

Coopers
& Lybrand

Scottish Business in the Community
(A company limited by guarantee)

Annual report
for the year ended 31 May 1995

Registered No: SC 80355



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for the year ended 31 May 1995

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Directors and advisors

Executive directors

Tom Farmer CBE (Chairman)
Barry Sealey CBE (Vice-Chairman)
George C Borthwick CBE
Campbell Christie
Sir Charles Fraser KCVO
Sir Russell Hillhouse KCB
David Logan
Trevor Slater OBE
Professor John Ward
Sir James Mellon KCMG
William Thornton
John Mackay
Dr Alan Brown

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

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

Report of the directors for the year ended 31 May 1995

The directors present herewith their report and the audited financial statements for the year ended 31 May 1995.

The income and expenditure account for the year is set out on page 7.

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 as a charity for tax purposes by the Inland Revenue (CR 43854).

The company promotes this activity by providing support and encouragement to initiatives such as Local Enterprise Trusts, Business Support Groups, Employer Supported Volunteering, The Prince's Trusts, Action Scotland, The Windsor Meetings, Young Enterprise Scotland and SCORE.

Review of the business

75 companies and organisations subscribe centrally to this philosophy and 64 support its implementation with a financial or in-kind contribution. During the year the following organisations provided substantial support through the secondment of personnel:- British Gas plc (Scotland), The Employment Service, Marks and Spencer plc, The Royal Bank of Scotland plc, Royal Mail, The Scottish Office, Scottish Prison Service and Scottish Widows' Fund and Life Assurance Society.

The British Rail Community Unit made specific provision to SCORE through honoraria for 3 part-time staff.

The strategy for the elimination of the company's financial deficit and the placing of the company on a firm financial footing for the future is being progressively put into practice. The annual subscription has been increased from £2,000 to £3,000 raising an additional £16,000 during the year. The other elements of the strategy, ie the conversion of SCORE into a self-funded project and the recruitment of new members require further consideration before implementation. The directors are pleased to report that careful financial management throughout the year has resulted in the accumulated deficit being cleared and it is intended that with the implementation of these two further elements, the company will have a sound base from which to progress.

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

Report of the directors
for the year ended 31 May 1995 (continued)

Review of the business (continued)

A fifth conference for the Enterprise Trusts was held on 23 and 24 April 1995. The conference confirmed the decision taken by the SBC Board in September 1994 to facilitate the setting up of a new representative Association for the Trusts to concentrate solely on their needs and build on their success. SBC has worked closely with an elected Working Group of Trust Chief Executives in defining the requirements of the Trusts and a proposed structure of the Association. A Shadow Board has now been nominated and an operating plan is being formulated. It is intended, in the early stages, that the Association's base will continue to be within Romano House.

Throughout the year SBC offered training courses in business counselling and financial management to support the core activities of the Enterprise Trusts. The annual review of training also identified requirements for presentation skills training and additional courses were organised to meet this need.

The Business Support Groups planned for Abbeyview in Dunfermline and Mayfield in Dalkeith have now been established and a further BSG will be launched in Easterhouse later this year. The company is increasingly using the BSGs as opportunities for member companies to provide field based support for our activities. During the year five secondees were provided as Managers of BSGs.

A Business Support Group conference was held on 6 and 7 November 1994.

The Scottish Corps of Retired Executives continues to provide business skills through volunteer retired professionals and executives to the voluntary sector and emergent small businesses, mainly in the central belt of Scotland.

SBC continues to provide an administrative service to the Area Manager and the Secondment Development Manager for Action Scotland. Action Employees in the Community is a national voluntary organisation which has recently merged with Business in the Community to promote employee community involvement and develop a range of secondment and employee volunteering programmes. Action Scotland is the Scottish arm of this organisation and works in partnership with SBC and VDS (Volunteer Development Scotland).

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Report of the directors for the year ended 31 May 1995 (continued)

A total of 68 long and short term placements with community and voluntary organisations were arranged last year. These varied from 100 hours and 3 month secondments which were employee training and development opportunities, to 6 month, 1 year and 2 year secondments where established managers brought their skills and experience to benefit organisations in the charitable and non profit sector. Employees representing organisations such as BP, Benefits Agency, Employment Service, General Accident, Marks & Spencer, Royal Mail, Standard Life, Stock Exchange and Scottish Prison Service assisted many voluntary and community organisations including Alzheimers, Action on Dementia, Apex Trust, Age Concern, Cyrenians, Dighty Burn Project Dundee, Marriage Counselling Scotland, Scottish Community Education Council and the Trefoil Centre Edinburgh.

The liability of each of the guarantors in the event of a winding up is limited to £5. At 31 May 1995 there were 12 guarantors in the register of members.

Directors

The following were the directors of the company in the year to 31 May 1995:

Tom Farmer CBE	(Chairman)
Barry Sealey CBE	(Vice-Chairman)
George C Borthwick CBE	
Campbell Christie	
Sir Charles Fraser KCVO	
Sir Russell Hillhouse KCB	
David Logan	
Trevor Slater OBE	
Professor John Ward	
Sir James Mellon KCMG	
William Thornton	
John Mackay	
Dr Alan Brown	(Appointed 22 September 1994)

In accordance with the company's Articles of Association, the following directors retired and were re-elected:

Campbell Christie
Tom Farmer
Barry Sealey

Changes in fixed assets

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

Report of the directors
for the year ended 31 May 1995 (continued)

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 1995. 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.

Auditors

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

By order of the board

Juniper McCulloch

Secretary
Edinburgh,

4 October 1995

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 7 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.

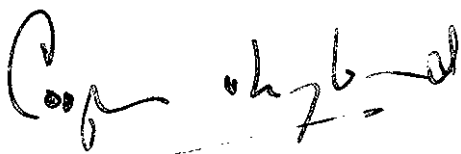
Basis of opinion

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 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Edinburgh,

10. October. 1995

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Income and expenditure account for the year ended 31 May 1995

	Notes	1995 £	1994 £
Income - continuing activities			
Subscriptions	2	172,550	155,334
Sponsorship		152,140	124,427
Training and conference fees		41,248	29,109
Bank interest gross		2,213	3,297
Sundry		1,483	1,071
		<u>369,634</u>	<u>313,238</u>
		(864)	(2,491)
Change in stock		<u>368,770</u>	<u>310,747</u>
Expenditure			
Training and conferences		35,033	26,679
Depreciation		5,832	9,642
Enterprise development		12,277	12,179
Environmental projects		3,363	8,017
Internal training		3,645	4,524
Office service costs		14,793	20,657
Pension contributions		6,480	6,818
Postage and stationery		8,049	9,292
Printing and production		-	2,222
Business awards		739	3,574
Publications and newspapers		932	1,416
Quality programme		54	3,749
Rent		24,063	22,915
Salaries		148,294	142,751
Scottish Corps of Retired Executives		12,591	15,417
Sundry office and administration expenses		971	5,875
Telephone		5,074	4,123
Travel and subsistence		18,915	19,848
Urban renewal		18,309	14,442
Working Together Activities		1,383	1,000
Loss on sale of fixed assets		25	-
		<u>320,822</u>	<u>335,140</u>
Less: Contribution from Livewire		-	(4,406)
Contribution from Action Scotland		(9,484)	(10,281)
		<u>311,338</u>	<u>320,453</u>
Surplus for the year - continuing activities	4	<u>57,432</u>	<u>(9,706)</u>
Statement of accumulated surplus			
Accumulated deficit at 31 May 1994		(45,792)	(36,086)
Surplus for the year		57,432	(9,706)
Accumulated surplus at 31 May 1995		<u>11,640</u>	<u>(45,792)</u>

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

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

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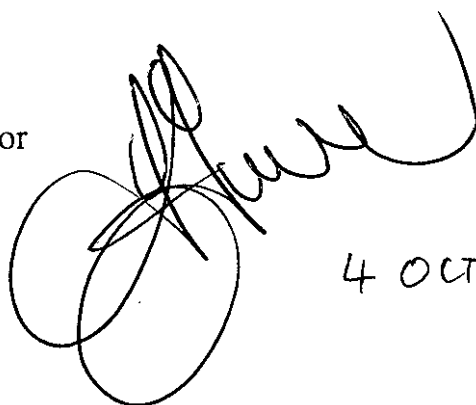
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Balance sheet - 31 May 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	6	<u>14,236</u>	<u>25,193</u>
Current assets			
Debtors	7	14,331	90,987
Stock	8	345	1,209
Cash at bank and in hand	9	<u>116,737</u>	<u>17,883</u>
		<u>131,413</u>	<u>110,079</u>
Creditors - amounts falling due within one year	10	<u>24,788</u>	<u>31,417</u>
Net current assets		<u>106,625</u>	<u>78,662</u>
Total assets less current liabilities		<u>120,861</u>	<u>103,855</u>
Net assets		<u><u>120,861</u></u>	<u><u>103,855</u></u>
Representing:-			
Accumulated surplus/(deficit)		11,640	(45,792)
Funds held for Enterprise Trusts	12	93,209	152,990
Steps into Work	13	16,071	-
Support for Young Enterprise Scotland	14	(59)	(3,343)
		<u>120,861</u>	<u>103,855</u>

The financial statements on pages 7 to 14 were approved by the board of directors on 1995 and were signed on its behalf by:

Director



4 OCTOBER 1995

Notes to the financial statements for the year ended 31 May 1995

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 7 of 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 and Statement of Recommended Practice 2. 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.

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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 Surplus 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 surplus for the year.

5 Employee information

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

	1995	1994
Administration	8	8
	=	=

- (b) Company employment costs:

	1995	1994
	£	£
Gross wages	135,461	129,789
Employer's national insurance contributions	12,833	12,962
Pension contributions	6,480	6,818
	<u>154,774</u>	<u>149,569</u>

5 Employee information (continued)

- c) In addition to the above the company has received the services of nine executive staff seconded at no charge from their employers; British Gas plc (Scotland), Employment Service, The Scottish Office, The Scottish Prison Service, Scottish Widows' Fund and Life Assurance Society, Royal Mail and The Royal Bank of Scotland plc. Without this assistance, which is valued at £375,000, the company could not have carried out its operations. The company also received the services of three part-time staff valued at £20,000 a year.

(d) Pension Scheme

The company participates in a defined contribution pension scheme for their employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,480 (1994: £6,818).

6 Fixed assets

	Office equipment £	Office fittings £	Motor vehicles £	Total £
Cost				
At 31 May 1994	26,201	29,551	23,948	79,700
Disposals	-	-	(6,474)	(6,474)
	<u>26,201</u>	<u>29,551</u>	<u>17,474</u>	<u>73,226</u>
At 31 May 1995				
Depreciation				
At 31 May 1994	22,076	19,422	13,009	54,507
Charge for year	1,385	2,141	2,306	5,832
Disposals	-	-	(1,349)	(1,349)
	<u>23,461</u>	<u>21,563</u>	<u>13,966</u>	<u>58,990</u>
At 31 May 1995				
Net book value				
At 31 May 1995	<u>2,740</u>	<u>7,988</u>	<u>3,508</u>	<u>14,236</u>
Net book value				
At 31 May 1994	<u>4,125</u>	<u>10,129</u>	<u>10,939</u>	<u>25,193</u>

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7 Debtors

Amounts falling due within one year:-

	1995 £	1994 £
Sundry debtors	4,413	84,564
Prepayments and accrued income	9,918	6,423
	<u>14,331</u>	<u>90,987</u>

8 Stock

	1995 £	1994 £
Consumables	345	1,209
	<u>345</u>	<u>1,209</u>

9 Cash at bank and in hand

Cash at bank includes the funds referred to in notes 12 and 13.

10 Creditors

Amounts falling due within one year:-

	1995 £	1994 £
Other taxation and social security	4,779	4,210
Sundry creditors	1,235	864
Accruals and deferred income	18,774	26,343
	<u>24,788</u>	<u>31,417</u>

11 Financial commitments

As at 31 May 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995 £	1994 £
Expiring within one year	<u>5,346</u>	<u>5,346</u>

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12 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. The funds recognise receipts on a cash basis and may include donations in respect of more than one year.

Balance at 31 May 1994	152,990
Contributions received	3,000
John Menzies plc	22,500
Clydesdale Bank plc	22,500
TSB Bank Scotland plc	22,500
Bank of Scotland	22,500
The Royal Bank of Scotland plc	
Total	93,000
	245,990
Distributions made	5,000
Aberdeen Enterprise Trust	1,000
ASSET Trust	3,850
The Capital Enterprise Trust	750
Cowal Enterprise Trust	5,000
Enterprise North East	6,000
Falkirk Enterprise Action Trust	10,000
Glasgow Opportunities	5,000
Gordon Enterprise Trust	2,500
Hamilton Enterprise Development Company	3,000
Highland Perthshire Development Company	3,500
Inverclyde Enterprise Trust	5,000
Kincardine & Deeside Enterprise Trust	2,000
Mid Fife Business Trust	6,000
Midlothian Enterprise Trust	10,000
North East Fife Enterprise Trust	6,000
Stirling Enterprise	1,500
Wigtown Rural Development Company	
Total	76,100
Strategic Projects	16,481
Certificate in Business Counselling	9,000
Enterprise Trust Activity	20,000
Scottish Corps of Retired Executives	25,200
Enterprise Trust Training	6,000
Enterprise Trust Conference	
Total	76,681
Balance at 31 May 1995	93,209

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13 Steps into Work

These represent sums managed by the company on behalf of the Edinburgh Business Support Group network in order to deliver job readiness training to unemployed people. The fund recognises receipts on a cash basis and may include donations in respect of more than one year.

	£
Balance at 31 May 1994	Nil
Contributions received	
LEEL	39,665
Department of Employment	25,000
Edinburgh District Council	5,000
	69,665
Distributions made	
Training providers	
Stirling Business Links	22,243
Gateway to Employment	5,054
GrandMet Trust	4,902
Laing Employment Training Organisation	4,285
Craigmillar Festival Society	4,290
Wester Hailes Management Agency Ltd	5,620
	46,394
Bonus payments to participants	7,200
	53,594
Balance at 31 May 1995	16,071

14 Young Enterprise Scotland

The company administers funds, as a service in-kind, provided by YES for the payment of staff salaries.

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The directors are grateful for the continued generous sponsorship by the following companies:

Aberdeen Journals Ltd
Alexander Russell plc
Arjo Wiggins Fine Papers Limited
Arthur Andersen & Co
Bank of England
Bank of Scotland
Ben Line Group Limited
The Boots Company plc
British Airways Scotland
British Alcan Aluminium plc
British Coal Enterprise Limited
The British Petroleum Company plc
British Steel (Industry) Limited
BT plc
The Burton Group plc
Caledonian Newspapers
Calor Gas Ltd
Clydesdale Bank plc
Coats Viyella plc
Dawson International plc
Employment Service
Esso Petroleum Co Limited
Ethicon Limited
James Finlay plc
General Accident plc
GrandMet Trust
Harper Collins Publishers
The Highland Distilleries Co plc
Highlands & Islands Enterprise
IBM United Kingdom
Johnston Press plc
Kwik-Fit Holdings plc
Laing Scotland
Marks & Spencer plc
Midland Bank plc
John Menzies plc
National Westminster Bank plc
NFC plc
KPMG
Price Waterhouse
Prudential Corporation plc
Robertson & Baxter Limited
The Royal Bank of Scotland plc
Royal Mail
Christian Salvesen plc
ScotRail
The Scotsman Publications Limited
Scottish Amicable Life Assurance Society

Scottish Brewers Limited
Scottish Enterprise
Scottish Homes
Scottish Life Assurance Company
Scottish Mutual Assurance Society
The Scottish Office
Scottish Prison Service
Scottish Widows' Fund & Life Ass. Society
Shell U.K. Limited
Standard Life Assurance Co
Sun Microsystems Scotland Limited
D C Thomson & Co Limited
Thorburn Colquhoun
TSB Bank Scotland plc
United Biscuits plc
United Distillers plc
The Weir Group plc
Willis Corroon Scotland plc
John Wood Group plc