

**ASSIST SOCIAL CAPITAL CIC
(formerly ASSIST SOCIAL CAPITAL)**

(A Company Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

Charity no: SC 035728

Company no: SC 270426

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ASSIST SOCIAL CAPITAL CIC
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ASSIST SOCIAL CAPITAL CIC
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012

The Directors, who were also Trustees under the terms of Charity Law for the period under review, submit their report together with the financial statements for the year ended 31 July 2012.

The company deregistered as a charity subsequent to the year end and became a Community Interest Company on 29 January 2013, changing its name from Assist Social Capital to Assist Social Capital CIC on that date.

Reference and Administrative Information

Charity name	Assist Social Capital
Charity number	SC 035728
Company number	SC 270426
Registered Office and Operational address	54 Manor Place, Edinburgh, EH3 7EH

Directors	Isabel Brown	
	Colin Campbell	
	John Boswell	(resigned 17 December 2012)
	Angus Hardie	(resigned 17 December 2012)
	Judith Lowes	(resigned 17 December 2012)
	Stephen Evans	(resigned 21 September 2011)

Secretary	Colin Campbell
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Independent Examiner	Norma Wilson CA
	Bill Hay & Co
	Chartered Certified Accountants
	24a Melville Street
	Edinburgh, EH3 7NS

Bankers	Bank of Scotland
	38 St. Andrew Square
	Edinburgh
	EH2 2YR

ASSIST SOCIAL CAPITAL CIC
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012 (CONTINUED)

Structure, Governance and Management

Structure

For the period under review, Assist Social Capital had a seven member Board of Directors, each of whom had a wide range of experience and expertise allowing the company to tap into appropriate guidance within the wide range of situations faced by the company. The Board met quarterly to evaluate, monitor and plan the development of the organisation. As a social enterprise, Assist Social Capital implements its strategy based on social, environmental and economic goals.

Governing document

Assist Social Capital is a company limited by guarantee and, during the year ended 31 July 2012, was governed by its Memorandum and Articles of Association dated 8th July 2004. It was registered as a charity with HM Revenue and Customs and the Office of the Scottish Charity Regulator during the year ended 31 July 2012, but deregistered as a charity on becoming a Community Interest Company in January 2013.

Appointment of Directors

Nominations to be a director were requested from the membership at the AGM. All directors stood down at the AGM but were eligible for re-election. The nominations for election were put to the membership at the AGM and the full board was thereby elected via an ordinary resolution. The number of directors could not be more than 15, and not fewer than 3, unless otherwise determined by a special resolution. In addition the Board could appoint up to 4 Specialist Advisors in a non-voting capacity. At their first meeting after the AGM the directors elected their office bearers for the coming year. Further directors could be appointed by the Board at any time during the year.

Risk Management

The risks faced by the company fall into two categories, internal and external.

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

External risks relate largely to the continued funding of the company.

Objectives and activities

The main aim of Assist Social Capital is to advance education among the residents of Scotland, and in particular with a view to increasing knowledge and understanding of the nature of social capital and the impact which the development of social capital can have in relation to the economy, the environment, public services and facilities, local communities and people's life circumstances.

Achievements and performance

Assist Social Capital has addressed itself to the pursuit of the following three key objectives:

- Sharing information and inspiration electronically.
- Connecting with organisations and individuals using and developing social capital.
- Promoting the wider benefits of social capital.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012 (CONTINUED)

Achievements and performance (Continued)

2011-12 has been our most successful year yet. Building on the growth activity of last year, we were able to employ Colin Campbell and Anna Roscoe to deliver a significant contract for Govanhill Housing Association to develop social capital from the grassroots via the 'Connected Communities' initiative, based on the Social Capital Framework TM. The project started in September '11 with Anna acting as a full-time Development Worker based at Govanhill HA. In November, Licia Claveria joined the team, joining us as part-time administrator.

Anna delivered a total of 55 meetings and events, achieving 3,316 connections in the community, through tenant participation activity. These events included a Tea Dance, a Dragons' Den, Back Court events (planting, face painting, craft works), photographic and crazy planters competitions, tenant participation in the Govanhill Fun Day, a community conversation (World Café) and a Big Lunch. Events and activities over the year have fostered volunteers not previously involved with any community events. Volunteer hours total 120. In addition, Colin Campbell delivered a year-long social enterprise development programme with the Housing Association and its two trading subsidiaries Govanhill Community Development Trust (GCDT) and Great Gardens. Outcomes achieved included the introduction of Food Train to Glasgow via Govanhill HA. In order to boost local employability, GCDT supported ASC's proposal for a Social Enterprise Incubator to support local people to get started in business, providing a 6 month rent free Work Unit and £5,000 toward the Dragons Den event. ASC made an application to EU via a Grundtvig funded project which resulted in £23,000 funding for GCDT to run the incubator. The success of Community Connections led directly to a new working relationship with Linthouse Housing Association.

We carried out Dynamic Facilitation: sessions for CLD Standards Council for Scotland, Argyll & Bute Adult Learning Partnership and VIP Childcare, an innovative and successful social enterprise in Elgin. In addition, we delivered Social Capital and Social Auditing training sessions in partnership with the Social Audit Network in Edinburgh and Dundee.

In May, Colin gave a presentation on social enterprise for the Regional Government of Vorarlberg, attended by 30 individuals. The interest generated by Colin's talks led to a follow up visit to the region later in the year.

We have also followed up the Grundtvig NOPROS project with a series of Educational Entrepreneurship events. The first, which took place in November 2011, was sponsored by Oatridge College, CLD Standards Council for Scotland and the Goodison Group in Scotland. 50 people attended and the report was used by the Goodison Group in Scotland and the Scottish Futures Forum to underpin future scenarios for Scotland as a Leading Learning Nation.

We attended and organised the 3rd Social Capital World Forum in partnership with the Vorarlberg Regional Government (OFRI) and the Dornbirn University of Applied Science.

In March 2012, Colin attended a week long conference in Greece on Education for Sustainable Development. This led to a new working relationship with the Canadian Commission for Man and the Biosphere and the opportunity to work on a new model for sustainable development in and around Biosphere Reserves which are supported by UNESCO's Man and the Biosphere programme. This programme has some 600 Biosphere Reserves in 117 countries.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012 (CONTINUED)

Plans for future periods

Next year we will develop our work in partnership with a range of organisations in the thematic areas of Environment, Health and Wellbeing, and Education and Life Long Learning.

In terms of our environmental work we are developing the Social Enterprise and Biosphere Development Framework which will be funded by the Scottish Government's International Social Enterprise Development Programme. In health and wellbeing we have been successful in bidding for funding from the Scottish Government to deliver a pilot project called Engaging Community Assets. The project is being developed in partnership with RCGP and International Futures Forum. Activity is to begin proper in October 2012.

We are also in discussion with the Voluntary Action Fund to develop a partnership with them to embed social capital into the corporate and strategic process in order to maximise their impact of building resilient communities.

Finally, the ASC Board has decided to become a Community Interest Company. This has come about as a result of work by the Board on how to maximise the capacity of ASC over the longer term.

Financial review

A surplus of £6,408 arose during the year (2011: deficit of £4,939).

Principle funding sources

The company's principal funding source during the year was from Govanhill Housing Association, in respect of project work to develop social capital.

Investment policy

Under the Memorandum and Articles of Association dated 8 July 2004, the charity had the power to invest any money that the company does not immediately require in any investments, securities or properties. As there are few funds for long-term investment, the directors, having regard to the liquidity requirements of operating the charity and to the reserves policy, have operated a policy of keeping available funds in an interest bearing bank account.

Reserves policy

The Board has agreed that its policy on reserves should be sufficient to provide liquid resources to meet both Revenue and Capital needs.

ASSIST SOCIAL CAPITAL CIC
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012 (CONTINUED)

Statement of Directors' Responsibilities

Company law requires the directors, who are also trustees for the purpose of charity law, to prepare financial statements for each financial year, which give a true and fair view of the company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the directors should follow best practice and:

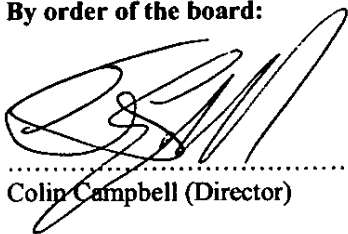
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

Norma Wilson CA has expressed her willingness to continue in office as independent examiner to the charity.

By order of the board:


.....
Colin Campbell (Director)

Date: 30 April 2013

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
ASSIST SOCIAL CAPITAL CIC (formerly ASSIST SOCIAL CAPITAL)**

I report on the accounts for the year ended 31 July 2012 which are set out on pages 7 to 12.

Respective responsibilities of directors and examiner

The Directors (who are also Trustees for charity law purposes) are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply and that an independent examination is needed.

It is my responsibility to examine the accounts as required under section 44(1)(c) of the 2005 Act, and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Norma Wilson CA.

Name: Norma Wilson CA
Relevant Professional Qualification: Chartered Accountant
On behalf of Bill Hay & Co
Chartered Certified Accountants
24a Melville Street
Edinburgh
EH3 7NS

30 April 2013

ASSIST SOCIAL CAPITAL CIC
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STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure Account)
For the Year Ended 31 July 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Grundtvig – prior year overaccrual		-	(2,281)	(2,281)	14,177
Community Central Learning		-	-	-	4,400
		-	(2,281)	(2,281)	18,577
Incoming resources from charitable activities	2	61,182	-	61,182	7,859
Other incoming resources:					
Bank interest received		-	-	-	6
Total incoming resources		61,182	(2,281)	58,901	26,442
Resources expended					
Charitable activities:					
Conference costs	3	340	-	340	1,277
Public awareness	3	52,370	3,500	55,870	29,494
Governance costs	3	545	-	545	610
Total resources expended		53,255	3,500	56,755	31,381
Net incoming/(outgoing) resources before transfers		7,927	(5,781)	2,146	(4,939)
Gross transfers between funds		(1,616)	1,616	-	-
Net movement in funds		6,311	(4,165)	2,146	(4,939)
Reconciliation of funds:					
Total funds brought forward		97	4,165	4,262	9,201
Total funds carried forward	11	6,408	-	6,408	4,262

The statement of financial activities includes all gains and losses recognised in year.
All incoming resources and resources expended derive from continuing activities.

The notes at pages 9 to 12 form part of these financial statements.

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Company Number: SC 270426

BALANCE SHEET

As at 31 July 2012

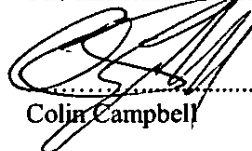
	Notes	2012	2011
		£	£
Current Assets			
Bank and cash		8,075	8,002
Debtors and Accrued Income	6	250	8,612
		<u>8,325</u>	<u>16,614</u>
Current liabilities:			
Creditors: Amounts falling due within one year	7	(1,917)	(12,352)
Net assets		<u><u>6,408</u></u>	<u><u>4,262</u></u>
Capital and reserves			
Unrestricted General Fund	10	6,408	97
Restricted General Fund	10	-	4,165
		<u>6,408</u>	<u>4,262</u>
Total charity funds		<u><u>6,408</u></u>	<u><u>4,262</u></u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2012.
- (b) The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006, and
- (c) The directors acknowledge their responsibilities for:
 - (i) Ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
 - (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of Sections 394 and 395, and which otherwise comply with the requirements of this Act relating to the accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board on 30 April 2013

 Director
 Colin Campbell

The notes on page 9 to 12 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 July 2012

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, Financial Reporting Standards for Smaller Entities (FRSSE) effective April 2008, and the Companies Act 2006.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 2006.

(b) Fund Accounting

Unrestricted funds are funds that can be used in accordance with the objectives of the charity at the discretion of the directors.

Designated funds are unrestricted funds set aside by the directors for specific future purposes or projects.

Restricted funds are funds that can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Income is deferred when performance related grants are received in advance of the performances or event to which they relate.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. The company is not registered for VAT and accordingly irrecoverable VAT is charged against the category of resources expended to which it relates.

Costs of generating funds are those costs incurred in attracting voluntary income and the costs incurred in trading activities that raise funds.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services to its beneficiaries. It includes both the direct costs and indirect costs necessary to support these activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity.

Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis e.g. estimated usage, staff costs by the time spent.

(e) Legal status

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 July 2012 (continued)

(f) Pensions

Assist Social Capital does not operate a company pension scheme.

2. Incoming resources from charitable activities

	2012 £	2011 £
Unrestricted General funds:		
Govanhill Housing Association	42,962	-
Training Events	10,738	1,878
Other Income	148	1,979
Consultancy Income	250	-
Conference Fee Income	7,084	2,890
Recharged Expenses	-	1,112
	<u>61,182</u>	<u>7,859</u>

3. Resources expended

	Conference Costs £	Public Awareness £	Governance £	2012 Total £	2011 Total £
Direct costs					
Conference Travel and Subsistence	-	-	-	-	540
Conference Accommodation	-	-	-	-	279
Conference Hall Hire	340	-	-	340	458
Support costs					
Accountancy	-	-	545	545	610
Social Security	-	3,145	-	3,145	3,807
Administration Support	-	44,869	-	44,869	19,240
Subcontractor	-	600	-	600	-
Printing, Postage & Stationery	-	334	-	334	122
Travel & Subsistence & Event Attendance	-	4,522	-	4,522	4,015
Telephone	-	253	-	253	-
Network & Training Events	-	825	-	825	-
Advertising	-	1,308	-	1,308	1,335
Professional Fees	-	14	-	14	975
	<u>340</u>	<u>55,870</u>	<u>545</u>	<u>56,755</u>	<u>31,381</u>

ASSIST SOCIAL CAPITAL CIC
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 July 2012 (continued)

4. Analysis of staff costs

	2012	2011
	£	£
Staff costs	44,514	18,057
	<u>44,514</u>	<u>18,057</u>

No employees had emoluments in excess of £60,000 (2011: nil).

5. Staff numbers

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2012	2011
	£	£
Administrative staff	3	2
	<u>3</u>	<u>2</u>

6. Debtors

	2012	2011
	£	£
Debtors	250	20
Accrued Income	-	8,592
	<u>250</u>	<u>8,612</u>

7. Creditors: amounts falling due within one year

	2012	2011
	£	£
Creditors	-	500
Accruals	462	451
Other creditors	1,455	11,401
	<u>1,917</u>	<u>12,352</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 July 2012 (continued)

8. Directors' remuneration & related party transactions

One member of the board of directors, Colin Campbell, received remuneration in the year totalling £15,213 (2011: £12,183).

During the year the company repaid a £4,000 loan to Colin Campbell, which had been loaned to the company in the year to 31 July 2011. The company also reimbursed £4,125 of expenses relating to prior periods. At the year end, the company owed Colin Campbell the sum of £406 (2011: £8,531). This sum does not carry any interest and is repayable on demand.

In addition to the above, the company paid Colin Campbell the sum of £4,452 (2011: £473) for the reimbursement of current year expenses incurred on the company's behalf.

9. Taxation

As a charity, the company is exempt from corporation tax on income from its charitable activities. No tax charges have arisen in the company.

10. Analysis of net assets between funds

	Total Funds 2011 £	Unrestricted General Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £
Current assets	16,614	8,325	-	8,325
Current liabilities	(12,352)	(1,917)	-	(1,917)
Net assets	4,262	6,408	-	6,408

11. Movement in funds

	At 31 Jul 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Jul 2012 £
Unrestricted Funds General	97	61,182	(53,255)	(1,616)	6,408
NOPROS Grundtvig	665	(2,281)	-	1,616	-
Edinburgh Council	3,500	-	(3,500)	-	-
	4,262	58,901	(56,755)	-	6,408

Grant income of £2,281 from NOPROS Grundtvig was overaccrued in the prior period. The final instalment of the grant received in the year ended 31 July 2012 was £6,311, however the sum of £8,592 had been accrued in the accounts to 31 July 2012. This results in a debit to incoming resources of £2,281 in the current year.