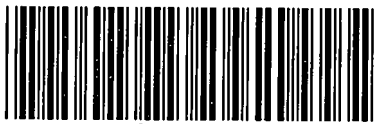




Annual Report for the year ended 31 May 2014

WEDNESDAY

SATURDAY



S41OTLW8

SCT 21/02/2015 #132
COMPANIES HOUSE

S40ZSU77

SCT 11/02/2015 #21
COMPANIES HOUSE

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

Mission statement

Scottish Business in the Community's mission is "Better Business for a Better Scotland". This is based on our vision for businesses, of all sizes and in all sectors, to operate more sustainably and responsibly to improve the economic, social and environmental outcomes for Scotland.

Scottish Business in the Community, as an independent not for profit organisation working with members and partners in all sectors, is uniquely placed to add value to the development and success of Scotland. Our key roles – those of expert adviser and independent broker - are increasingly important as we work collaboratively with stakeholders to drive change.

Our values statement

We will lead the way in responsible and sustainable business practice in Scotland, and inspire and support individuals, businesses and organisations to fulfil their potential. We act with leadership, integrity, enthusiasm and collaboratively to deliver our objectives.

With thanks to all our member companies:



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



"SBC brings together businesses and partner organisations across the sectors to more effectively play their role in a stronger, fairer, wealthier, healthier, and greener Scotland. Everyone has a role to play and something to gain."

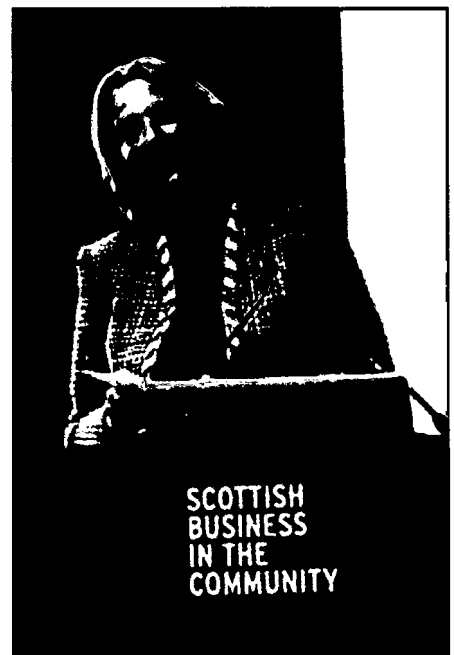
Working together, smarter and better, we can make real change happen, and help Scotland take a lead role in delivering a better way to do business for all."

HRH The Prince Charles, Duke of Rothesay
President, Scottish Business in the Community

"Scottish Business in the Community's members are businesses that embed responsible behaviour within their broader business model; businesses that truly embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere."

All of our members and partners share this commitment, and I am proud to chair such an important movement."

Jayne-Anne Gadhia CBE
Chief Executive Officer, Virgin Money
Chair, Scottish Business in the Community
The Prince's Ambassador for Scotland



Foreword

This financial year has been one of economic uncertainty for Scotland and also of political and constitutional uncertainty with the referendum on independence. However, for Scottish Business in the Community it has been a year that has seen growth within our team numbers and skills, in our membership and in our unrestricted reserves.

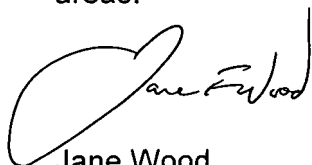
We have listened to what our members are telling us and our focus continues to be on value and increasing the social impact of our members' activities.

Scottish Business in the Community's position and credibility in Scotland have never been stronger. We continue to support and work with new partners and build on opportunities through government, academia and media collaboration.

As we continue to prioritise the key areas in year two of our three year strategy, I feel as an organisation we are in a strong position.

I am proud of what has been achieved this year.

The development and growth in Scotland of the key campaigns of our sister organisation, Business in the Community, such as Business Class, HRH Business Emergency Recovery Group (BERG), Ready for Work and Business Connectors has been as a result of our ongoing collaboration with Business in the Community. This enhances both organisations' service and value to those members who have a UK wide presence. I would like to thank Stephen Howard and his team for working with Scottish Business in the Community on these and other campaign areas.



Jane Wood
Chief Executive Officer, Scottish Business in the Community

Asda were our Large Company of the Year and I would like to congratulate them and all our 2014 Award winners.

I would like to pay special thanks to Brendan Dick, who retired as Chair this year. Brendan gave his support and leadership tirelessly to me, my team and the Board. The time that Scottish Business in the Community's Trustees give to the organisation is greatly valued and I would like to thank all of our Trustees. I am looking forward to working with Jayne-Anne in the coming year.

I would also like to thank the team at Scottish Business in the Community. The commitment, endless energy, skills and expertise each individual contributes to the organisation is invaluable.

Our businesses are increasingly challenged by the sustainability agenda as they respond to their customers, markets and regulations. The societal and financial pressures across Scotland's communities require tangible collaboration between business and society – and that's where we can really help. Scottish Business in the Community will continue to assist in navigating through these challenges, creating practical actions and positive impact.



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Directors' Report for the year ended 31 May 2014

Directors and advisers for the year ended 31 May 2014

Directors

	Appointed	Retired	Attendance	
Chair				
Brendan Dick		27/11	3/3	Director, BT Scotland
Jayne-Anne Gadhia CBE	27/11		2/2	Chief Executive Officer Virgin Money
Vice Chair				
Janet Hamblin			1/4	Partner, Baker Tilly

Trustees

Tom Campbell			3/4	Chief Executive North Highland Initiative
Robert Carr		13/11	2/2	Chairman Anderson Strathern
Dr Michelle Hynd			4/4	Director of Corporate Infrastructure & Development, SSE plc
Willie Printie			2/4	Retired, Ex Managing Director LifeScan
Linda Hanna			4/4	Senior Director Scottish Enterprise
Susan Elston		01/09	1/1	Vice President Remote Sites Sodexo
Fiona Gibson		7/11	2/3	Group HR Director Highland Spring
Dr Jim McCormick			3/4	Scotland Adviser Joseph Rowntree Foundation
Christopher Welsh	04/09		3/3	Projects Director State Street
Sheila Fazal	04/09		3/3	Director PwC
Paul Blair	01/10		1/2	Director of Global Organisational Development, Wood Group

President

HRH The Prince Charles, Duke of Rothesay

SBC Senior Management Team

Jane Wood, Chief Executive Officer
Murray Allan, Head of Member Services
Bob Christie, Head of Regions and Services
Karen Davidson, Head of Communications and Development
Frances Donnelly, Head of Finance

Registered Address

Livingstone House
43a Discovery Terrace
Heriot-Watt Research Park
Edinburgh EH14 4AP

Auditor

BDO LLP
CityPoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Solicitor

Brodies Solicitors
15 Atholl Crescent
Edinburgh
EH3 8AH

Banker

Bank of Scotland
Royal Mile Branch
Edinburgh
BX2 1LB

Directors' Report for the year ended 31 May 2014

Key Highlights

Scottish Business in the Community's CEO and Senior Management Team conducted a membership audit by telephone which involved detailed interviews with 78% of our members. A high level of satisfaction with our services was recorded, and we established a clear understanding of what Scottish Business in the Community should do to support member CSR and sustainability behaviours. As a result, significant changes have been put in place for the new operating period for member reporting and communication, alongside a more structured process of member relationship management.

Exciting proposals for a change in the structure of the membership offer, including a new initiative to engage with the broader business community in Scotland, have been brought forward to the Board. These should allow us to attract new members, retain existing members, maximise our income and help us align with Business in the Community's membership offer.

Nicola Sturgeon MSP spoke at a Scottish Business in the Community Welfare Reform event in January. She commended us on our work on poverty mitigation and our contribution to the work of the Scottish Government in this area by engaging corporate Scotland.



Our CEO has been invited by the Minister for Young People, Aileen Campbell and Sir Harry Burns, the Chief Medical Officer, to sit on the Scottish Government Early Years Taskforce representing business. This reflects our positive positioning with central and local government who recognise our positive impact on society through our member companies.

In the spring of 2014 we received notification that we had been awarded £250,000 from the Big Lottery Fund Scotland to establish and deliver a business advisory service to support SMEs in mitigating the impact of welfare reform. The Scottish Government has now committed to continue our funding next year for engaging business in this issue by creating additional funding of £30,000.

The Scottish Business in the Community/ Business in the Community collaboration meeting held in Clarence House on May 13th in the presence of HRH The Prince Charles, Duke of Rothesay was constructive. The meeting clearly showed that positive progress has been made on many key campaign and programme areas. There was a symbolic signing by the Chairs of the brand agreement between Business in the Community and Scottish Business in the Community, which was well received by His Royal Highness.

We had a very successful launch of the Dundee Hub on 29th May. Over 80 businesses and partners attended. SBC members Michelin and Asda promoted the Hub Network model and both the Chief Executive of Dundee City Council and the President of Dundee & Angus Chamber of Commerce supported the development of the Hub. More than 40 businesses made a positive commitment to engage with the Hub.

We helped to run a hugely successful Give & Gain Day in Scotland on Friday 16th May. This event is a global celebration of the power and potential of employee volunteering and over 550 employees from businesses across Scotland participated by volunteering to help community groups, schools and local charities.

Scottish Business in the Community's team head count reached a peak of 31 – a mix of full and part time – during this year and our sickness absenteeism remained low at 1.29%.

Directors' Report for the year ended 31 May 2014

Structure, Governance and Management

Scottish Business in the Community is a charitable company limited by guarantee, incorporated on 11th October 1982 and originally registered as a charity on 26th December 1988. The company was established under a Memorandum of Association which set out the objects and powers of the company and it is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £5.

The Company is recognised as a charity for tax purposes by the HM Revenue & Customs (CR43853).

Statutory Requirements

The Directors confirm that the report and accounts comply with current statutory requirements, with the Company's Memorandum and Articles of Association and with the principles set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

Appointment of Directors

New Directors are normally proposed at Meetings of the Remuneration & Nominations Sub Committee of the Board. They are then proposed, seconded and agreed at regular quarterly board meetings. Board members shall hold office for a term lasting 3 years and after this first term they shall be eligible for re-election for a second term of 3 years. The maximum length of service is 2 terms (6 years). At the end of the first term, the board Director will either step down or stand for re-election for a 2nd term. If they are reappointed this will be ratified by Scottish Business in the Community members either voting at an Annual General Meeting by person or by proxy, or by a postal vote.

The Directors serving during the year and since the year end are set out on page 6.

The induction and training of Directors includes the provision to them of copies of Scottish Business in the Community's annual report and accounts, annual review, three year business plan, budget and risk matrix. In addition, an understanding of the operations of Scottish Business in the Community is provided through a visit to our Edinburgh office, presentations by team members at Board meetings, and through Director involvement in regional leadership groups and Board sub committees. Board Directors are also invited to attend a Prince's Charities Induction session held at Clarence House.

Organisational Structure

Scottish Business in the Community's head office in Edinburgh is comprised of a team of 12 people with a further five programme managers and co-ordinators located across Scotland, reporting to the appropriate head office team members. The Chief Executive is responsible to the Board of Directors for the implementation of our strategy and policies as well as general operational matters, assisted by the Senior Management Team. Major strategic and operational issues are agreed formally by the Board at their quarterly meetings but close contact is maintained on a regular basis between Scottish Business in the Community's management, the Chair, Vice Chair and Board sub committee members. During this year a Joint Collaboration Board with Business in the Community members was set up and had its first two meetings to encourage further collaborative working.

Related Party Transactions

Scottish Business in the Community has no relationship with any other party or parties who might inhibit the Company from pursuing its own separate interests.

Directors' Report for the year ended 31 May 2014

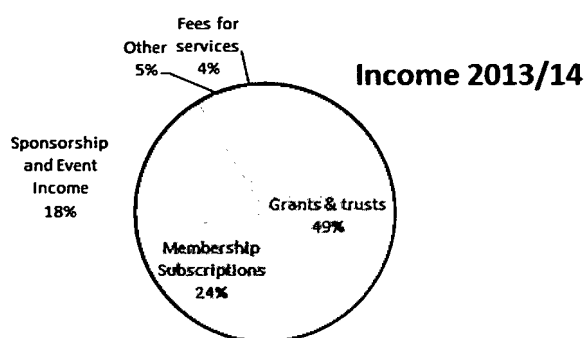
Financial Control and Reserves Policy

Procedures for reporting financial results to management and Board members have been maintained at the standards agreed with the Directors, who regularly review the finances at Board meetings. This is particularly important as a significant proportion of the funds held are restricted. In addition, the Board has set targets in the three year plan to grow unrestricted reserves by the end of 2015/16. As at the end of 2013/14 we have reached £16,520. To achieve our targets for unrestricted reserves we are developing our Fundraising Strategy at Board level.

The Board is also committed to ensuring that effective control and monitoring procedures are continuously followed.

Financial Review

Overall our total income has increased by 8%; spend (excluding payment out of grants from restricted balance brought forward) has been kept to a minimum and has increased by 1%.



The collaboration work with our sister organisation, Business in the Community, will focus on reversing a slight downward trend in membership income by promoting recruitment specifically in large companies.

The restricted reserves close at £142,228 which primarily represents balances carried forward for the ongoing Welfare Reform, Food for Thought, Scottish Island Abattoirs and Big Lottery Fund Scotland Tackling In-Work Poverty projects. It also includes the final grant due of £70,000 for the SSE Gordonbush wind farm project. Other ongoing restricted projects are based on annual grants and trusts and so have only minor balances at year end related to the timing of grant payments.

We opened 2013/14 with a small surplus on our unrestricted reserves of £7,431 and we have now grown this to £16,520. This year we received a donation of £37,000 from the funds raised at the Scottish Business Awards event which took place on 12 May 2014.

Risk Management

During this year the main Board has received reports on the key risks from Scottish Business in the Community's Senior Management Team. Significant risks identified and being managed include: IT failure; the inability to make the budgeted surplus due to grant funding reductions; reduction in membership; the significant reliance on key staff members, leading to loss of key skills; and potential risks that might arise due to possible impacts from changes agreed at the new Joint Collaboration Board with Business in the Community.

Directors' Report for the year ended 31 May 2014

Key Achievements this year – Member Services

At the end of 2013/14 Scottish Business in the Community had a total of 89 members. This includes 43 full corporate members, the same number as 2012/13; and 46 members of other sizes, including SME members involved in the regional hubs, associate members and joint Business in the Community/Scottish Business in the Community members. There has been a small turnover of full members during the year with 5 new large companies coming into full membership for the first time, whilst 5 existing full member companies discontinued their membership due to budgetary and other factors outwith our control.

This year has seen the development of a targeted key sector approach for growth and membership support, with initial key sector strategies being developed for the construction and oil and gas sectors. This has allowed us to redesign and refocus elements of our programme delivery to better meet the needs and aspirations of members. This approach has proven successful and Scottish Business in the Community will be targeting further sectors during 2014/15 including law and finance, tourism and hospitality and manufacturing.

Scottish Business in the Community's Member Forums continued last year, providing key contacts the opportunity to learn, network and share with peers from fellow member companies. Forum topics range from Health and Wellbeing to Employer Supported Volunteering, and will continue to provide a key learning opportunity for our members in the coming year.

Launched in November 2012, our Hub Network is the local delivery mechanism for Scottish Business in the Community and now has 5 Hubs in Scotland: Borders, Edinburgh (3 local Hubs now merged into 1), Glasgow and, launched this year, Dundee and East Ayrshire. Hubs in development include Aberdeen, Inverness and West Lothian. Hubs enable businesses of all sizes to work with the public sector and local communities using responsible and sustainable business practices and meet the needs of the local area. We run, when appropriate, project and programme delivery through Hubs. We also work with Hub members to identify local priorities and to support their work. Activity themes include raising employability and helping the local community flourish.

Scottish Business in the Community would like to welcome the following members who joined us this year:

ASA Recruitment, Capability Scotland, KA Javid & Co, Zero Waste Scotland, Hewlett Packard, Morrisons Supermarket, Shoosmiths, Aberdeen Harbour Board, Glasgow Caledonian University, DWF, Ferrovial, National Express, Wates Living Space, Marshalls, Dundee City Council and Michelin.

We also welcome the following new members who provide in kind support to our Hubs:

Action Provocateurs, Recruit with Conviction, Arts and Business Scotland and Town House Collection

Directors' Report for the year ended 31 May 2014

Key Achievements this year – Employability and Education

Food for Thought

Scottish Business in the Community is working with Education Scotland on the Food for Thought Education Fund. The fund encourages teachers to explore food education across the curriculum. It is essential that schools identify and work in partnership with a local business to deliver the project. Where schools do not have an existing business partner, Scottish Business in the Community works with them to find a suitable business. Each project is individual as is the nature of support from the business link.



Year One of the two-year programme commenced in May 2013. In its first year, 91 businesses worked with 64 schools (excluding the Science on the Menu cohort of 30+ schools, who had their own business partner) to deliver a diverse range of workshops. Many of the garden based projects are now producing vegetables and fruit which the pupils can use for practical cooking sessions in the classroom.

An emerging project legacy is that participating businesses are now committing to ongoing work with their partner schools, building on the original Food for Thought activity to help embed the learning for pupils in the future.

Ready for Work

Business in the Community's Ready for Work programme continues to support some of society's most disadvantaged people to enter employment. Scottish Business in the Community has continued to develop the programme in Scotland, with Marks and Spencer running programmes in Glasgow and Edinburgh and a further programme planned for Inverness. This year, for the first time, Marks and Spencer Braehead have been involved in the programme, increasing our placement capacity in Glasgow. Partnerships with referral organisations Venture Trust and Jobs for Glasgow have supported recruitment to the programme.

MARKS &
SPENCER



This year Scottish Business in the Community is working with Royal Mail to train employee volunteers to be workplace mentors in Edinburgh and Glasgow and recruitment for their programme will commence shortly.

Through the Food for Thought Programme, Scottish Business in the Community matched 91 food related businesses with 64 participating schools throughout Scotland.

That's 8,149 volunteering hours helping hundreds of young people make better food choices.

Directors' Report for the year ended 31 May 2014

Education and Employability

Scottish Business in the Community continue to deliver business support for projects that develop young people in education.

Scottish Business in the Community supported businesses to address the fundamental issue of how young people have their chances of success in life increased. The aim was to support pupils in secondary schools and their feeder primaries in some of the most deprived areas of Scotland. One of the key areas addressed was literacy and numeracy skills in primary pupils. Contributing to the enhancement of these crucial, fundamental skills supports the transitioning to secondary education, increases the range of subjects pupils can choose and improves their chances of success in exams.

Scottish Business in the Community firmly believe that business people can and should use their skills to help break down some of the barriers that prevent young people from succeeding in life. As the only Scottish business-led charity operating in the areas of education and employability, we are uniquely placed to create these business interventions.

Business Class

Member participation in Business in the Community's Business Class programme has expanded during 2013/14, with a further four business/school partnerships established. The expansion sees Business Class now operating in schools in Edinburgh and Glasgow with the potential to continue the Central Scotland (Stirling/Falkirk) Cluster and establish additional Business Class Clusters in Edinburgh and Glasgow.

The additional partnerships are : Virgin Money with Royal High School (Edinburgh), One Construction Alliance with Liberton High School (Edinburgh), Glasgow Caledonian University School for Business and Society with Castlemilk High School and St Margaret Mary's Secondary School (Glasgow) and Marshalls with Falkirk and Carluke High Schools.

Reading Partners

Every child has the right to read, but not every child has the opportunity. Our aims are: to substantially increase the number of trained business volunteers delivering support to children aged 7 to 11 years; and to raise literacy standards through a programme of one-to-one support from participating businesses.



Overwhelmingly, feedback concludes that additional support can improve children's enjoyment of reading, as well as their motivation, self-confidence, self-esteem and overall communication skills.

Scottish Business in the Community train volunteers, manage their Disclosure Scotland PVG (Protecting Vulnerable Groups) checks and instruct them on Child Protection guidelines. We ask volunteers to commit to 1 hour per week for a minimum of one school term – ideally, we look for a commitment of one academic year. In practice, many companies commit to providing an agreed number of volunteers each week from a wider pool of trained volunteers.

In Edinburgh we brought knowledge, skills and experience from over 50 businesses to help people in their local communities. This enabled partner organisations to call on these skills as a resource to deliver a wide range of employability and confidence building related activities.

We continue to support businesses to engage in ongoing school-based activities across Scotland, particularly in Edinburgh, Glasgow, Inverness and West Lothian which have allowed us to meet and in some areas surpass our targets.

Directors' Report for the year ended 31 May 2014

Employability Support with CVs, mock interviews, group assessments and personal statements

Business volunteers have worked with secondary school pupils to help them identify their skills and attributes and provide guidance on how to demonstrate these in their CVs. They also help pupils to understand the methodology behind online job applications and group assessment sessions. For many of these young people this is information that their parents and extended family are not able to provide through lack of experience.

It is important for these pupils to have the opportunity to practice how they perform at interview and gain feedback so that they can increase their chances of getting a job or a place at college or university. The involvement of business volunteers ensured that all participating S4 leavers this year had a CV that was fit for purpose and had good examples of answers to competency based questions.

Scottish Business in the Community has compiled and provided briefing packs for volunteers and held pre-event briefings to ensure that all parties got the most they could out of the sessions.

- ▶ **Business Class partnerships now support over 9,000 school pupils across Scotland**
- ▶ **More than 65 Reading Partners have been trained**
- ▶ **One hour per week for 12 weeks with a reading volunteer can raise a pupil's reading age by 6 months.**
- ▶ **Volunteers from more than 70 businesses have worked with over 500 young people.**



Directors' Report for the year ended 31 May 2014

Tackling In Work Poverty and Welfare Reform

Scottish Business in the Community is raising employers' awareness of changes in welfare benefits that are likely to affect their employees and, as a result, may impact on their efficiency in the workplace. This approach has a direct link to tackling in work poverty and our awareness raising activities extend to include how businesses can contribute to addressing this major societal issue.

In December 2013 we were awarded £250,000 from the Big Lottery Fund Scotland to establish and deliver a business advisory service to support small and medium sized businesses in mitigating the impact of welfare reform and contributing to addressing in-work poverty. We have recruited and trained a team of advisers who are delivering this work.



LOTTERY FUNDED



Nicola Sturgeon MSP spoke at a Scottish Business in the Community Welfare Reform Event in January 2014. She commended us and our member companies for our work on poverty

mitigation and our contribution to the work of the Scottish Government in this area.

Scottish Island Abattoirs

Scottish Business in the Community, in partnership with the Scottish Agricultural Organisation Society (SAOS) are delivering a project to support Island Abattoirs in Mull, Islay, Orkney, Shetland, Stornoway, North Uist and Barra. This work is funded by the Prince's Countryside Fund and Scottish Government.

The project is working with each abattoir to help achieve cost savings and business efficiencies. The project also has the ability to give grant funding for small capital improvements. Additional work is also being done to support training opportunities, waste reduction and renewable options.

The project has been running for over 6 months and an audit of each facility has been undertaken. Scottish Business in the Community worked with member companies to identify business mentors. Business mentoring focused on supporting abattoir management to develop prioritised business plans.



We wish to thank the following organisations for their support and funding:

- ▶ Scottish Government
- ▶ The Prince's Countryside Fund
- ▶ State Street Foundation
- ▶ Glasgow City Council
- ▶ Big Lottery Fund Scotland, Connect and Support.

Directors' Report for the year ended 31 May 2014

Key Achievements this year - Environment

Scottish Business in the Community works in partnership with the Scottish Government and key environmental organisations to engage businesses and employees in a range of environmental initiatives. We provide practical support, tools and signposting services to support the move to a low carbon economy. Activities this year included:

Ecotown

Scottish Business in the Community's low carbon behaviours programme, Ecotown, delivered workplace exhibitions to 10 businesses in Scotland during 2013/14. This year saw a marked increase in demand for the programme from Scotland's oil and gas sector, with events being delivered in companies including Halliburton, Nexen, Subsea 7, GE Oil & Gas and The Wood Group. We have now received additional funding for delivery of a further 10 events throughout Scotland for 2014/15.

Scotland's 2020 Climate Group

The participation of Jane Wood, Scottish Business in the Community's CEO, in the 2020 Climate Group has enabled us to engage in the **14 for 2014** work programme. We are working on topics including the Circular Economy and RRP2 for business.

Key Achievements this year - Volunteering Management Services

Delivering employee volunteering with communities in Scotland continues to be a core service for Scottish Business in the Community. This year 3,000 volunteers delivered over 22,000 hours of their time and skills on a variety of projects. Positive feedback from participants also continues to be very high, again exceeding the target of over 95 per cent satisfaction.

To enable us to deliver even greater benefits, a new model and three year strategy have now been developed and put in place.

These plans aim to increase the impact, sustainability and income from the service, while ensuring it supports member retention and recruitment needs. Key tactics going forward include a new sales drive with existing and new members, a signposting service to members for partner volunteering opportunities, and the use of Scottish Business in the Community's core team and sessional workers to increase the capacity and diversity of projects.

We would like to express our thanks to David Cunningham who volunteered extensively for our sports events and played a key role.

**3,000 employee volunteers donated over
22,000 hours of time and skills
through Scottish Business in the Community**

Directors Report for the year ended 31 May 2014

Key Achievements this year - Consultancy and Training Services

Several projects were delivered through this side of the business, which pulls together key skills from the Scottish Business in the Community team and delivery partners to work on projects that deliver more sustainable and responsible business practices. This included a range of training, with the Outward Focus programme for the Scottish Government's Realising Potential programme being a highlight. Two new projects were also underway and being delivered: a project with Zero Waste Scotland to raise awareness of resource efficient business models and the circular economy; and the EU F7 Programme, R-ICT, on best practice CSR for the ICT sector.

Marketing and Communications

The highlights for 2013/2014 are the launch of a new brand and website, and a firm engagement in social media:

Brand

As part of the Scottish Business in the Community/Business in the Community collaboration, we developed and launched a brand in line with Business in the Community branding, approved by both Boards. The collateral and guidance to support this brand and partnership has also been developed and delivered.

Website

Scottish Business in the Community required a new website, platform and design, both to align the site to the new branding, and as the existing site was out of date. The site continues to be developed to meet the needs of a range of customers and stakeholders, and to keep up to date with wider technology, in particular the mass use of hand held devices. Now communication can be directed from and to the site to engage more visitors in our vision and mission.

Media engagement

SBC embraced social media this year, securing its positions in Twitter and LinkedIn in particular, and moving from negligible engagement in this form of communication to having a successful presence and voice in these channels. By the year end SBC had over 1,000 followers on Twitter, including the EU Commission and Scottish Government.

Traditional media was not left behind with a range of articles and mentions on themes from The Prince's Ambassador to the Food for Thought and Scottish Island Abattoir projects.

Thought Leadership

The unique leadership and knowledge role that Scottish Business in the Community and its membership represents in Scotland was captured this year through the establishment of the Thought Leadership role, with support from Scottish Enterprise. This was underpinned through events and communications that demonstrated the strength of the movement, and the influence that we have in helping business deliver more responsible and sustainable business models and practices. Our Responsible Business Summit saw 150 attendees collaborating to build framework of responsible business in Scotland. Three Thought Leadership Dinners were held, gathering over 70 influencers to discuss how to drive the agenda forward in Scotland.

Our public affairs role has been strengthened. We represent our members on a variety of government and local committees and advisory groups, including the Scottish Government External Advisory Group on Child Poverty, and the Town Centre Regeneration External Advisory Group. We continue to engage with government at policy level in a number of areas through meetings and formal responses to Scottish Government Consultations such as the Rehabilitation of Ex-offenders Act, the Community Empowerment Bill and on Welfare Reform Payments.

Directors' Report for the year ended 31 May 2014

Awards

Scottish Business in the Community continues to work with Business in the Community to deliver the UK Responsible Business Awards in Scotland. Our own awards programme runs in tandem. The quality and diversity of Scottish entries to both awards programmes was particularly strong this year, providing examples of best practice to share and learn from.

UK Responsible Business Awards Scotland 2014

- ▶ Glasgow School for Business & Society, Glasgow Caledonian University, Unilever International Award Big Tick and UK winner
- ▶ ScottishPower – Work Inclusion Big Tick and UK finalist
- ▶ Rabbits Trailburners – Dairy Crest Rural Action Reaccreditation
- ▶ Scottish Power – Workplace Talent and Skills Reaccreditation
- ▶ John Lewis – Work Inspiration Reaccreditation

Scottish Business in the Community Awards

- ▶ State Street – Volunteering Company of the Year
- ▶ Network Rail – Volunteering Team of the Year
- ▶ David Blair, Clydesdale Bank – Individual Volunteer of the Year
- ▶ PwC – Large Company of the Year
- ▶ Mercat Tours – SME of the Year

These winners were presented with their awards at SBC's celebration event on 12th June 2014 at the Royal Botanic Gardens in Edinburgh.

Our expertise was recognised as adding value to other award schemes. This year we were also involved in the following:

- ▶ IOD Scotland, partner and judge for the Sustainability Leadership Award
- ▶ Clydesdale Bank, judge for Spirit of the Community Awards
- ▶ Quality Scotland, partner for Corporate Citizenship Award
- ▶ Scottish Business Awards, judge for CSR Award

We have also been asked to engage in other awards schemes in Scotland. We will appraise this growing market to determine appropriate opportunities in line with our business strategy.

A successful partnership with Asda

Our Large Company of the Year 2013, Asda, had a very successful year, partnering with us on a range of projects. Each activity aimed to share best practice and strengthen the role of business in Scotland's communities. This included the Business Breakfast Summit in November 2013 which spearheaded the Responsible Business Journey Scotland – A Call to Action (launching September 2014), the establishment of the our Dundee Hub and participation in Scottish Business in the Community programmes including Food for Thought and Tackling Poverty.

The Prince's Ambassador in Scotland

The Prince's Ambassador 2013-15, Jayne-Anne Gadhia CBE, CEO of Virgin Money and Chair of Scottish Business in the Community, completed year one of the two year role. A range of successful activities were undertaken to strengthen the social purpose of business and increase engagement. This included partnering with Asda on the Business Breakfast Summit in November, the establishment of our Hub in East Ayrshire and the Business Class partnership in Edinburgh.

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

Directors' Report for the year ended 31 May 2014

Gift in Kind and Special Support

The Directors wish to record their sincere thanks for the financial support received from:

- | | |
|-----------------------------|---|
| ▶ The Scottish Government | ▶ Lloyds Banking Group/Bank of Scotland |
| ▶ Scottish Enterprise | ▶ Clydesdale Bank |
| ▶ CAF | ▶ Business in the Community |
| ▶ State Street | ▶ Dundee City Council |
| ▶ Big Lottery Fund Scotland | ▶ Michelin |
| ▶ Glasgow City Council | ▶ Virgin Money Group |
| ▶ West Lothian Council | ▶ Aberdeen City Council |
| ▶ BSkyB | ▶ All those who donated and bid for prizes at the Scottish Business Awards in May 2014. |
| ▶ Asda | |
| ▶ Scottish Power | |

This funding has been vital in the development of Scottish Business in the Community's programmes and special projects. Gift in kind support for our administration and operating costs was received during the year and included major contributions of:

- ▶ Accommodation and use of facilities from West Lothian Council
- ▶ IT services from Salesforce

Gift in kind support was also provided from:

- | | |
|------------------------|-----------------------|
| ▶ West Lothian Council | ▶ Michelin |
| ▶ Scottish Gas | ▶ BT Scotland |
| ▶ Princes Trust | ▶ DWF |
| ▶ State Street | ▶ Clydesdale Bank |
| ▶ The Firefly Group | ▶ The Paint Shed |
| ▶ Mercat Tours | ▶ PwC |
| ▶ Lothian Buses | ▶ Edinburgh College |
| ▶ Standard Life | ▶ Anderson Strathearn |
| ▶ John Lewis | ▶ Baker Tilly |

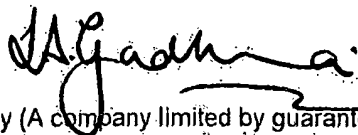
And many thanks for the ongoing support of our entire membership, who kindly give their time and resources to assist our efforts to promote sustainable business across Scotland

Basis of preparation

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies.

Approved by the board and signed on its behalf by

Jayne-Anne Gadhia CBE – Chair



2 February 2015

Directors' responsibilities for the year ended 31 May 2014

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and regulations. Company and charity law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year.

In preparing those financial statements the Directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charities SORP;
- ▶ make judgments and accounting estimates that are reasonable and prudent;
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment Scotland Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) the requirements of the Companies Act 2006. 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.

The Directors are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Independent auditor's report to the Directors and Members of Scottish Business in the Community

We have audited the financial statements of Scottish Business in the Community for the year ended 31 May 2014 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's directors and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's directors and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at

www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 May 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the Directors and Members of Scottish Business in the Community (cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

10 February 2015

Martin Gill, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor

Edinburgh

United Kingdom

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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

Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 May 2014

	Notes	Restricted Funds £	Unrestricted Funds General £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	5	-	129,587	129,587	72,415
Investment income		-	-	-	-
Incoming resources from charitable activities					
Supporting, brokering and challenging	2	390,024	568,305	958,329	908,611
Total incoming resources		390,024	697,892	1,087,916	981,026
Resources expended					
Costs of generating funds					
Cost of generating voluntary income		-	129,587	129,587	72,415
Charitable activities					
Supporting, brokering and challenging		501,511	531,381	1,032,892	872,704
Governance Costs		-	27,835	27,835	40,334
Total resources expended	5	501,511	688,803	1,190,314	985,453
Net (expenditure) / income for the year	6	(111,487)	9,089	(102,398)	(4,427)
Transfers	16	-	-	-	-
Net movement in funds		(111,487)	9,089	(102,398)	(4,427)
Funds brought forward at 1 June 2013		253,715	7,431	261,146	265,573
Funds at 31 May 2014	15,16,17	142,228	16,520	158,748	261,146

The Charitable Company has no recognised gains or 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.

All the above relates to continuing activities.

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

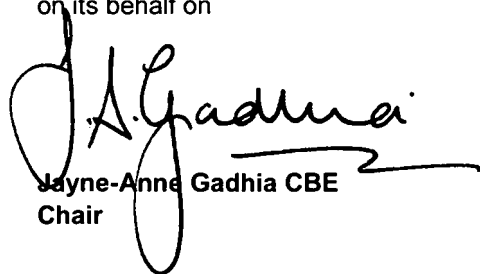
Balance Sheet as at 31 May 2014

	Notes	2014 £	2013 £
Fixed Assets			
Tangible assets	8	<u>19,325</u>	<u>6,005</u>
Current Assets			
Stock	10	200	200
Debtors	9	296,648	242,068
Cash at bank and in hand		<u>148,358</u>	<u>256,312</u>
		445,206	498,580
Creditors - amounts falling due within one year	11	<u>(305,783)</u>	<u>(243,439)</u>
Net current assets		<u>139,423</u>	<u>255,141</u>
Total assets less current liabilities		<u>158,748</u>	<u>261,146</u>
Net assets		<u><u>158,748</u></u>	<u><u>261,146</u></u>
Representing:			
Unrestricted funds		16,520	7,431
Restricted funds	17	<u>142,228</u>	<u>253,715</u>
	18	<u><u>158,748</u></u>	<u><u>261,146</u></u>

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to Small Companies and with Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 22 to 36 were approved and authorised for issue by the board and signed on its behalf on

by:


Jayne-Anne Gadhia CBE
Chair

2 February 2015

Notes to financial statements for the year ended 31 May 2014

1. Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice (revised 2005) "Accounting and Reporting by Charities" and the Financial Reporting for Smaller Entities (effective April 2008).

Going Concern

At the year end a net unrestricted surplus of £9,089 (compared to a surplus of £14,093 in 2012/13) has improved the unrestricted reserves level from £7,431 to £16,520. The balance sheet continues to show a healthy position with net current assets of £139,423 and net assets of £158,748 with £148,358 held in the bank at the year end. This year we managed significant investment in our IT facilities and had a complete rebuild of our website which we publicly launched at a successful breakfast event earlier in the year. As for all SMEs the cashflow will continue to need to be tightly managed in 2014/15 and the overdraft facility of £25,000 will be continued with the bank to help with this. Cashflow projections show that our finances will operate within this facility. In addition there are a series of ongoing applications for further funding to meet our charitable objectives over the next few years. The Board has set targets in the three year plan to grow unrestricted reserves by the end of 2015/16. As at the end of 2013/14 we have reached £16,520 and so we are developing our Fundraising Strategy at Board level. The Board are therefore satisfied that these financial statements can be prepared on a going concern basis.

Membership subscriptions

Subscription income is accounted for over the period to which the subscription relates.

Grants and sponsorship

All sponsorship is treated as income on receipt whereas grants are recognised in the period they relate to. Where appropriate, management and administration expenditure is allocated to grant and sponsorship projects, and Scottish Business in the Community programmes on the basis of an estimate of the level of activity required to support them.

In kind resources

In kind resources are recognised in the accounts as incoming resources and resources expended on the basis of the invoiced cost of providing these services.

Resources expended

Direct costs for charitable activities are charged to the charitable activity and support costs (including central staffing costs) are allocated to the activity based on a percentage of gross costs incurred. Staffing direct costs are allocated based on timesheets apportioning staff time to the range of ongoing activities.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Notes to financial statements for the year ended 31 May 2014

Resources expended (cont'd)

Governance costs are charged directly to the Statement of Financial Activities when incurred and consist of audit fees, meeting costs and applicable salary costs as detailed in Note 5 to these accounts.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Tangible fixed assets

Tangible fixed assets costing more than £100 are capitalised and included at cost, including any incidental expenses of acquisition.

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:

Motor Vehicles	25 % straight line
Office fittings	10% - 20% straight line
Office equipment (including computers/IT)	20% - 33.33% straight line

Operating leases

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

Cashflow statement

The company qualifies as a small company under the Companies Act 2006 and as a consequence it is exempt from the requirements to publish a cashflow statement.

Stock

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

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the costs of the related asset, where appropriate.

Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Pension costs

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.

Notes to financial statements for the year ended 31 May 2014

2. Incoming resources from charitable activities

	Restricted Funds £	Unrestricted Funds General £	2014 Total £	2013 Total £
Grants & Trusts	385,024	83,032	468,056	444,827
Subscriptions	-	196,271	196,271	214,812
Associated subscriptions	-	30,750	30,750	31,021
Fees for services	5,000	31,977	36,977	41,431
Sponsorship & Event income	-	178,710	178,710	162,539
Other	-	47,565	47,565	13,981
	390,024	568,305	958,329	908,611

Notes to financial statements for the year ended 31 May 2014

3. Resources expended

Charitable activities and governance costs

Supporting, brokering and challenging costs

	Restricted	Unrestricted Funds	2014	2013
Member services	5,246	210,561	215,807	210,105
Events & Communications	-	91,784	91,784	49,231
Employability & Education	264,768	102,893	367,661	364,373
Environmental projects	231,497	233	231,730	96,795
Volunteering	-	130,957	130,957	147,538
Consultancy & Training	-	22,788	22,788	29,756
BITC Merger Discussion Talks	-	-	-	15,240
	501,511	559,216	1,060,727	913,038

Costs are allocated to the above activities by charging direct salaries and other costs to the activities and adding an overhead rate as a percentage of direct costs.

Notes to financial statements for the year ended 31 May 2014

3. Resources expended (cont'd)

Charitable activities and governance cost	Restricted Funds £	Unrestricted Funds General £	2014 Total £	2013 Total £
Salaries	204,319	342,607	546,926	585,871
Consultancy	79,476	100,022	179,498	140,920
Events	6,176	20,495	26,671	16,002
Travel and subsistence	9,493	22,455	31,948	30,632
Team Challenge materials	-	12,391	12,391	18,665
Office services	15,154	20,298	35,452	31,692
Rent and rates	13,895	19,350	33,245	25,920
Printing and publicity	2,662	3,278	5,940	10,765
Telephone	1,632	4,764	6,396	9,249
Other	8,704	13,556	22,260	23,322
	341,511	559,216	900,727	893,038
Grants Payable				
	Restricted Funds £	Unrestricted Funds General £	2014 Total £	2013 Total £
SSE wind farm	160,000	-	160,000	20,000
	160,000	-	160,000	20,000
Total charitable and governance costs for the year to 31 May 14	501,511	559,216	1,060,727	913,038

4. Corporation tax

The company acquired charitable status with effect from 26 December 1988 and is therefore exempt from taxation on its charitable activities under section 505, Income and Corporation Taxes Act 2010.

Notes to financial statements for the year ended 31 May 2014

5. Total resources expended

	Basis Of Allocation	Charitable Activities 2014 £	Governance Costs 2014 £	Total 2014 £	Charitable Activities 2013 £	Governance Costs 2013 £	Total 2013 £
Costs directly allocated to activities							
Salaries	Direct	382,853	10,778	393,631	440,060	19,823	459,883
Consultancy fees	Direct	176,816	2,009	178,825	136,886	1,780	138,666
Events & programme purchase	Direct	24,782	-	24,782	15,735	-	15,735
Travel & subsistence	Direct	24,809	-	24,809	22,613	1,463	24,076
Team Challenge materials	Direct	12,391	-	12,391	18,665	-	18,665
Office services	Direct	2,941	-	2,941	2,769	70	2,839
Audit	Direct	-	-	-	-	1,550	1,550
Printing and publicity	Direct	4,196	-	4,196	10,764	-	10,764
Telephone	Direct	4,207	-	4,207	5,296	101	5,397
Depreciation	Direct	1,887	-	1,887	1,894	-	1,894
Subscriptions	Direct	1,606	-	1,606	5,367	-	5,367
Other	Direct	2,485	-	2,485	714	-	714
Grants paid	Direct	160,000	-	160,000	20,000	-	20,000
Sub Total		798,973	12,787	811,760	680,763	24,787	705,550

Notes to financial statements for the year ended 31 May 2014

5. Total resources expended (cont'd)

	Basis Of Allocation	Charitable Activities 2014 £	Governance Costs 2014 £	Total 2014 £	Charitable Activities 2013 £	Governance Costs 2013 £	Total 2013 £
Support costs allocated to activities							
Salaries	Pro Rata	143,082	10,213	153,295	116,707	9,281	125,988
Consultancy fees	Pro Rata	673	-	673	703	-	703
Events & programme purchase	Pro Rata	1,889	-	1,889	268	-	268
Travel & subsistence	Pro Rata	7,139	-	7,139	6,556	-	6,556
Office services	Pro Rata	31,268	-	31,268	28,853	-	28,853
Rent & rates	Pro Rata	33,245	-	33,245	25,920	-	25,920
Printing and publicity	Pro Rata	1,744	-	1,744	-	-	-
Telephone	Pro Rata	2,189	-	2,189	3,852	-	3,852
Audit	Pro Rata	-	4,835	4,835	-	4,855	4,855
Depreciation	Pro Rata	4,663	-	4,663	1,627	-	1,627
Subscriptions	Pro Rata	1,243	-	1,243	1,658	-	1,658
Other	Pro Rata	6,784	-	6,784	5,797	1,411	7,208
		233,919	15,048	248,967	191,941	15,547	207,488
Total Activity and Support Costs		1,032,892	27,835	1,060,727	872,704	40,334	913,038
In Kind Support - Income and expenditure							
Accommodation and admin support		22,850	2,070	24,920	24,565	-	24,565
Business Connectors		58,667	-	58,667	-	-	-
Professional Services		46,000	-	46,000	47,850	-	47,850
		127,517	2,070	129,587	72,415	-	72,415
Total Resources Expended		1,160,409	29,905	1,190,314	945,119	40,334	985,453

SBC has started working with Business Connectors in Scotland in collaboration with BITC. This year we have had support in the form of secondees from Greggs and Royal Mail.

Notes to financial statements for the year ended 31 May 2014

6. Net Expenditure

The net expenditure for the year is stated after charging:

	2014	2013
	£	£
Rental of office at Heriot Watt University Research Park	30,060	22,560
Depreciation of fixed assets	6,550	3,521
Audit Fee	5,250	4,855

The directors have agreed to provide their services on an honorary basis. Accordingly, no directors' emoluments or reimbursement of expenses have been charged in arriving at the result.

7. Employee information

The average number of persons excluding directors directly employed by the company is analysed below:

	2014	2013
	Number	Number
Programme managers	9	9
Administration	8	8
	17	17

	2014	2013
	£	£
Company employment costs		
Gross wages	484,403	517,511
Employer's national insurance contributions	40,800	44,244
Pension contributions (a)	21,723	24,116
	546,926	585,871

- (a) 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 where appropriate, to employee's own pension schemes and amounted to £21,723 (2012/13: £24,116).
- (b) No remuneration or expenses are paid to directors.
- (c) For 2013/14 there is one employee earning between £80,000 and £90,000. In 2012/13 there was one employee earning between £70,000 and £80,000.

Notes to financial statements for the year ended 31 May 2014

8. Fixed assets

	Motor Vehicles £	Office Equipment £	Office Fittings £	Total £
Cost				
At 31 May 2013	6,014	62,857	45,114	113,985
Additions	-	19,600	270	19,870
At 31 May 2014	6,014	82,457	45,384	133,855
Depreciation				
At 31 May 2013	3,383	60,200	44,397	107,980
Charge for year	1,503	4,727	320	6,550
At 31 May 2013	4,886	64,927	44,717	114,530
Net book value At 31 May 2014	1,128	17,530	667	19,325
Net book value At 31 May 2013	2,631	2,657	717	6,005

9. Debtors

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	104,155	134,406
Sundry debtors	500	725
Prepayments and accrued income	191,993	106,937
	296,648	242,068

Notes to financial statements for the year ended 31 May 2014

10. Stock

	2014 £	2013 £
Consumables	<u>200</u>	<u>200</u>

11. Creditors

	2014 £	2013 £
Amounts falling due within one year:		
Other taxation and social security	38,661	32,146
Sundry creditors	36,585	35,928
Accruals	38,728	6,400
Deferred income (note 12)	<u>191,809</u>	<u>168,965</u>
	<u>305,783</u>	<u>243,439</u>

12. Deferred income

	2014 £	2013 £
Brought forward	168,965	191,708
Income released during the year	(168,965)	(191,708)
Income deferred during the year	<u>191,809</u>	<u>168,965</u>
Carried forward	<u>191,809</u>	<u>168,965</u>

13. Operating lease commitment

The company is currently leasing the premises at Livingstone House, 43a Discovery Terrace, Heriot Watt University Research Park, Edinburgh EH14 4AP. The lease was renegotiated during this year and is due to expire 31 December 2016.

	Buildings 2014 £	Buildings 2013 £
Due within one year	-	-
Due within 2 to 5 years	<u>39,660</u>	<u>29,160</u>
	<u>39,660</u>	<u>29,160</u>

Notes to financial statements for the year ended 31 May 2014

14. Related party disclosure

Financial Reporting Standard 8: Related Party Disclosures (FRS 8) requires the disclosure of the details of material transactions between the reporting entity and related parties. Under the terms of FRS 8, each of the companies that subscribe to membership of SBC, and are represented on the Board of Directors, are deemed to be related parties. The income from those members totalled £166,651 (2012/13: £104,986). Gifts in kind from such related parties totalled £2,670 (2012/13: £1,490). This was made up of the free use of venues and catering for meetings held. SBC purchased services from BT (Board Chair until 27 November 2013) to the value of £4,695 (2012/13 £5,146) in relation to telephony costs.

There were no outstanding sums due to related parties as at 31st May 2014.

15. Movement of Funds

	Restricted Funds	Unrestricted Funds General	Total
		£	£
Opening balance	253,715	7,431	261,146
Movement during year	(111,487)	9,089	(102,398)
Transfers (note 16/17)	-	-	-
Balance at 31 May 2014	142,228	16,520	158,748

No transfers have been made this year.

16. Fund accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds - these 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 restricted purposes.

Further explanation of the nature and purpose of each fund is included in notes 17 and 18 to the financial statements.

Transfers between funds can only be made with the approval of the board of directors and must be in accordance with the terms of reference agreed with the donor organisations.

Notes to financial statements for the year ended 31 May 2014

17. Restricted funds

		At 1	Incoming	Outgoing	Transfer to/ from	At 31
	Notes	June 2013	Resources	Resources	Unrestricted Funds	May 2014
		£	£	£	£	£
Employee Action In Work Poverty	(a)	-	58,282	(48,186)	-	10,096
ICT European project	(b)	-	4,690	(5,246)	-	(556)
Tackling Poverty/Hubs	(c)	749	70,149	(66,816)	-	4,082
Wind farm	(d)	230,000	-	(160,000)	-	70,000
Climate Change/Environmental	(e)	(489)	15,000	(14,568)	-	(57)
Welfare Reform	(f)	21,857	30,400	(52,257)	-	-
Food Education Fund	(g)	9,104	63,170	(39,231)	-	33,043
Rural Abattoirs	(h)	(3,926)	90,000	(56,929)	-	29,145
Scottish Enterprise Sustainable Leadership	(i)	(3,580)	58,333	(58,278)	-	(3,525)
		253,715	390,024	(501,511)	-	142,228

(a) **Tackling In Work Poverty** - The Big Lottery Fund Scotland have funded this 18 month project to raise awareness amongst Employers of the impact of the current welfare reform changes to their own workforce and how they can help support their employees

(b) **ICT European project** - this small project is to work with European partners and some of our ICT member companies to develop a portal for sharing good practice regarding ICT and sustainability, scheduled to roll into next year

(c) **Tackling Poverty/Hubs** - this was funded for a second year by the State Street Foundation and the Bank of Scotland, for the development of Hubs to encourage SMEs working in their local communities, and is continuing into next year

(d) **Wind farm project** - funded by Scottish and Southern Energy, the aim of the project is to distribute funds to community groups to deliver sustainable community benefit to the local areas surrounding the Gordonbush wind farm in Sutherland. The second payment of £160,000 was paid out during 2013-14 with the balance due to be paid out in 2014-15

(e) **Climate Change/Environmental**: The Scottish Government is providing this funding to support our work with businesses in improving their environmental impact. Ecotown was one of the major activities and a Thought Leadership event. This is continuing to next year

(f) **Welfare Reform**: Funded by the Scottish Government for Scottish Business in the Community to arrange business involvement in understanding and helping to mitigate the impact of welfare reform including for low paid employees. This is continuing into next year with an emphasis on working with our third sector partners

(g) **Food Education Fund**: Funded by the Scottish Government for Scottish Business in the Community to arrange business involvement for a range of School projects aimed to raise pupil awareness, continuing into next year

(h) **Rural Abattoirs**: Funded by the Princes Countryside Trust and the Scottish Government, Scottish Business in the Community is providing the links to business for this project which is helping to make the five Scottish Island abattoirs more sustainable, continuing into next year.

(i) **Scottish Enterprise Sustainable Leadership**: Funded by Scottish Enterprise to continue on from the work done under the SME project with an emphasis on involving a wider range of businesses in embracing sustainable leadership, continuing into next year.

Notes to financial statements for the year ended 31 May 2014

18. Analysis of net assets between funds

	General Fund £	Restricted Funds £	Total Funds £
Tangible Fixed assets	19,325	-	19,325
Net current assets	<u>(2,805)</u>	<u>142,228</u>	<u>139,423</u>
	<u>16,520</u>	<u>142,228</u>	<u>158,748</u>