

**West Lothian Social Enterprise Network**  
**Directors' Report and Financial Statements**  
**Year ended 31 March 2015**

FRIDAY



\*S4LK854R\*

SCT 04/12/2015 #600  
COMPANIES HOUSE

\*S4JC5ADK\*

SCT 02/11/2015 #290  
COMPANIES HOUSE

**Registered Company Number: SC479215**

**Contents**

|                                             | Page  |
|---------------------------------------------|-------|
| Legal and administrative information        | 3     |
| Directors' Report                           | 4 - 7 |
| Statement of Board Members Responsibilities | 7     |
| Independent Examiners' Report               | 8     |
| Statement of Financial Activities           | 9     |
| Balance Sheet                               | 10-11 |
| Notes to the Financial Statements           | 12-15 |
| Detailed Statement of Financial Activities  | 16    |

**Legal and administrative information**

**Registered Company Number:** SC479215 (Incorporated 4<sup>th</sup> June 2014)

|                             |                                                                                                                                |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Registered address</b>   | 10 Main Street<br>Fauldhouse<br>Bathgate<br>West Lothian<br>EH47 9HX                                                           |
| <b>Board Members</b>        | Douglas Westwater      Chair<br>Colin Hilditch          Treasurer<br>Julie Smith              Company Secretary<br>Tony Foster |
| <b>Senior Management</b>    | Fiona Pearson   Network Co-ordinator                                                                                           |
| <b>Accounting Service</b>   | Heather Moore<br>H M Moore Accountancy Services<br>1 West Haugh Cottages<br>Newbridge<br>EH28 8LA                              |
| <b>Independent Examiner</b> | Paul Brien CA<br>MRA Business Services Ltd<br>2 Wellgatehead<br>Lanark<br>ML11 9AA                                             |
| <b>Bankers</b>              | Bank of Scotland<br>Teviot House<br>41 South Gyle Crescent<br>Edinburgh<br>EH12 9DR`                                           |

~

The Directors who are also the Board Members for the purposes of this report have pleasure in presenting their report and financial statements for the year ended 31 March 2015. The Board Members who served during the year and up to the date of this report are set out on page 3.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

West Lothian Social Enterprise Network (WLSN) is a Private Limited Company, Limited by Guarantee and is registered in Scotland under Company Number 479215 and operates under the rules of its Memorandum and Articles of Association dated 4<sup>th</sup> June, 2014.

In seeking to establish effective governance arrangements we are committed to pursue the following:

The governance and management of WLSN is the responsibility of the Board Members Committee who are granted membership under the terms of the constitution. Board Members are committed to ensuring WLSN is administrated effectively and can account for its activities and outcomes to Companies House, our stakeholders and the public.

The number of Board Members comprises a maximum of 6 and minimum of 4 members. The Board Members Committee meets at least 3 times a year and all key decisions are made at these meetings and are formally recorded.

The Network Co-ordinator normally attends all Board Members Committee meetings and is responsible for the day to day operations of WLSN. In exercising their responsibilities, the Network Co-ordinator is supported by the Board Members as well as working with key stakeholders in achieving business goals.

#### ***Recruitment & Appointment of New Board Members***

Board Members are elected following an open and thorough selection process which takes account of skills, knowledge, experience, and alignment with the aims and objectives of WLSN. During the period, 0 Board Members resigned and 4 Board members were appointed.

#### ***Risk Management***

The Board Members Committee considers the risks to which WLSN is exposed as part of regular review. Internal risks are minimised by control procedures for authorisation of all transactions and projects, and by ensuring appropriate people, policies and practices are in place. The most material risk relates to the availability and access to finance. Board Members believe that by diversifying the funding and activities, improving performance and reputation, and continuing to make a difference to Social Enterprises in West Lothian, the risk can be somewhat mitigated against. Actions in support of this are detailed in the business plan and progress subject to ongoing review.

**Year ended 31 March 2015**

### ***Equality & Diversity***

We recognise that many individuals and communities experience unlawful and unfair discrimination and oppression on the grounds of their gender, race, disability, age, sexual orientation, religion or belief. We believe that equality for all is a basic human right and actively oppose all forms of unlawful and unfair discrimination. We celebrate the diversity of society and are striving to promote and reflect that diversity within WLSN in as much as we can in the way we run our organisations and the way we deliver our services.

### **OBJECTIVES AND ACTIVITIES**

The objects of WLSN are as follows:

- a) To strengthen the social enterprise model in West Lothian, ensuring that Network members have the best circumstances in which to grow
- b) To create a mechanism for West Lothian based social enterprises to learn from each other and work together

The Network shall seek to achieve the stated objectives by any and all appropriate means including:

- I. Bringing together those persons who it deems are most able to contribute towards achievement of its objects in particular holding regular West Lothian Social Enterprise Network meetings
- II. Assisting those individuals by the provision of information, advice, training, guidance and training and running events
- III. Informing the public, stakeholders and other interested parties of the role of those individuals through the production of information and publicity
- IV. Advocating the model with policy makers and influencers
- V. Promoting, establishing and operating other schemes of a charitable nature for the benefit of residents in Scotland

### **ACHIEVEMENTS AND PERFORMANCE**

WLSN has achieved the following in pursuit of its objectives:

- 5 liaison meetings with West Lothian Council
- 4 PDSP Meetings attended
- 2 Joint VSSG Meetings attended
- 1 fact-finding meeting with CPP
- 3 partnership working meetings with Business Gateway
- 2 meetings re development of Enterprise in Education
- Development and Co-ordination of Partnering for Success Programme
- Co-Commissioning of Valuing Community Benefit research
- Co-Commissioning of Social Enterprise Support for Developing Communities
- Enterprising Third Sector Framework Working Group
- Participation and input to Enterprising Third Sector Framework (WLC)
- Participation in consultation that will inform Smith Commission (via SENSCOT)
- Participation and input to Scottish Government Enterprising Third Sector Strategy (via SENSCOT)
- Participation in West Lothian Third Sector Strategy consultation (VSGWL)

### **ACHIEVEMENTS AND PERFORMANCE (Cont.)**

WLSen has achieved the following in pursuit of its objectives: (Cont.)

- Evidence given to Economy, Energy and Tourism Committee of The Scottish Parliament "The State of Social Enterprise in Scotland"
- 3 SEN Co-ordinator meetings
- 1 presentation to new SEN
- 1 Sen scot Conferences
- CEIS Conference
- Women In Business International Women's Day
- Coalfields Regeneration School Awards
- Social Enterprise of the Year Awards )
- Social Enterprise Exchange Leadership Event
- Social Investment Scotland Roadshow
- Social Enterprise Scotland policy events
- Evidence given to Economy, Energy and Tourism Committee of The Scottish Parliament "The State of Social Enterprise in Scotland"
- 2 Voluntary Sector Strategy Group (VSSG) meetings

### **FINANCIAL REVIEW AND RESULTS**

#### ***Reserves Policy***

It is the policy of WLSen to set aside funds at a level that equates to one month's running costs and redundancy payments for all staff. The Board Members hope to set aside £5,651 over the next few years to meet its contractual obligations to staff and clients.

#### ***Funding Sources***

Incoming resources for the period amounted to £34,296. The main source of funding remains West Lothian Council. The Net Surplus for the year carried forward is £3,976. The Surplus is to be put towards the reserve policy as stated above and the Board Members hope to increase this Surplus to equate to the Reserve policy over the next few years. The information outlined in pages 9 to 14 provides more detail in support of the financial position.

### **PLANS FOR FUTURE PERIODS**

The plans for 2015/16 and beyond are as detailed in the Business Plan. This was informed by staff partner and service user feedback and will provide a focus for ongoing progress and development. As a business with social outcomes, we make a difference to people and communities, but in doing so will also be sustainable and accountable. A significant goal for the coming year is to secure new sources of funding to further enhance and add value to services and create a platform for our ambitious plans.

#### ***Governance & Leadership***

We understand and believe in the link between good governance, leadership, and delivering an excellent service and business performance.

***Policy & Strategy***

Board Members will provide strategic direction and support, ensuring appropriate planning and governance that takes account of wider policy and the changing dynamics of the environment within which we operate.

***People***

Our people lie at the heart of our success, supported by leaders who display role model behaviours to engage, empower and inspire staff to achieve organisational and personal goals.

***Partnerships & Resources***

We recognise the benefits to be gained from knowledge sharing, partnership working, and efficient resource management.

***Processes, Products & Services***

Our key business processes will focus on continuous improvement in supporting our strategic goals.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors' are responsible for preparing the Directors' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP)

Law applicable to Limited Companies in Scotland requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the Company and of the incoming resources and application of resources of the Company for the year. In preparing these Financial Statements the Board Members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Board Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006 and United Kingdom Accounting Standards (UK GAAP). 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.

Approved by the Board on  and signed on their behalf by

Name: DOUGLAS WESTWATER      16th SEPTEMBER, 2015

**Title:**

**West Lothian Social Enterprise Network  
Independent Examiner's Report**

**SC479215**

I report on the accounts for the year ended 31 March 2015 as set out on pages 4 to 14.

**RESPECTIVE RESPONSIBILITIES OF BOARD MEMBERS AND INDEPENDENT EXAMINER**

West Lothian Social Enterprise Network Board Members who are also the Directors are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006.

The Board Members consider that the audit requirement of Regulation 10(1) (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.

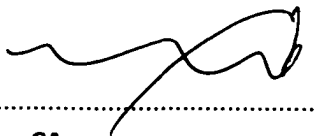
**BASIS OF INDEPENDENT EXAMINER'S STATEMENT**

My examination is carried out in accordance with the Companies Act 2006. An examination includes a review of the accounting records kept by the company 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 Board Members 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 in the accounts.

**INDEPENDENT EXAMINER'S STATEMENT**

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

1. Which give 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 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.



.....  
**Paul Brien CA  
MRA Business Services Ltd  
Chartered Accountants  
2 Wellgatehead  
Lanark  
ML11 9AA**

**Date:** 23 October 2015

**West Lothian Social Enterprise Network**

**SC479215**

**Statement of Financial Activities**

**Year Ended 31 March 2015**

|                                                 |              | <b>Unrestricted<br/>Funds<br/>General</b> | <b>Restricted<br/>Funds</b> | <b>Total<br/>Funds<br/>2015</b> |
|-------------------------------------------------|--------------|-------------------------------------------|-----------------------------|---------------------------------|
|                                                 | <b>Notes</b> | <b>£</b>                                  | <b>£</b>                    | <b>£</b>                        |
| <b>Incoming resources</b>                       |              |                                           |                             |                                 |
| <b>Incoming resources from generated funds:</b> |              |                                           |                             |                                 |
| Grants Received                                 | 2            | 32,648                                    | 1,648                       | 34,296                          |
| Investment income                               | 3            | 0                                         | 0                           | 0                               |
|                                                 |              | <u>32,648</u>                             | <u>1,648</u>                | <u>34,296</u>                   |
| <b>Total incoming resources</b>                 |              | <u><b>32,648</b></u>                      | <u><b>1,648</b></u>         | <u><b>34,296</b></u>            |
| <b>Resources expended:</b>                      |              |                                           |                             |                                 |
| Support Costs                                   | 4            | 27,787                                    | 1,648                       | 29,435                          |
| Governance costs                                | 5            | 885                                       |                             | 885                             |
|                                                 |              | <u>28,672</u>                             | <u>1,648</u>                | <u>30,320</u>                   |
| <b>Total resources expended</b>                 |              | <u><b>28,672</b></u>                      | <u><b>1,648</b></u>         | <u><b>30,320</b></u>            |
| <b>Net movement in funds</b>                    |              | <b>3,976</b>                              | <b>0</b>                    | <b>3,976</b>                    |
| <b>Reconciliation of funds:</b>                 |              |                                           |                             |                                 |
| Total funds brought forward                     |              | 0                                         | 0                           | 0                               |
| <b>Total funds carried forward</b>              | 10           | <u><b>3,976</b></u>                       | <u><b>0</b></u>             | <u><b>3,976</b></u>             |

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

**West Lothian Social Enterprise Network**  
**Balance Sheet**  
**At 31 March 2015**

**SC479215**

|                                                  | Notes | £                     | £                   | £                      |
|--------------------------------------------------|-------|-----------------------|---------------------|------------------------|
|                                                  |       | Unrestricted<br>Funds | Restricted<br>Funds | 2015<br>Total<br>Funds |
| <b>FIXED ASSETS</b>                              |       |                       |                     |                        |
| Tangible assets                                  |       | 0                     | 0                   | 0                      |
| <b>CURRENT ASSETS</b>                            |       |                       |                     |                        |
| Debtors                                          | 7     | 304                   | 412                 | 716                    |
| Cash at bank and in hand                         |       | 52,725                | 13,382              | 66,107                 |
|                                                  |       | 53,029                | 13,794              | 66,823                 |
| <b>CREDITORS</b>                                 |       |                       |                     |                        |
| Amounts falling due within one year              | 8     | -49,053               | -13,794             | -62,847                |
| <b>NET CURRENT ASSETS</b>                        |       | 3,976                 | 0                   | 3,976                  |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | 3,976                 | 0                   | 3,976                  |
| <b>NET ASSETS</b>                                |       | 3,976                 | 0                   | 3,976                  |

Notes form part of the Financial Statements

**West Lothian Social Enterprise Network**  
**Balance Sheet (continued...)**  
**At 31 March 2015**

**SC479215**

|                      |          |                     |
|----------------------|----------|---------------------|
| <b>FUNDS</b>         | <b>9</b> |                     |
| Unrestricted funds : |          |                     |
| General fund         |          | 3,976               |
| Restricted funds     |          | <u>0</u>            |
| <b>TOTAL FUNDS</b>   |          | <u><u>3,976</u></u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2015 in accordance with Section 476 of the Companies Act 2006.

The directors' acknowledges their responsibilities for:

- (a) Ensuring that the company keeps accounting records which 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 company as at the end of each financial year and of its profit and loss for each financial year in accordance with the requirements of Section 393 and 394 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The Financial Statements were approved by the Board Members on 16th SEPTEMBER, 2015  
and signed on their behalf by:



Name DOUGLAS WESTWATER  
Title CHAIRPERSON

Notes form part of the Financial Statements

**1. Accounting Policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1 Basis of Accounting**

The Financial Statements are prepared under the historical cost convention.

**1.2 Cashflow**

The Company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small business.

**1.3 Fund Accounting**

Unrestricted funds are available at the discretion of the Directors in furtherance of the general objectives of the Company. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**1.4 Incoming Resources**

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

**1.5 Resources Expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

**1.6 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life.

**2. Voluntary Income**

|                                                       | Unrestricted<br>Funds<br>General | Restricted<br>Funds | Total<br>2015 |
|-------------------------------------------------------|----------------------------------|---------------------|---------------|
|                                                       | £                                | £                   | £             |
| Income Introduced from<br>Unincorporated Bank Balance | 28,481                           | 0                   | 28,481        |
| West Lothian Council                                  | 4,167                            |                     | 4,167         |
| SCVO –Third Sector Internship                         |                                  | 1,648               | 1,648         |
|                                                       | <b>32,648</b>                    | <b>1,648</b>        | <b>34,296</b> |

**3. Investment Income**

|               | 2015<br>£ |
|---------------|-----------|
| Bank Interest | 0         |
|               | <b>0</b>  |

**4. Support Costs**

|                          | Unrestricted<br>Activities<br>£ | Restricted<br>Activities<br>£ | Total<br>2015<br>£ |
|--------------------------|---------------------------------|-------------------------------|--------------------|
| Wages                    | 17,867                          | 1,648                         | 19,515             |
| Pension contributions    | 1,693                           |                               | 1,693              |
| Staff travel             | 578                             |                               | 578                |
| Conferences and training | 370                             |                               | 370                |
| Insurance                | 325                             |                               | 325                |
| Rent and service charges | 1,316                           |                               | 1,316              |
| Telephone                | 221                             |                               | 221                |
| Postage and stationery   | 488                             |                               | 488                |
| IT expenses              | 697                             |                               | 697                |
| Advertising & marketing  | 4,200                           |                               | 4,200              |
| Networking Events        | 12                              |                               | 12                 |
| Subscriptions            | 20                              |                               | 20                 |
|                          | <b>27,787</b>                   | <b>1,648</b>                  | <b>29,435</b>      |

5. Governance

|                           | Unrestricted<br>Activities<br>£ | Restricted<br>Activities<br>£ | Total<br>2015<br>£ |
|---------------------------|---------------------------------|-------------------------------|--------------------|
| Legal & professional fees | 240                             |                               | 240                |
| Accountancy               | 645                             |                               | 645                |
| AGM and sundry            | 0                               |                               | 0                  |
|                           | <b>885</b>                      | <b>0</b>                      | <b>885</b>         |

6. Board Members Remuneration and Benefits

There were no Board Members remuneration or other benefits for the year ended 31 March 2015.

There were no Board Members expenses for the year ended 31 March 2015

7. Staff Costs

No employees received emoluments of more than £60,000 (2014: None)

|                    | 2015<br>£     |
|--------------------|---------------|
| Gross Wages        | 19,515        |
| National Insurance | 0             |
| Employer Pension   | 1,693         |
|                    | <b>21,208</b> |

8. Debtors: Amount falling due within one year

|                | 2015<br>£    | 2015<br>£  |
|----------------|--------------|------------|
|                | Unrestricted | Restricted |
| Accrued Income |              | 412        |
| Prepayments    | 304          |            |
|                | <b>304</b>   | <b>412</b> |

9. Creditors: Amount falling due within one year

|                               | 2015<br>£     | 2015<br>£     |
|-------------------------------|---------------|---------------|
|                               | Unrestricted  | Restricted    |
| Other Creditors               | 1,455         | 412           |
| Social Security & Other Taxes | 657           |               |
| Accruals                      | 1,108         |               |
| Deferred Income               | 45,833        | 13,382        |
|                               | <b>49,053</b> | <b>13,794</b> |

10. Movement in Funds

|                           | At<br>04.06.2014<br>£ | Net<br>Movement<br>in Funds<br>£ | At<br>31.03.15<br>£ |
|---------------------------|-----------------------|----------------------------------|---------------------|
| <b>Unrestricted funds</b> |                       |                                  |                     |
| General fund              | 0                     | 3,976                            | 3,976               |
| <b>Restricted funds</b>   |                       |                                  |                     |
| Restricted funds          | 0                     | 0                                | 0                   |
|                           | <b>0</b>              | <b>3,976</b>                     | <b>3,976</b>        |

Net movement in funds, included in the above are :

|                           | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 32,648                     | 28,672                     | 3,976                     |
| <b>Restricted funds</b>   |                            |                            |                           |
| Restricted funds          | 1,648                      | 1,648                      | 0                         |
|                           | <b>34,296</b>              | <b>30,320</b>              | <b>3,976</b>              |