income - continuing activities			
Subscriptions	2	155,334	158,167
Sponsorship		124,427	76,798
Training and conference fees		29,109	-
Bank interest gross		3,297	5,359
Sundry		1,071	1,636
		<u>313,238</u>	<u>241,960</u>
Change in stock		(2,491)	3,049
		<u>310,747</u>	<u>245,009</u>
Expenditure			
Training and conferences		26,679	10,610
Depreciation		9,642	7,090
Enterprise development		12,179	1,708
Environmental projects		8,017	4,807
Internal training		4,524	1,505
Office service costs		20,657	18,998
Pension contributions		10,373	10,598
Postage and stationery		9,292	18,176
Printing and production		2,222	5,675
Business awards		3,574	-
Publications and newspapers		1,416	921
Quality programme		3,749	970
Rent		22,915	22,068
Salaries		139,196	95,127
Scottish Corps of Retired Executives		15,417	13,937
Sundry office and administration expenses		5,875	2,625
Telephone		4,123	7,069
Travel and subsistence		19,848	29,288
Urban renewal		14,442	7,292
Working Together Activities		1,000	2,146
		<u>335,140</u>	<u>260,610</u>
Less: Contribution from Livewire		(4,406)	(5,276)
Contribution from Action Scotland		(10,281)	(9,485)
		<u>320,453</u>	<u>245,849</u>
Deficit for the year - continuing activities	4	<u>(9,706)</u>	<u>(840)</u>
Statement of accumulated deficit			
Accumulated deficit at 31 May 1993		(36,086)	(35,246)
Deficit for the year		(9,706)	(840)
Accumulated deficit at 31 May 1994		<u>(45,792)</u>	<u>(36,086)</u>

The company has no recognised gains and losses other than the deficit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the deficit for the year stated above and its historical cost equivalent.

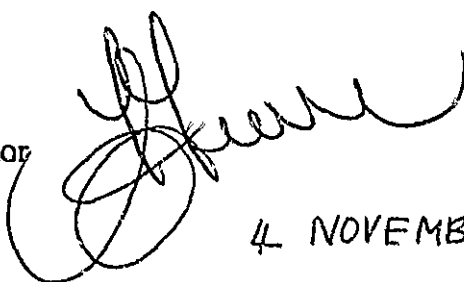
SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Balance sheet - 31 May 1994

	Notes	1994 £	1995 £
Fixed assets			
Tangible assets	6	<u>25,193</u>	<u>19,173</u>
Current assets			
Debtors	8	90,987	8,395
Stock	7	1,209	3,049
Cash at bank and in hand	9	<u>17,883</u>	<u>171,208</u>
		110,079	182,652
Creditors - amounts falling due within one year	10	<u>31,417</u>	<u>58,234</u>
Net current assets		<u>78,662</u>	<u>124,418</u>
Total assets less current liabilities		<u>103,855</u>	<u>143,591</u>
		<u>103,855</u>	<u>143,591</u>
Representing:-			
Accumulated deficit		(45,792)	(36,086)
Funds held for Enterprise Trusts	11	152,990	133,453
Funds held for the training of Enterprise Trust staff	12	-	11,163
Scottish Community Projects Fund	13	-	32,667
Education/Business Partnerships	14	-	2,394
Support for Young Enterprise Scotland		(3,343)	-
		<u>103,855</u>	<u>143,591</u>

The financial statements on pages 8 to 14 were approved by the board of directors on and were signed on its behalf by:

Director



4 NOVEMBER 1994

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 May 1994**

1 The company does not seek to make a profit, nor can its achievements be measured by normal commercial criteria. In order that a true and fair view of its activities should be given in these accounts, the directors have set out on page 8 an Income and Expenditure Account which shows the results for the year, but in a format other than as prescribed in the Companies Act 1985. In the opinion of the directors this provides greater clarity on the nature of the company's activities, and discloses in sufficient detail information relating thereto, as required by the Companies Act 1985.

2 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. As in previous years, the financial statements are prepared in accordance with the historical cost convention. A summary of the more important accounting policies of the company, which have been applied consistently, is set out below.

Subscriptions

Subscription income is taken into account on a cash basis unless a contract is in place in which case it is accrued into the period to which it relates.

Expenditure

All operating expenditure, including costs of preparing and printing publications, is written off in the year in which it is incurred.

Income and expenditure arising from the management of specific projects on behalf of other agencies is excluded from the company's income and expenditure account.

Tangible fixed assets

Provision for depreciation is made so as to write-off the cost of fixed assets, which are stated at their purchase price, on a straight line basis over the expected useful economic life of the assets concerned. The principal rates used, which are consistent with those of the previous period, are:-

Office fittings	10%
Office equipment	20%
Motor vehicles	25%

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 May 1994 (continued)

2 Accounting policies (continued)

Stock

Stocks are stated at the lower of cost and net realisable value.

Cash flow statement:

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

3 Corporation tax

The company acquired charitable status with effect from 26 December 1988, and is therefore exempt from taxation under section 505, Income and Corporation Taxes Act 1988.

4 Deficit for the year

The directors and auditors have agreed to provide their services on an honorary basis. Accordingly, no directors' emoluments or auditors' remuneration have been charged in arriving at the deficit for the year.

5 Employee information

(a) The average number of persons directly employed by the company is analysed below:-

	1994	1993
Administration	8	9
	=	=

(b) Company employment costs:

	1994	1993
	£	£
Gross wages	126,234	110,650
Employer's national insurance contributions	12,962	10,905
Pension contributions	10,373	12,249
	<u>149,569</u>	<u>133,804</u>

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 May 1994 (continued)

5 Employee information (continued)

- (c) In addition to the above, the company has received the services of seven executive staff seconded at no charge by their employers; Ben Line Group Limited, British Gas plc (Scotland), The Forestry Commission, The Scottish Office, Shell U.K. Limited, TSB Bank Scotland plc and The Royal Bank of Scotland plc. Without this assistance, which is valued at £350,000 the company could not have carried out its operations. The company also received the services of three part time staff which is valued at £20,000 a year.

6 Fixed assets

	Office equipment £	Office fittings £	Motor vehicles £	Total £
Cost				
At 31 May 1993	23,487	29,551	11,000	64,038
Additions	2,714	-	12,948	15,662
At 31 May 1994	26,201	29,551	23,948	79,700
Depreciation				
At 31 May 1993	20,816	16,487	7,562	44,865
Charge for year	1,260	2,935	5,447	9,642
At 31 May 1994	22,076	19,422	13,009	54,507
Net book value				
At 31 May 1994	4,125	10,129	10,939	25,193
At 31 May 1993	2,671	13,064	3,438	19,173

7 Stock

	1994 £	1993 £
Consumables	1,209	3,049

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 May 1994 (continued)

8 Debtors

Amounts falling due within one year:-

	1994 £	1993 £
Sundry debtors	84,564	1,886
Prepayments and deferred expenditure	6,423	6,509
	<u>90,987</u>	<u>8,395</u>

9 Cash at bank and in hand

Cash at bank includes the funds referred to in notes 11 to 14 below.

10 Creditors

Amounts falling due within one year:-

	1994 £	1993 £
Other taxation and social security	4,210	5,799
Sundry creditors	864	3,320
Accruals and deferred income	26,343	49,115
	<u>31,417</u>	<u>58,234</u>

11 Funds held for Enterprise Trusts

These represent sums donated to the company, for distribution to local Enterprise Trusts, which have been allocated but not distributed.*

12 Funds held for training

In 1993 these represented sums donated to the company, for the training of Enterprise Trust staff. In 1994 the administration of the training funds was brought within the ambit of the core activity of Scottish Business in the Community*.

SCOTTISH BUSINESS IN THE COMMUNITY
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 May 1994 (continued)

13 Funds held for Scottish Community Projects

These represent sums donated to aid the financing of feasibility studies for community groups to develop enterprise projects. The management of these funds was transferred to the Royal Incorporation of Architects in Scotland during the year*.

14 Education/Business Partnerships

This represents funds donated to the company for the purpose of assisting the promotion and development of Education/Business Partnerships. In 1994 the administration of these funds was brought within the core activity of Scottish Business in the Community*.

*All the above funds recognise receipts on a cash basis and may include donations in respect of more than one year.

15 Financial commitments

As at 31 May 1994 the company had annual commitments under non-cancellable operating leases as follows:

	1994	1993
	£	£
Expiring within one year	-	2,610
Expiring between two and five years inclusive	18,817	-
	<u>18,817</u>	<u>2,610</u>