

Annual Report for the year ended 31 May 2015

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COMPANIES HOUSE

Contents

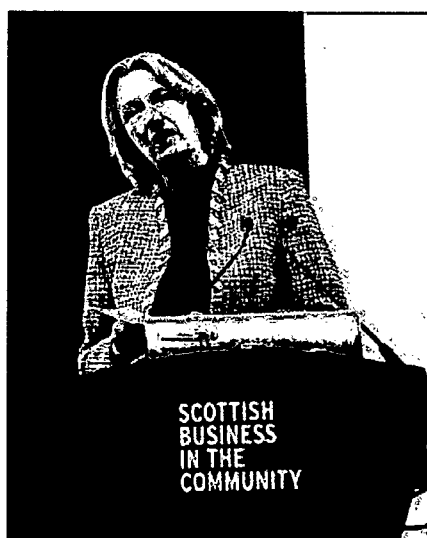
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Scottish Business in the Community continues to take a lead in tackling critical societal issues and driving change in workplaces and communities. By “doing the right thing” in local communities, through programmes, events, funding and research, SBC members collectively harness the ambition of business to help build a fairer society.

Our members are businesses that embed responsible behaviour within their broader business model. They are 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.

The need for an effective and business-led solution to the problems Scottish society faces has never been greater. I am proud to chair such an important movement that continues to make a demonstrable difference. And I am delighted that SBC is continuing to work more closely and collaboratively with its sister charity, Business in the Community.



Jayne-Anne Gadhia CBE
Chief Executive Officer, Virgin Money
Chair, Scottish Business in the Community

Foreword

In my time as Chief Executive Officer at Scottish Business in the Community we have never seen a more challenging year for businesses and for communities. At the same time, we have never been more clear that we are making a tangible difference to children and their families and to behaviours in businesses and boardrooms.

We remain a unique business movement and the only business-led charity of its kind in Scotland. We are committed to building resilient communities, diverse workplaces and a more sustainable future.

I have been delighted to see responsible business become a cornerstone of the Scottish Government. The launch of the Business Pledge in May 2015, where our Chair, Jayne-Anne Gadhia was one of the first signatories on behalf of Virgin Money, shows a strong governmental alignment in Scotland with the heart of our own mission: growing our economy in a way which ensures everyone prospers and that we create a fairer society.

But there is no room for complacency; the battle against poverty and social inequality is far from won. Working together – government, business, charities, society – becomes ever more critical.

To that end, we continue to invest in a robust public affairs strategy that sees us act as a critical friend to policymakers and business leaders.

We continue to build closer working relationships with our sister charity, Business in the Community, to mutual benefit – we gain access to an excellent range of programmes with which we deliver impressive results in Scotland – you can read more about the impact of Ready for Work and Business Class later in this report. Our Business Connectors activity continues to grow and the Business Emergency Recovery Group (BERG) is set to make a significant impact in Scotland, helping businesses and communities prepare for, respond to and recover from crises.

Particular thanks are due in a number of quarters. First, I'd like to thank Stephen Howard and his team for the support of Business in the Community.

PwC, our outgoing Large Company of the Year, have been generous with their time and support and for that we thank you.

Jayne-Anne Gadhia has been an excellent Prince's Ambassador in Scotland. I am delighted SBC can retain her invaluable contribution as Chair of our Board of Directors.

And it is a great pleasure to welcome Mike Still to our Board and as our new Prince's Ambassador. I am sure he will be a powerful force for good in the coming period.

I am proud to reflect on a year of achievement for SBC, thanks to another strong and sustained performance from the team at SBC. The dedication and expertise of each individual makes such a difference in tackling some of society's most pressing social problems. I would like to thank all of them.



Jane Wood
Chief Executive Officer
Scottish Business in the Community

Directors' Report for the Year ended 31 May 2015

Directors and advisors for the year ended 31 May 2015

Directors

	Appointed	Retired	Attendance
Chair			
Jayne-Anne Gadhia, CBE			4/4 Chief Executive Officer, Virgin Money
Vice Chair			
Janet Hamblin			3/4 Partner, Baker Tilly
Trustees			
Tom Campbell			4/4 Chief Executive, North Highland Initiative
Dr Michelle Hynd			4/4 Director of Corporate Infrastructure & Development, SSE plc
Willie Printie		21/10	0/2 Retired, Ex Managing Director, Lifescan UK
Linda Hanna			3/4 Senior Director, Scottish Enterprise
Dr Jim McCormick			3/4 Scotland Adviser, Joseph Rowntree Foundation
Christopher Welsh			3/4 Projects Director, State Street
Sheila Fazal			4/4 Director, PwC
Paul Blair			3/4 Wood Group (Until March 2015)
Mike Still	30/10		1/1 Managing Director, Client Service, UK & Ireland Corporate, Marsh Ltd

President

HRH The Prince Charles, Duke of Rothesay

SBC Senior Management Team

Jane Wood, Chief Executive Officer
 Mark Bevan, Director of Operations & Deputy Chief Executive
 Murray Allan, Head of Member Services
 Frances Donnelly, Head of Central Services

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 2015

Structure, Governance and Management

Scottish Business in the Community is a charitable company limited by guarantee, incorporated on 11 October 1982 and originally registered as a charity on 26 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 Inland Revenue (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 proposed at Meetings of the Remuneration & Nominations Sub-Committee of the Board and are then proposed, seconded and agreed at regular quarterly board meetings. Board members shall hold office for a term lasting three years and after this first term they shall be eligible for re-election for a second term of three years. The maximum they can serve is two terms (six years). At the end of term one the Board Director will either step down or stand for re-election for a second term and if they are reappointed this will be ratified by SBC Members, either voting in person or by proxy at an Annual General Meeting or by a postal vote.

The Directors serving during the year and since the year end are set out on page 8.

The induction and training of Directors includes the provision to them of copies of the SBC annual report and accounts, three year business plan, budget and risk assessment schedules. In addition, an understanding of the operations of SBC is provided through a visit to SBC's Edinburgh office, presentations by SBC team members at Board meetings, as well as by Director involvement in 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

SBC's head office, based in Edinburgh, comprises of a team of twelve 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 SBC 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 permanent basis between SBC management, the Chair, Vice Chair and Board Sub-Committee members.

During this year, the SBC and BITC Management Team continued discussions with a view to working more closely, with a view to increasing the impact of the responsible business movement in Scotland.

Related Party Transactions

SBC 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 2015

Financial Control and Reserves

Policy

Procedures for reporting financial results to management and Board members have been maintained at the standards agreed with the Board who regularly review the finances at Board meetings. This is particularly important as a significant proportion of the funds held are restricted. In addition, regarding general unrestricted reserves, the Board has set targets in the three year plan to grow these to a level closer to covering working capital for a minimum of three months. The level at 31 May 2015 is £88K; three months' working capital is approximately £180K. This is expected to fluctuate or reduce in the following year.

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

Financial Review

The financial year 2014/15 has continued to require close monitoring and controls. Overall our total income has increased by 23%; spend has been kept to a minimum and has increased by 7%. We have had reduced income from membership subscriptions but hope that the general perceived improvement to the economy and the collaboration work with BITC will reverse reduction in time.

The restricted reserves close at £141k which primarily represents balances carried forward for the ongoing Town Centre Regeneration, Rural Abattoirs and Tackling In-Work Poverty

projects. 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.

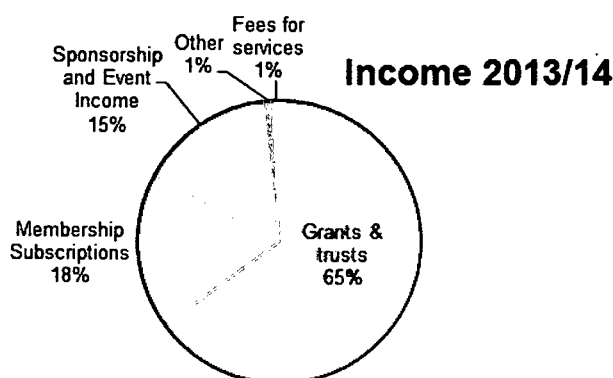
We opened 2014/15 with a small surplus on our unrestricted reserves of £17K and we have now grown this to £88K. We held a successful awards event early in the new financial year 2015/16, and the sponsorship we received for the awards activity in the second half of 2014/15 contributed greatly to this increase in reserves.

At our June 2015 Board meeting the Trustees agreed that SBC should go ahead with seeking the agreement of our membership to a merger with BITC, subject to due diligence on BITC being satisfactory.

Membership approval was sought and gained at our AGM on 8 December and the merger with BITC completed with effect from 1 January 2016. On this date all assets and liabilities of SBC transferred to BITC.

Risk Management

During this year the Board has received reports on the key risks from the Senior Management Team within SBC. Significant risks identified and being managed include the inability to make the budgeted surplus due to grant funding reductions, lessening of membership, the significant reliance on key staff members, loss of key skills and possible impacts from changes agreed at the new Joint Collaboration Board with BITC. The appointment of a Director of Operations/ Deputy Chief Executive addressed one of the key risks around loss of the CEO.



Directors' Report for the Year ended 31 May 2015

Key Achievements this year – Membership Services

At the end of 2014/15 SBC had a total of 79 members. This was a reduction of 10 from the same period last year. This includes 42 full corporate members, which is one less than 2013/14; and 37 members of other sizes. It includes SME members involved in the regional hubs, associate members and joint BITC/SBC members.

This year has seen the development of a targeted key sector focus for growth and membership support, with initial key sector strategies being developed for the Construction and Oil and Gas sectors. This has allowed SBC to redesign and refocus elements of our programme delivery to better meet the needs and aspirations of members. This approach has been successful and SBC will be targeting further sectors during 2014/15 including Finance, Tourism and Hospitality and Manufacturing.

SBC Member Forums continued last year, providing key contacts the opportunity to learn, network and share ideas with peers from SBC member companies. Forums range in topics from Health and Wellbeing to Employee Supported Volunteering, and will continue to provide a key learning opportunity for SBC members in the coming year.

SBC Hub Network

Launched in November 2012, the SBC Hub Network is the local delivery mechanism for SBC, 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 enable businesses of all sizes, the public sector and local communities to work together, using responsible and sustainable business practices to meet the needs of the local area. SBC run, when appropriate, project and programme delivery through Hub, and SBC works with Hub members to identify priorities and support their work. Themes include raising employability and helping the local community flourish.

Directors' Report for the Year ended 31 May 2015

Key Achievements this year – Employability and Education

Food for Thought

Education Scotland, the Scottish Government and Scottish Business in the Community are working in partnership to fund and support the Food for Thought Education Programme, which supports Scotland's first national food and drink policy.

Instilling a healthy attitude to eating early in life is hugely beneficial to society. The programme aims to involve pupils in nursery, primary and secondary schools in food related projects. This will encourage healthier eating habits and provide a better understanding of jobs in the food and drink industry and its importance to the Scottish economy.

Our role is to provide ongoing support and relevant business links during the implementation of Food For Thought by partnering schools with local businesses in imaginative and stimulating workshops that are mutually beneficial. So far, 100% of the businesses involved in the Food For Thought project have had a positive experience in the school.

We have sourced business support for 67 schools within the Food for Thought programme. These schools needed our support because they did not have strong enough links with local businesses, or their existing business links fell through. With SBC's help they were able to fulfil the criteria and deliver their Food For Thought project.



In addition, we have created a robust set of guidelines, distributed to all 450 successful grant recipients, to provide effective and appropriate communications by all project partners: businesses, school staff and pupils. We have also shared a range of food education projects amongst participants in order to share best practices.

To date, we have matched 91 businesses with these 67 schools, raising awareness of Food for Thought among some 300 businesses during the business recruitment process. We have further businesses who have expressed an interest in engaging.



Food for Thought: volunteering hours delivered

- ▶ Total numbers of volunteering hours in Round 2: **7,700 hours**.
- ▶ Total number of volunteering hours (Round 1 and 2): **15,849 hours**

Directors' Report for the Year ended 31 May 2015

Ready for Work

SBC delivers the Ready for Work programme in Scotland on behalf of Business in the Community (BITC), delivering placements through Marks & Spencer. Ready for Work offers businesses a structured means to support some of society's most disadvantaged, socially isolated and vulnerable people, helping them back on their feet and into work whilst making solid business sense for all companies involved.

This year the players of the People's Postcode Lottery supported Ready for Work with a £25,000 grant which is enabling us to work with different client providers and target more placement providers. For 14/15 we have exceeded targets - 20% above placement completion rate (95% against a target of 75%) and 10% above into work rate (50% against a target of 40%).

This translates into 25 participants successfully completing the programme and 14 individuals making the move into employment.

Supported by players of



YOUR M&S

Business Class

Business Class is Business in the Community's flagship strategic education programme, delivered across Scotland by SBC. The programme is designed for businesses to support young people facing social disadvantage by forming long-term partnerships with schools.

Launched in Scotland in 2011, Business Class is a proven, successful programme rooted in strategic support and collaborative action. Businesses have worked for many years with schools on a range of levels and through a number of initiatives on an ad-hoc basis. What sets Business Class apart is a strategic framework that enables businesses to make a more meaningful, sustainable, tangible and ultimately long lasting difference to schools.



SBC hosted a successful and productive event to raise awareness of Business Class on Tuesday 17 March 2015 at PwC in Glasgow.

Pupils at Castlemilk and St Margaret Mary Secondary schools in Glasgow spoke passionately and eloquently about how their lives had been changed by the programme. They were joined by teachers, employers and representatives of BITC and SBC, all of whom shared their positive experiences of the Business Class programme.

Directors' Report for the Year ended 31 May 2015

In-Work Poverty and Welfare Reform

SBC is raising employers' awareness of issues relating to welfare benefits likely to concern their employees and, as a result, 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.

With funding from the Big Lottery Fund, SBC established and delivered a business advisory service to support small businesses in mitigating the impact of welfare and contributing to addressing in-work poverty. The final elements of this project are being delivered with our partner Child Poverty Action Group (CPAG) in 15/16.

We held six events, visited over 200 employers and engaged with more than 1,000 others.

YOUR M&S



Bringing together businesses from seven Scottish islands (Shetland, Orkney, Islay, Mull, Lewis, Barra, and North Uist), the new project is being led by SBC with support from the Scottish Agricultural Organisational Society, The Prince's Countryside Fund and the Scottish Government.

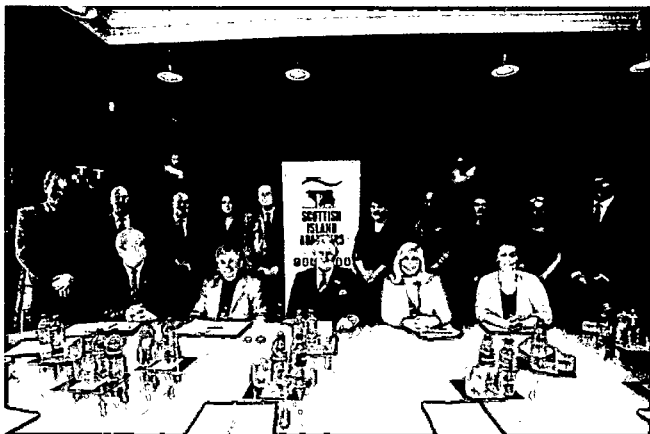
Clydesdale Bank are actively supporting this project through the provision of skilled mentors.



An immediate dividend of the new project is that 15 young people on the islands will benefit from improved skills and job opportunities, whilst local food and hospitality businesses will receive a boost from new business opportunities. The project will also bring environmental impact and improvements to animal welfare. The improved skills and facilities will ensure that animals are slaughtered humanely on the islands without the added stress and increased carbon footprint associated with transport to the mainland.

Rural Abattoirs

The Sustaining Island Abattoirs in Scotland Project was launched. It will provide a forum for sharing best practice, business mentoring support and funding for capital investment as well as support for marketing local produce.



Directors' Report for the Year ended 31 May 2015

Key Achievements this year - Environment

SBC works in partnership with the Scottish Government and key environmental organisations to engage businesses and employees in a range of environment areas, providing practical support, tools and signposting services in the move to a low carbon economy. This year activity included:

Ecotown

SBC's low carbon behaviours programme, Ecotown, delivered workplace exhibitions to 10 businesses in Scotland during 2014/15. Overall awareness of carbon emissions at home and in the office, Some of the topics discussed and demonstrated in Ecotown events included biodiversity, ideas for food waste and water usage reduction, Fairtrade awareness, a tool library, sewing sessions (in order to mend not throw away clothes), lessons in more efficient driving, innovation and technology and jewellery using reclaimed materials.

Conveniently held in the workplace, Ecotown has reached out to employees and students and even some local primary schools and provided them with ideas and recommendations as to how to lead a more environmentally friendly life style. Events were delivered in member companies including:

- ▶ Scottish Gas & Centrica Group
- ▶ First Bus Aberdeen
- ▶ BT
- ▶ University of Aberdeen
- ▶ State Street
- ▶ Wood Group
- ▶ Wheatley Group
- ▶ Aberdeen City Council
- ▶ Ferrovial

A successful programme

Within participating businesses:

- ▶ 84% felt that Ecotown increased their environmental awareness or knowledge
- ▶ 69% confirmed that they would change behaviour in order to reduce the environmental impact
- ▶ 92% said that events like Ecotown made them feel that their company was serious about Corporate Social Responsibility.

Comments about Ecotown:

'Very good layouts, interesting facts!'

'Very visual, which makes it more interesting.'

'Very eye opening.'

'Worthwhile initiative.'



Children from Ferryhill Primary School take part in State Street's Ecotown event, 25 March 2015

Ecotown partners



Directors' Report for the Year ended 31 May 2015

Check and Inflate

Funded by the Scottish Government, Check & Inflate involved direct engagement with Scottish employees to bring about measurable reductions in carbon emissions.

The programme was designed to educate Scottish motorists and change behaviours where necessary, aiming to reduce driver's carbon emissions, increase tyre safety awareness and reduce, for many, their overall fuel costs. 15 large organisations participated in the pilot project, which was delivered across 26 company car parks over 20 days during November and December 2014.



An initiative of HRH The Prince Charles, Duke of Rothesay and part of SBC and Business in the Community, BERG enables larger organisations to assist SMEs and communities by matching resources to local needs.



Utilising its extensive network amongst UK businesses, and working through the emergency services, local authorities, local resilience forums, regional resilience partnerships and the voluntary sector, BERG delivers:

- ▶ an online signposting facility to enable businesses to become more resilient to crises
- ▶ on-the-ground practical help for businesses during a crisis
- ▶ advice and assistance on recovering from the effects of a crisis.

Business Emergency Resilience Group (BERG)

BERG helps businesses and communities across the UK to prepare for, respond to and recover from emergencies such as flooding, cyber-attacks and civil unrest. In Scotland this is being funded by the Scottish Government and Virgin Money.



money



safer
scotland
SCOTTISH GOVERNMENT

Directors' Report for the Year ended 31 May 2015

Key Achievements this year – Employee Volunteering Services

For more than a decade, SBC has delivered a wide variety of highly commended Employee Volunteering Services that channel skills, experience and enthusiasm directly from the workplace into local communities to great effect.

Delivering employee volunteering with communities in Scotland continues to be a core service for SBC. This year at least 3,000 volunteers delivered over 18,000 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 satisfied with the service.



"One of the most satisfying and productive days I've had for a while!!" – Lloyds Banking Group volunteer.

Enterprise Workshops

The big success story for 2014/15 saw a tripling of skills based volunteering being commissioned by member companies due to the launch of a new service format.

Enterprise Workshops are designed to provide a simple to engage with alternative to practical team volunteering. We hope to see continued growth of this format in 2015/16.

Give & Gain Day

Give & Gain Day activity took place across 32 countries in 2014, including in Scotland, utilising the expertise of SBC. The event is an annual celebration of the incredible power of employee volunteering.

On 11 June 2014, hundreds of employees from businesses across Scotland volunteered their time and skills for a working day across a range of activities.

By getting unprecedented numbers of people out volunteering on one day, we aim to:

- ▶ raise awareness of the talent and skills found in Scotland's business
- ▶ highlight the genuine appetite amongst business to help communities prosper
- ▶ encourage many more businesses to get involved in volunteering all year round.



Directors' Report for the Year ended 31 May 2015

Key Achievements this year - Consultancy and Training Services

Access the Buyer

A major success for 2014/15 was the Access the Buyer event which was held in May 2015. Held in Linlithgow, this popular and successful event was designed to help Scottish SMEs in the digital services sector access large global corporate supply chains. SBC delivered the event, supported by Santander, and in partnership with ScotlandIS and Scottish Enterprise.

A Business in the Community programme supported by Santander, Access the Buyer is a series of free events across the UK to help hundreds of small businesses win new contracts and grow. SMEs account for 99% of all private sector businesses in the UK and play a critical role in providing employment and helping to build sustainable and resilient communities. SMEs often struggle to supply their products and services to large businesses, impacting their ability to grow and create jobs.



Access the Buyer aims to address this by offering SMEs practical support to help them break into and access the often complicated procurement process and supply chains of large companies. For this event, attending delegates were able to engage directly with representatives of four leading IT companies: CGI, HP, IBM and Lockheed Martin.

Social Media

SBC continued to grow its social media presence this year with more followers and engagement across all of its channels, most noticeably on Twitter - Scotland's most active B2B network. At the end of March 2015, SBC had grown to 1,590 followers on Twitter with the focus on content marketing – creating and curating valuable content around a wide range of pertinent issues to reinforce SBC's position as a leader in its field. We continue to have our messages amplified through sharing on our networks by our partners, stakeholders, members, Government and organisations.

Thought leadership and public affairs

SBC has continued to encourage and inspire businesses to share and learn. Our 2014 Large Company of the year, PwC, hosted two Thought Leadership Dinners.

The first was in November 2014 and was on the topic of Social Mobility. The main speaker was the Rt Hon Alan Milburn who drew attention to the lack of focus on social mobility in the political debate in Scotland. While he welcomed efforts made to highlight the impact of poverty on children, he said that there seems to be far less focus on helping youngsters, regardless of background, move up or get into the top influential roles.

The second event (postponed to the start of June 2015) was on the emerging strategic topic of Integrated Reporting. For many of our members, the question of how to create an integrated approach to sustainability within their operations – and indeed how they report this – is still a developing issue.

Directors' Report for the Year ended 31 May 2015

Within the public sector SBC has strengthened its public affairs role, with responsible business being represented by SBC on policy including Ministerial groups. These include the Scottish Government Ministerial Advisory Group on Child Poverty and the Town Centre Regeneration Advisory Group. SBC continues to influence public policy through informal meetings, presentations and responses to the Scottish Government Consultations, for example The Rehabilitation of Ex-Offenders Act, The Community Empowerment Bill, Welfare Reform agenda and most recently, the Scottish Government's Business Pledge.

Awards

SBC continues to work with Business in the Community to deliver their UK Responsible Business Awards in Scotland. The SBC awards, which are open to members and non-members alike, also ran alongside this programme. Three new SBC awards were introduced this year – Closing the Education Gap, Environmental Leadership and Working Better. The quality and diversity of entries was strong this year, providing examples of best practice.

BITC's UK Responsible Business Awards Scotland 2015

- ▶ Glasgow School for Business & Society, Glasgow Caledonian University, Unilever International Award (reaccreditation)
- ▶ Amec Foster Wheeler, the School Partnership Award, shortlisted and UK finalist
- ▶ ScottishPower, Work Inclusion award (reaccreditation)

Scottish Business in the Community Awards 2015

- ▶ State Street – Volunteering Company of the Year
- ▶ Scottish Widows (Lloyds Banking Group) – Volunteering Team of the Year
- ▶ Emma Blaikie/John Lewis Partnership – Individual Volunteer of the Year

- ▶ Asda – Large Company of the Year
- ▶ Vegware – SME of the Year
- ▶ DWF – Closing the Education Gap
- ▶ The Crown Estate & Elan Hair Design (joint award winners) – Environmental Leadership Award
- ▶ Enterprise Rent-A-Car – Working Better Award.

These winners were presented with their awards at SBC's celebration event on 23rd June 2015 at Prestonfield House in Edinburgh, an event attended by our President HRH The Prince Charles, Duke of Rothesay.

This event and the awards were kindly sponsored by the following members and businesses:

Event supported by:

ASDA

Virgin money

BARCLAYS

WILLIAM GRANT & SONS

THE SCOTSMAN

miituu
Bringing people together

nationalgrid

Large Company of the Year
SME of the Year
supported by

pwc

Volunteering Awards
supported by

SCOTTISHPOWER

Closing the
Education Gap
Award
supported by

SQA

Environmental
Leadership
Award
supported by

ZERO WASTE SCOTLAND

Directors' Report for the Year ended 31 May 2015

SBC were also involved in partner's award schemes:

- ▶ 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

A successful partnership with PwC

PwC used their opportunity as SBC's Large Company of the Year 2014 to act as an exemplar of responsible business practice in Scotland and to support SBC in the encouragement of other businesses to improve their business practice and to join the SBC movement. Consequently they hosted two thought leadership dinners on the key topics of social mobility and integrated reporting and sponsored the 2015 SBC Celebration event.

The Prince's Ambassador in Scotland

The Prince's Ambassador for 2013 to 2015, Jayne-Anne Gadhia, Chief Executive of Virgin Money, completed the second year of the two year role, with successes in a number of activities, all aimed at engaging businesses in delivering more social purpose and engaging in their communities.

These included continuing support for activities in East Ayrshire and Edinburgh, the development of fundraising strategy, hosting membership introduction lunches and being a key sponsor for our Awards event.



Directors' Report for the Year ended 31 May 2015

Gifts in Kind and Special Support

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

- | | |
|---|---|
| ▶ The Scottish Government | ▶ SQA |
| ▶ Scottish Enterprise | ▶ PwC |
| ▶ Peoples Postcode Lottery | ▶ Scottish Power |
| ▶ The Prince of Wales's Charitable Foundation | ▶ Lloyds Banking Group/Bank of Scotland |
| ▶ State Street | ▶ Clydesdale Bank |
| ▶ Big Lottery Fund in Scotland | ▶ Business in the Community |
| ▶ Glasgow City Council | ▶ Dundee City Council |
| ▶ West Lothian Council | ▶ Michelin |
| ▶ Asda | ▶ Virgin Money |
| ▶ Barclays | ▶ Aberdeen City Council |
| ▶ Zero Waste Scotland | ▶ William Grant Foundation |
| | ▶ National Grid |

This funding has been vital in the development of SBC's programmes and special projects.

Gift in kind support for SBC's administration and operating costs was received during the year and included major contributions of:

- ▶ Accommodation and use of facilities from The Prince's Trust Scotland
- ▶ IT services from Salesforce
- ▶ Support from Brodies LLP and Stephen Pearson, Virgin Money for the Board and governance

Gift in Kind support was also provided from:

- | | |
|------------------------|------------------------------|
| ▶ Anderson Strathern | ▶ Michelin |
| ▶ Asda | ▶ Optima |
| ▶ Baker Tilly | ▶ PwC |
| ▶ Blackadders | ▶ Renfrewshire Council |
| ▶ Clydesdale Bank | ▶ Royal Society of Edinburgh |
| ▶ CMS Cameron McKenna | ▶ ScottishPower |
| ▶ Dumfries Council | ▶ Scotland IS |
| ▶ Dundee Council | ▶ Miituu |
| ▶ Glasgow City Council | ▶ The Scotsman |
| ▶ Lifescan | ▶ South Lanarkshire Council |
| ▶ Lloyds Banking Group | ▶ Virgin Money |
| ▶ Mercat Tours | ▶ William Grant & Sons |

And many thanks for the ongoing support of our entire group of SBC member companies who kindly give their time and resources for our efforts to promote sustainable business across Scotland.

Directors' Report for the Year ended 31 May 2015

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 8 to the financial statements.

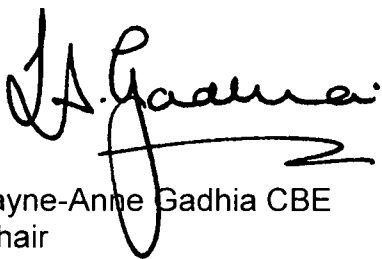
Auditors

It is the Directors' assessment that there is no relevant audit information which the auditors have not been made aware of and they have taken all necessary steps to ensure that the auditors have been made aware of all relevant information.

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

X 
Jayne-Anne Gadhia CBE
Chair

23-2-2016

Directors' responsibilities for the year ended 31 May 2015

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law and charity law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity 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 the income and expenditure, of the charity for that period.

In preparing these financial statements, the Directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and accounting estimates that are reasonable and prudent;
- ▶ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ▶ 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 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 Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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 2015 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 trustees 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 trustees 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 2015 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 matters 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

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

Barbara Southern (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK

Date: 24 February 2016

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).

Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 May 2015

	Notes	Restricted Funds £	Unrestricted Funds General £	Total 2015 £	Total 2014 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	5	-	92,130	92,130	129,587
Investment income		-	-	-	-
Incoming resources from charitable activities					
Supporting, brokering and challenging	2	584,662	665,764	1,250,426	958,329
Total incoming resources		584,662	757,894	1,342,556	1,087,916
Resources expended					
Costs of generating funds					
Cost of generating voluntary income		-	92,130	92,130	129,587
Charitable activities					
Supporting, brokering and challenging		585,894	528,018	1,113,912	1,032,892
Governance Costs		-	66,313	66,313	27,835
Total resources expended	5	585,894	686,461	1,272,355	1,190,314
Net (expenditure) / income for the year	6	(1,232)	71,433	70,201	(102,398)
Transfers	16	(339)	339	-	-
Net movement in funds		(1,571)	71,772	70,201	(102,398)
Funds brought forward at 1 June 2014		142,228	16,520	158,748	261,146
Funds at 31 May 2015	15,16,17	140,657	88,292	228,949	158,748

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.

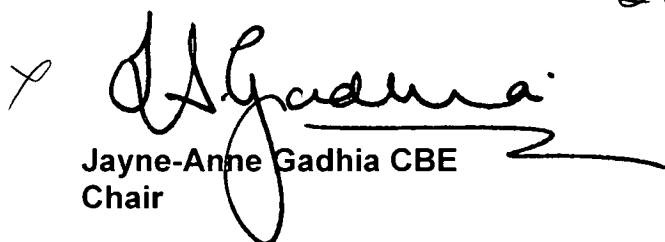
All the above relates to continuing activities. The notes on pages 28 to 41 form part of these financial statements.

Balance sheet as at 31 May 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible assets	8	<u>15,049</u>	<u>19,325</u>
Current Assets			
Stock	10	200	200
Debtors	9	298,672	296,930
Cash at bank and in hand		<u>282,511</u>	<u>148,358</u>
		581,383	445,488
Creditors - amounts falling due within one year	11	<u>(367,483)</u>	<u>(306,065)</u>
Net current assets		<u>213,900</u>	<u>139,423</u>
Total assets less current liabilities		<u>228,949</u>	<u>158,748</u>
Net assets		<u><u>228,949</u></u>	<u><u>158,748</u></u>
Representing:			
Unrestricted funds		88,292	16,520
Restricted funds	17	<u>140,657</u>	<u>142,228</u>
	18	<u><u>228,949</u></u>	<u><u>158,748</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 26 to 41* were approved and authorised for issue by the Board and signed on its behalf on 23.2.16 by:


 Jayne-Anne Gadhia CBE
 Chair

The notes on pages 28 to 41 form part of these financial statements.

Notes to financial statements for the year ended 31 May 2015

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 £71K (compared to a surplus of £9k in 2013/14) has improved the unrestricted reserves level from £17K to £88k. The balance sheet continues to show a healthy position with net current assets of £214k and net assets of £229k with £283k 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 15-16 and the overdraft facility of £25k will be continued with the bank to help with this. Cash flow projections show that our finances will operate within this facility. At our June 2015 Board the Trustees agreed that SBC go ahead with seeking our Members agreement for merger with BITC, subject to due diligence on BITC being satisfactory.

Membership approval was sought and gained at our AGM on 8 December and the merger with BITC completed with effect from 1 January 2016. On this date all assets and liabilities of SBC transferred to BITC. In the light of this transfer, these financial statements have not been prepared on a Going Concern basis. We are satisfied that no restatement of the value of assets and liabilities is required under this basis and they are carried at the recoverable/payable amounts respectively as at 31 May 2015.

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 SBC 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 2015

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.

1. Principal accounting policies (cont'd)

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.

Cash flow 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 cash flow 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 2015

2. Incoming resources from charitable activities

	Restricted Funds £	Unrestricted Funds General £	2015 Total £	2014 Total £
Grants & Trusts	584,662	223,872	808,534	468,056
Subscriptions	-	206,390	206,390	196,271
Associated subscriptions	-	21,671	21,671	30,750
Fees for services	-	11,512	11,512	36,977
Sponsorship & Event income	-	190,695	190,695	178,710
Other	-	11,624	11,624	47,565
	584,662	665,764	1,250,426	958,329

Notes to financial statements for the year ended 31 May 2015

3. Resources expended

Charitable activities and governance costs

Supporting, brokering and challenging costs

	Restricted	Unrestricted Funds	2015	2014
Membership services	2,722	226,933	229,655	215,807
Events & Communications	-	98,686	98,686	91,784
Employability & Education	327,088	111,103	438,191	367,661
Environmental projects	256,084	-	256,084	231,730
Volunteering	-	105,369	105,369	130,957
Consultancy & Training	-	17,204	17,204	22,788
BITC Merger Discussion Talks	-	35,036	35,036	-
	585,894	594,331	1,180,225	1,060,727

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 2015

3. Resources expended (continued)

Charitable activities and governance cost	Restricted Funds £	Unrestricted Funds General £	2015 Total £	2014 Total £
Salaries	295,973	393,413	689,386	546,926
Consultancy	92,770	63,718	156,488	179,498
Events	46,775	20,209	66,984	26,671
Travel and subsistence	23,286	30,558	53,844	31,948
Team Challenge materials	-	11,784	11,784	12,391
Office services	18,757	20,854	39,611	35,452
Rent and rates	20,184	23,796	43,980	33,245
Printing and publicity	5,493	4,811	10,304	5,940
Telephone	3,262	4,919	8,181	6,396
Other	9,393	20,270	29,663	22,260
	515,893	594,332	1,110,225	900,727
Grants Payable				
	Restricted Funds £	Unrestricted Funds General £	2015 Total £	2014 Total £
SSE Windfarm	70,000	-	70,000	160,000
	70,000	-	70,000	160,000
Total charitable and governance costs for the year to 31 May 15	585,893	594,332	1,180,225	1,060,727

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 2015

5. Total Resources Expended

	Basis Of Allocation	Charitable Activities 2015 £	Governance Costs 2015 £	Total 2015 £	Charitable Activities 2014 £	Governance Costs 2014 £	Total 2014 £
Costs directly allocated to activities							
Salaries	Direct	490,961	35,698	526,659	382,853	10,778	393,631
Consultancy fees	Direct	154,638	1,392	156,030	176,816	2,009	178,825
Events & programme purchase	Direct	65,262	-	65,262	24,782	-	24,782
Travel & subsistence	Direct	46,301	1,234	47,535	24,809	-	24,809
Team Challenge materials	Direct	11,785	-	11,785	12,391	-	12,391
Office services	Direct	4,167	15	4,182	2,941	-	2,941
Audit	Direct	-	-	-	-	-	-
Printing and publicity	Direct	9,396	-	9,396	4,196	-	4,196
Telephone	Direct	4,535	-	4,535	4,207	-	-
Depreciation	Direct	2,274	-	2,274	1,887	-	1,887
Subscriptions	Direct	2,655	-	2,655	1,606	-	1,606
Other	Direct	10,156	44	10,200	2,485	-	2,485
Grants paid	Direct	70,000	-	70,000	160,000	-	160,000
Sub Total		872,130	38,383	910,513	798,973	12,787	811,760

Notes to financial statements for the year ended 31 May 2015

5. Total Resources Expended (cont'd)

	Basis Of Allocation	Charitable Activities 2015 £	Governance Costs 2015 £	Total 2015 £	Charitable Activities 2014 £	Governance Costs 2014 £	Total 2014 £
Support costs allocated to activities							
Salaries	Pro Rata	144,010	18,717	162,727	143,082	10,213	153,295
Consultancy fees	Pro Rata	459	-	459	673	-	673
Events & programme purchase	Pro Rata	1,721	-	1,721	1,889	-	1,889
Travel & subsistence	Pro Rata	6,308	-	6,308	7,139	-	7,139
Office services	Pro Rata	28,595	-	28,595	31,268	-	31,268
Rent & rates	Pro Rata	43,980	-	43,980	33,245	-	33,245
Printing and publicity	Pro Rata	907	-	907	1,744	-	1,744
Telephone	Pro Rata	3,646	-	3,646	2,189	-	2,189
Audit	Pro Rata	-	5,355	5,355	-	4,835	4,835
Depreciation	Pro Rata	7,048	-	7,048	4,663	-	4,663
Subscriptions	Pro Rata	1,479	-	1,479	1,243	-	1,243
Other	Pro Rata	3,629	3,858	7,487	6,784	-	6,784
		241,782	27,930	269,712	233,919	15,048	248,967
Total Activity and Support Costs		1,113,912	66,313	1,180,225	1,032,892	27,835	1,060,727
In Kind Support - Income and expenditure							
Accommodation and admin support		30,830	12,800	43,630	22,850	2,070	24,920
Business Connectors		0	-	0	58,667	-	58,667
Professional Services		43,500	5,000	48,500	46,000	-	46,000
		74,330	17,800	92,130	127,517	-	129,587
Total Resources Expended		1,188,242	84,113	1,272,355	1,160,409	29,905	1,190,314

Notes to financial statements for the year ended 31 May 2015

6. Net Expenditure

The net expenditure for the year is stated after charging

	2015 £	2014 £
Rental of office at Heriot Watt University Research Park	40,295	30,060
Depreciation of fixed assets	9,321	6,550
Auditor's remuneration	5,250	5,250

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:

	2015 Number	2014 Number
Programme managers	9	9
Administration	10	8
	19	17

	2015 £	2014 £
Gross wages	608,537	484,403
Employer's national insurance contributions	55,727	40,800
Pension contributions (a)	25,122	21,723
	689,386	546,926

- (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 £25,122 (2013/14: £21,723).
- (b) No remuneration or expenses are paid to directors.
- (c) For 2014/15 there is 1 employee earning between £90,000 - £100,000. In 2013/14 there was one employee earning between £80,000-£90,000. The company contributes 5% towards employees pensions, this was £4,126 for this employee.

Notes to financial statements for the year ended 31 May 2015

8. Fixed assets

	Motor Vehicles £	Office Equipment £	Office Fittings £	Total £
Cost				
At 31 May 2014	6,014	82,457	45,384	133,855
Additions	-	5,045	-	5,045
At 31 May 2015	6,014	87,502	45,384	138,900
Depreciation				
At 31 May 2014	4,886	64,927	44,717	114,530
Charge for year	1,128	7,904	289	9,321
At 31 May 2015	6,014	72,831	45,006	123,851
Net book value				
At 31 May 2015	-	14,671	378	15,049
Net book value				
At 31 May 2014	1,128	17,530	667	19,325

9. Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	165,770	104,155
Sundry debtors	950	782
Prepayments and accrued income	131,952	191,993
	298,672	296,930

Notes to financial statements for the year ended 31 May 2015

10. Stock

	2015 £	2014 £
Consumables	<u>200</u>	<u>200</u>

11. Creditors

	2015 £	2014 £
Amounts falling due within one year:		
Other taxation and social security	54,866	38,746
Sundry creditors	38,946	36,585
Pension Creditors	3,367	197
Other Creditors	1,890	-
Accruals	55,406	38,728
Deferred income (note 12)	<u>213,008</u>	<u>191,809</u>
	<u>367,483</u>	<u>306,065</u>

12. Deferred income

	2015 £	2014 £
Brought forward	191,809	168,965
Income released during the year	(191,809)	(168,965)
Income deferred during the year	<u>213,008</u>	<u>191,809</u>
Carried forward	<u>213,008</u>	<u>191,809</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 due to expire on 31 December 2016 and is currently being renegotiated.

	Buildings 2015 £	Buildings 2014 £
Due within one year	-	-
Due within 2 to 5 years	<u>39,660</u>	<u>39,660</u>
	<u>39,660</u>	<u>39,660</u>

Notes to financial statements for the year ended 31 May 2015

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 £114,230 (2013/14: £166,651). Gifts in kind from such related parties totalled £16,040 (2013/14: £2,670). This was made up of the free use of venues, catering for meetings held and senior support for Merger and programmes.

There were no outstanding sums due to related parties as at 31st May 2015.

15. Movement of funds

	Restricted Funds	Unrestricted Funds General £	Total £
Opening balance	142,228	16,520	158,748
Movement during year	(1,232)	71,433	70,201
Transfers (note 16/17)	(339)	339	-
Balance at 31 May 2015	140,657	88,292	228,949

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 2015

17. Restricted Funds

	Notes	At 1 June 2014 £	Incoming Resources £	Outgoing Resources £	Transfer to/ from Unrestricted Funds £	At 31 May 2015 £
Employee Action In Work Poverty	(a)	10,096	191,963	(180,675)	-	21,384
ICT European project	(b)	(556)	7,632	(2,721)	-	4,355
Tackling Poverty/Hubs	(c)	4,082	20,060	(24,104)	(38)	-
Windfarm	(d)	70,000	-	(70,000)	-	-
Climate Change/Environmental	(e)	(57)	60,000	(60,535)	-	(592)
Welfare Reform	(f)	-	26,000	(26,141)	141	-
Food Education Fund	(g)	33,043	9,270	(41,888)	-	425
Rural Abattoirs	(h)	29,145	60,000	(66,915)	-	22,230
Scottish Enterprise Sustainable Leadership	(i)	(3,525)	41,667	(37,700)	(442)	-
BERG Scotland	(j)	-	20,000	(16,867)	-	3,133
Best Practice Welfare Reform	(k)	-	10,000	(1,003)	-	8,997
Town Centre Regeneration	(l)	-	117,420	(41,768)	-	75,652
Early Years Intervention	(m)	-	11,250	(9,128)	-	2,122
Ready for Work Offenders Big Lottery Pilot	(n)	-	9,400	(6,449)	-	2,951
		142,228	584,662	(585,894)	(339)	140,657

(a) **Tackling In Work Poverty** - The Big Lottery 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 - this balance is to complete the project in the first few months of this year

(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, due to be finalised 15/16

(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 has finished this year

Notes to financial statements for the year ended 31 May 2015

17. Restricted Funds (cont'd)

(d) Windfarm 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 windfarm in Sutherland. Finalised this year.

(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 finalising with one Ecotown event scheduled early 15/16, which will clear this negative balance with income in the new year.

(f) Welfare Reform: Funded by the Scottish government for SBC to arrange business involvement in understanding and helping to mitigate the impact of welfare reform including for low paid employees. This is now changing emphasis to best practice - see (k) below.

(g) Food Education Fund: Funded by the Scottish government for SBC to arrange business involvement for a range of School projects aimed to raise pupil awareness, was extended onto 15/16.

(h) Rural Abattoirs: Funded by the Princes Countryside Trust and the Scottish Government, SBC is providing the links to Business for this project which is helping to make the 5 Scottish Island abattoirs more sustainable, continuing into 15/16

(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, finalised this year, need to consider balance transfer - small overspend due to timing delays in getting funding finalised

(j) BERG Scotland: Funded by Scottish Government and in 15/16 also by Virgin Money, this is about helping businesses be better prepared for emergencies, and is part of a UK wide BITC programme

(k) Best Practice Welfare reform - Funded by the Scottish Government started April 15 to develop the previous In Work Poverty Projects by developing case studies of best practice for sharing with other businesses

(l) Town Centre Regeneration: Funded by the Scottish Government to work with businesses in helping key Urban areas improve and flourish

(m) Early years Intervention: Funded by the Scottish Government to work with businesses to help support the parents and therefore the children and families of pre school children in deprived areas towards improving their prospects and ambitions

(n) Ready for Work Big Offenders Pilot: Funded by the Big Lottery to develop Ready For Work programme with partners Apex and Recruit with Conviction for ex offenders.

Notes to financial statements for the year ended 31 May 2015

18. Analysis of net assets between funds

	General Fund £	Restricted Funds £	Total Funds £
Tangible Fixed assets	15,049	-	15,049
Net current assets	73,243	140,657	213,900
	88,292	140,657	228,949