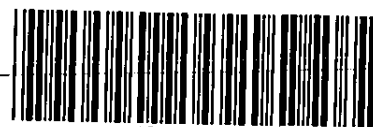


REGISTERED COMPANY NUMBER: SC326475 (Scotland)
REGISTERED CHARITY NUMBER: SC038453

**Report of the Trustees and
Unaudited Financial Statements For The Year Ended 30 June 2012
for
Kingsmeadows Social Enterprises Ltd**

Braidwood Graham
Chartered Accountants
One Cherry Court
Cavalry Park
Peebles
Borders
EH45 9BU

SATURDAY



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COMPANIES HOUSE

Kingsmeadows Social Enterprises Ltd

**Contents of the Financial Statements
for the Year Ended 30 June 2012**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 13
Detailed Statement of Financial Activities	14 to 15

Kingsmeadows Social Enterprises Ltd

Report of the Trustees for the Year Ended 30 June 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC326475 (Scotland)

Registered Charity number
SC038453

Registered office
Volunteer Resource Centre
School Brae
Peebles
Peeblesshire
EH45 8AL

Trustees
R B Harrison
M E Pearson
Mrs F Henshall - deceased 28/2/2012
J M Munro
C R Tatler
Mrs C E Hope
A I Jenkins
Mrs S Stokoe - appointed 15/3/2012
- resigned 25/1/2013
Mrs JH Cole - appointed 29/8/2012

Company Secretary
Mrs L Paul

Independent Examiner
Karen Graham
Chartered Accountant
Braidwood Graham
Chartered Accountants
One Cherry Court
Cavalry Park
Peebles
Borders
EH45 9BU

Bankers
Royal Bank of Scotland Plc
4 Eastgate
Peebles
EH45 8SL

COMMENCEMENT OF ACTIVITIES

The Company started trading on 1st October 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, the memorandum and articles, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Kingsmeadows Social Enterprises Ltd

Report of the Trustees for the Year Ended 30 June 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The trustees are all volunteers and drawn from different backgrounds to ensure that the charity has the best mix of business, financial, technical and voluntary sector advice. They do not receive any remuneration.

Individuals are invited to become a trustee by existing board members. The board are also made aware of potential trustees from other voluntary bodies.

The company employed three paid staff during the year to 30 June 2012.

Organisational structure

The directors of the company are the trustees for the purpose of charity law. The trustees control the company.

Related parties

The Company has entered into an agreement with Scottish Borders Council (Social Work) whereby the Council will contribute towards some of the costs of the project (in part through the provision of facilities and staff) in exchange for sole nomination rights to all trainee placements.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are to advance the education and work experience of people living in the Scottish Borders who are disadvantaged in the open employment market through learning, physical or other disabilities.

Significant activities

The Company was incorporated on 28 June 2007 with a view to taking over and developing a pilot project "Kingsmeadows Catering" set up by the local authority to provide training places for people with a disability. The work experience provided comes from the preparation of sandwiches, which are delivered to the local industrial and business units. The income from the sale of sandwiches is supplemented from buffet sales and other food related contracts.

Following completion of a feasibility study in February 2008, and the preparation of the business plan, agreement was reached with Scottish Borders Council on the first phase of the hand over during the summer of 2008. The year to 30th June 2012 is the third full year of trading and during the year the company employed three key kitchen staff.

The year July 2011 to July 2012 was a difficult one in trading terms as the economic down turn affected the sales of sandwiches and the number of buffet opportunities available to the Company. The supply of hot meals to the WRVS helped to mitigate this. Income generation is secondary to the provision of training to young adults who are disadvantaged in the workplace and the year was very successful in the volume and quality of training provided.

Trainee achievements in the year to June 2012 were:

- One trainee completed a placement during which he gained his Food Hygiene training certificate and Skills Accreditation Catering Skills Module. He was supported in completing an application for Catering College and was successful in gaining a place.
- 17 trainees completed their Food Hygiene certificate (July 2011)
- Nine trainees attended a 12-week health / relationships group.
- 12 trainees completed Skills Accreditation modules, which included Catering Skills entry level and Level 1, Food handling module entry level, and using a bank
- Two trainees, who attended placement with support workers, have progressed to attending placement without 1-1 support.
- A number of trainees have gained lots of personal goals, including self travel and improved numeracy and literacy skills.
- 3 Trainees applied for a Catering post at Borders General Hospital. 2 gained interviews and, although unsuccessful, gained good experience.

Kingsmeadows Social Enterprises Ltd

**Report of the Trustees
for the Year Ended 30 June 2012**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Charity raises funds from the activities detailed in the significant activities.

FINANCIAL REVIEW

Reserves policy

The Charity has the power to raise and receive monies in furtherance of the Objects and to invest monies not immediately required in such investments, securities or property as may be thought fit.

The trustees recognise it is necessary to hold reserves to ensure the Charity is able to respond to, and make the most of market opportunities. The trustees aim to hold reserves in the general fund of at least three months expenditure.

The Charity made a loss of £10,743 on the unrestricted fund. Part of this fund £2,826 is designated as the Book Value of the Fixed Asset van, purchased in 2009 with the assistance of a grant from Scottish Borders Council.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Kingsmeadows Social Enterprises Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

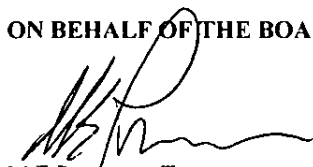
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

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

ON BEHALF OF THE BOARD :



M E Pearson - Trustee

20 March 2013

**Independent Examiner's Report to the Trustees of
Kingsmeadows Social Enterprises Ltd**

I report on the accounts for the year ended 30 June 2012 set out on pages five to thirteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking explanations from you as 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 connection with 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 to comply with Regulation 8 of the 2006 Accounts Regulations
- have 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.



Karen Graham ~~BA~~ CA
Chartered Accountant
Braidwood Graham
Chartered Accountants
One Cherry Court
Cavalry Park
Peebles
Borders
EH45 9BU

20 March 2013

Kingsmeadows Social Enterprises Ltd

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 June 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	70,441	-	70,441	36,200
Activities for generating funds	3	49,159	-	49,159	45,505
Total incoming resources		119,600	-	119,600	81,705
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	112,932	-	112,932	71,703
		112,932	-	112,932	71,703
Net incoming/(outgoing) resources available for charitable application		6,668	-	6,668	10,002
Charitable activities					
Activities to further the charity's objects		16,721	-	16,721	9,143
Governance costs	6	690	-	690	646
Total resources expended		130,343	-	130,343	81,492
NET INCOME/(EXPENDITURE) FOR THE YEAR		(10,743)	-	(10,743)	213
RECONCILIATION OF FUNDS					
Total funds brought forward		25,095	-	25,095	24,882
TOTAL FUNDS CARRIED FORWARD		14,352	-	14,352	25,095

The notes form part of these financial statements

Kingsmeadows Social Enterprises Ltd

**Balance Sheet
At 30 June 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	11	2,826	5,651
CURRENT ASSETS			
Stocks	12	958	1,027
Debtors: amounts falling due within one year	13	10,569	7,449
Cash at bank		9,880	43,769
		<u>21,407</u>	<u>52,245</u>
CREDITORS			
Amounts falling due within one year	14	(9,131)	(32,801)
		<u>12,276</u>	<u>19,444</u>
NET CURRENT ASSETS			
		<u>15,102</u>	<u>25,095</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>15,102</u>	<u>25,095</u>
PROVISIONS FOR LIABILITIES	15	(750)	-
		<u>14,352</u>	<u>25,095</u>
NET ASSETS			
		<u>14,352</u>	<u>25,095</u>
FUNDS	17		
Unrestricted funds		14,352	25,095
TOTAL FUNDS		<u>14,352</u>	<u>25,095</u>

The notes form part of these financial statements

Kingsmeadows Social Enterprises Ltd

**Balance Sheet - continued
At 30 June 2012**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2012.

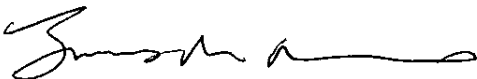
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2012 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

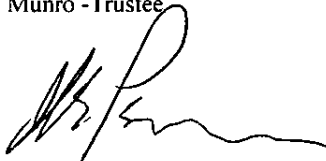
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 20 March 2013 and were signed on its behalf by:



J M Munro -Trustee



M E Pearson -Trustee

The notes form part of these financial statements

Kingsmeadows Social Enterprises Ltd

Notes to the Financial Statements for the Year Ended 30 June 2012

1. ACCOUNTING POLICIES

Accounting convention

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

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which the donation is made and when the amount can be quantified with reasonable certainty. Donations and gifts in kind (if any) are brought into the accounts at their market value to the Charity.

Grants received are recognised when receipt is considered to be certain within the relevant accounting period. Grants are matched to the relevant expenditure, and recorded in the SOFA or Balance Sheet depending upon the type of expenditure incurred.

Income will be deferred if the expenditure to which it relates is incurred in a future accounting period.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	- 20% on cost
----------------	---------------

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

The Charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. If parts of the unrestricted funds are deemed as held for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds have been raised for particular restricted purposes.

Kingsmeadows Social Enterprises Ltd

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

2. VOLUNTARY INCOME

	2012	2011
	£	£
Donations	35,442	-
Grants	-	1,200
SBC Support Costs	34,999	35,000
	<u>70,441</u>	<u>36,200</u>

Grants received, included in the above, are as follows:

	2012	2011
	£	£
Other grants	-	1,200
	<u>-</u>	<u>1,200</u>

Grant income from Scottish Borders Council of £26,250 was deferred at 30 June 2011, and released in the current year. No income has been deferred at 30 June 2012.

3. ACTIVITIES FOR GENERATING FUNDS

	2012	2011
	£	£
Sandwich Run	18,487	24,050
Buffets & Contracts	28,852	19,522
Vending Machines	692	844
External Events	1,128	839
Training	-	250
	<u>49,159</u>	<u>45,505</u>

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2012	2011
	£	£
Purchases	24,138	23,505
Staff costs	51,387	42,646
Training	408	750
Vehicle Costs	11,600	1,081
Other Kitchen Costs	5,245	3,721
Donated Staff	19,404	-
Bad debts	750	-
	<u>112,932</u>	<u>71,703</u>

5. SUPPORT COSTS

	Management	Other	Totals
	£	£	£
Activities to further the charity's objects	<u>13,896</u>	<u>2,825</u>	<u>16,721</u>

Support costs have not been separately identified as the trustees consider there is only one charitable activity. Therefore support costs relate wholly to that activity.

Kingsmeadows Social Enterprises Ltd

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

6. GOVERNANCE COSTS

	2012	2011
	£	£
Accountancy	<u>690</u>	<u>646</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2012	2011
	£	£
Depreciation - owned assets	<u>2,825</u>	<u>2,825</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2012 nor for the year ended 30 June 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 30 June 2012 nor for the year ended 30 June 2011.

9. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	47,696	42,646
Social security costs	3,691	-
	<u>51,387</u>	<u>42,646</u>

The average monthly number of employees during the year was as follows:

	2012	2011
Kitchen staff	<u>3</u>	<u>2</u>

There have been no high paid staff in the year.

Kingsmeadows Social Enterprises Ltd

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

10. DONATED SERVICES

The following services were donated by Scottish Borders Council in the year:

	£
Catering assistant	2,424
Holiday cover	1,980
Rent and other property costs	8,004
Transport	5,484
Social work staff	15,000
	<u>32,892</u>

Fuel for running the two vehicles is donated by David Harrison Limited, this had a value of £2,400 in the year to 30 June 2012.

Assistance is provided by a range of volunteers in a variety of areas, in the year to 30 June 2012 the number of volunteer hours spent in the following areas are:

Governance	220
Kitchen support	624
External events	40
Volunteer drivers	78
Admin and finance	80
	<u>1042</u>

Volunteers time has not been quantified in the statement of financial activity.

11. TANGIBLE FIXED ASSETS

	Motor vehicles £
COST	
At 1 July 2011 and 30 June 2012	<u>14,126</u>
DEPRECIATION	
At 1 July 2011	8,475
Charge for year	<u>2,825</u>
At 30 June 2012	<u>11,300</u>
NET BOOK VALUE	
At 30 June 2012	<u><u>2,826</u></u>
At 30 June 2011	<u><u>5,651</u></u>

12. STOCKS

	2012 £	2011 £
Stocks	<u>958</u>	<u>1,027</u>

Kingsmeadows Social Enterprises Ltd

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	<u>10,569</u>	<u>7,449</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	2,708	2,802
Social security and other taxes	2,582	1,925
Other creditors	3,841	1,824
Deferred government grants	-	26,250
	<u>9,131</u>	<u>32,801</u>

15. PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Provisions	<u>750</u>	<u>-</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
Fixed assets	2,826	-	2,826	5,651
Current assets	21,407	-	21,407	52,245
Current liabilities	(9,131)	-	(9,131)	(32,801)
Provision for liabilities	(750)	-	(750)	-
	<u>14,352</u>	<u>-</u>	<u>14,352</u>	<u>25,095</u>

17. MOVEMENT IN FUNDS

	At 1/7/11 £	Net movement in funds £	At 30/6/12 £
Unrestricted funds			
General fund	19,444	(7,918)	11,526
Designated	5,651	(2,825)	2,826
	<u>25,095</u>	<u>(10,743)</u>	<u>14,352</u>
TOTAL FUNDS	<u>25,095</u>	<u>(10,743)</u>	<u>14,352</u>

Kingsmeadows Social Enterprises Ltd

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2012**

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	119,600	(127,518)	(7,918)
Designated	-	(2,825)	(2,825)
	<u>119,600</u>	<u>(130,343)</u>	<u>(10,743)</u>
TOTAL FUNDS	<u>119,600</u>	<u>(130,343)</u>	<u>(10,743)</u>

18. RELATED PARTY DISCLOSURES

Mr Harrison, a trustee, is a director at David Harrison Ltd. David Harrison Ltd donate the fuel for two vehicles used in Kingsmeadows Social Enterprises Ltd. This is estimated to have a value of £2,400.

David Harrison Ltd carry out vehicle maintenance and repairs, the cost of this in 2012 was £3,011 (2011 : £414), the increase is due to one of the vehicles requiring a new engine.

19. ULTIMATE CONTROLLING PARTY

The Board of Trustees Control the Company

Kingsmeadows Social Enterprises Ltd
Detailed Statement of Financial Activities
for the Year Ended 30 June 2012

	2012 £	2011 £
INCOMING RESOURCES		
Voluntary income		
Donations	35,442	-
Grants	-	1,200
SBC Support Costs	34,999	35,000
	70,441	36,200
Activities for generating funds		
Sandwich Run	18,487	24,050
Buffets & Contracts	28,852	19,522
Vending Machines	692	844
External Events	1,128	839
Training	-	250
	49,159	45,505
Total incoming resources	119,600	81,705
RESOURCES EXPENDED		
Fundraising trading: cost of goods sold and other costs		
Purchases	24,138	23,505
Wages	47,696	42,646
Social security	3,691	-
Training	408	750
Vehicle Costs	11,600	1,081
Other Kitchen Costs	5,245	3,721
Donated Staff	19,404	-
Bad debts	750	-
	112,932	71,703
Governance costs		
Accountancy	690	646
Support costs		
Management		
Rent and property costs	8,004	-
Admin support	3,943	3,857
Printing, Stationery & Advertising	48	267
Marketing	475	1,199
Sundries	1,426	995
	13,896	6,318
Other		
Motor Vehicle Depreciation	2,825	2,825
	2,825	2,825
Total resources expended	130,343	81,492

This page does not form part of the statutory financial statements

Kingsmeadows Social Enterprises Ltd
Detailed Statement of Financial Activities
for the Year Ended 30 June 2012

	2012 £	2011 £
Net (expenditure)/income	<u><u>(10,743)</u></u>	<u><u>213</u></u>

This page does not form part of the statutory financial statements