

West Lothian Social Enterprise Network
Directors' Report and Financial Statements
Year ended 31 March 2016



Registered Company Number: SC479215

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West Lothian Social Enterprise Network
Legal and administrative information

SC479215

Registered Company Number: SC479215 (Incorporated 4th June 2014)

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

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 2016. 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 4th 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 0 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.

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 WLSSEN 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

WLSSEN has achieved the following in pursuit of its objectives:

- 6 liaison meetings with West Lothian Council
- 4 PDSP Meetings attended
- 2 Voluntary Sector Forums attended
- 1 VSSG Meeting attended
- Participation in TSI Stakeholder Meeting
- 3 fact-finding meeting with CPP
- 1 CPP event attended
- 4 partnership working meetings with Business Gateway
- 1:1 support for member organisations
- 1 Procurement event for members
- Co-Commissioning and Co-ordination of Enterprising Third Sector Support Programme
- Development and Co-ordination of Leadership Development for Trustees and Boards
- Co-Commissioning of Valuing Community Benefit research
- Social Enterprise Dinner for WLSSEN members
- Participation and input to Scottish Government Enterprising Third Sector Strategy
- Participation in West Lothian Third Sector TSI consultation
- 4 Social Enterprise Network Co-ordinator meetings
- Engagement with Thematic Social Enterprise Networks
- Shortlisted Social Enterprise Champion - Social Enterprise of the Year Awards 2015
- Represented WLSSEN at 6 national and 6 local events
- Co-ordination of EU Structural Fund partnership bid
- Participation in development of South East Scotland Social Enterprise Zone
- Participation in Edinburgh and South East Scotland City Region Deal bid

FINANCIAL REVIEW AND RESULTS

Reserves Policy

The Reserve Fund of £4,253 represents the unrestricted funds arising from past operating results. It is the policy of WLSN 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 £57,475. The main source of funding remains West Lothian Council. The Net Surplus for the year carried forward is £277 (£3,976 – 2015). 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 2016/17 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. We aim to complete contract negotiations with the local Third Sector Interface early in 2016/17 for WLSN to deliver TSI social enterprise outcomes.

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

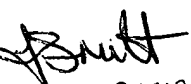
The Directors' are responsible for preparing the Directors' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP)

Law applicable to Social Enterprises in Scotland requires the Board Members to prepare Financial Statements for each financial year which give a true and fair view of the Social Enterprise and of the incoming resources and application of resources of the Social Enterprise 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 Social Enterprise 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 Social Enterprise 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 Social Enterprise and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on the 16th August 2016 and signed on their behalf by

Name:  JULIE SMITH
Title:  CHAIR OF BOARD OF DIRECTORS

I report on the accounts for the year ended 31 March 2016 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 Enterprises Board Members consider that the audit requirement of Regulation 10(1) (d) 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.

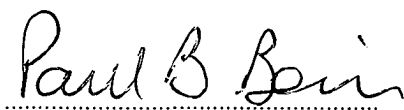
BASIS OF INDEPENDENT EXAMINER'S STATEMENT

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: 24 August 2016

West Lothian Social Enterprise Network
Statement of Financial Activities
Year Ended 31 March 2016

SC479215

	Notes	Unrestricted Funds £	Restricted Funds General £	Total Funds 2016 £	Total Funds 2015 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Donations & Legacies	2	38,143	19,332	57,475	34,296
Investment income	3			0	
		38,143	19,332	57,475	34,296
Total incoming resources		38,143	19,332	57,475	34,296
Resources expended:					
Support Costs	4	37,099	19,332	56,431	29,435
Governance costs	5	767		767	885
		37,866	19,332	57,198	30,320
Total resources expended		37,866	19,332	57,198	30,320
Net movement in funds		277	0	277	3,976
<i>Reconciliation of funds:</i>					
Total funds brought forward		3,976	0	3,976	0
Total funds carried forward	10	4,253	0	4,253	3,976

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
Statement of Financial Position
At 31 March 2016

SC479215

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
ASSETS					
Property, Plant & Equipment		0	0	0	0
CURRENT ASSETS					
Trade and other Receivables	8	194		194	716
Cash and cash equivalents		12,810	8,807	21,617	66,107
		13,004	8,807	21,811	66,823
TOTAL ASSETS		13,004	8,807	21,811	66,823
EQUITY AND LIABILITIES	10				
Equity:					
Reserve fund		4,253	0	4,253	3,976
Current Liabilities					
Amounts falling due within one year	9	8,751	8,807	17,558	62,847
TOTAL EQUITY AND LIABILITIES		13,004	8,807	21,811	66,823

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

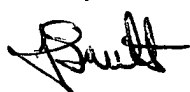
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledges their responsibilities for:

- Ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 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 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 January 2015).

The Financial Statements were approved by the Board Members on the 16th August 2016 and signed on their behalf by:



Name: JULIE SMITH

Title: CHAIR OF BOARD OF DIRECTORS

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 in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015). The Directors are of the view that the immediate future of the company is secured and on this basis the assessment of the Directors is that the company remains a going concern.

1.2 Cashflow

The Social Enterprise has taken advantage of the exemption from the requirement to produce a cashflow statement in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.3 Fund Accounting

Unrestricted funds are available at the discretion of the Trustees in furtherance of the general objectives of the Enterprise. 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 Social Enterprise 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.

West Lothian Social Enterprise Network
Notes to Financial Statements (Cont.)
Year Ended 31 March 2016

SC479215

2. Donations & Legacies

	Unrestricted Funds General	Restricted Funds General	Total 2016	Total 2015
	£	£	£	£
West Lothian Council - General	38,143		38,143	32,648
SCVO - Salary Support			0	1,648
Co-Commission Project		13,382	13,382	0
Social Enterprise Scotland		500	500	0
WLC - Member Training		5,000	5,000	0
VAF - Exploring sectarianism		450	450	0
	38,143	19,332	57,475	34,296

3. Investment Income

	2016	2015
	£	£
Bank Interest	-	-
	-	-

4. Support Costs

	Unrestricted Activities	Restricted Activities	Total 2016	Total 2015
	£	£	£	£
Wages	28,076		28,076	19,515
Pension Contributions	1,088		1,088	1,693
Staff Travel	692		692	578
Staff Training & Conferences	364		364	370
Insurances	139		139	325
Rent and Service charges	4,174		4,174	1,316
Telephone	269		269	221
Postage and stationery	70		70	488
IT Expenses	268		268	697
Advertising & Marketing	113		113	4,200
Subscriptions	83		83	20
Networking Events	1,763	950	2,713	12
Co-Comm. Consultancy		13,382	13,382	0
Members Training Event		5,000	5,000	0
	37,099	19,332	56,431	29,435

West Lothian Social Enterprise Network
Notes to Financial Statements (Cont.)
Year Ended 31 March 2016

SC479215

5. Governance

	Unrestricted Activities	Restricted Activities	Total 2016	Total 2015
	£	£	£	£
Legal & Professional fees			0	240
Accountancy	765		765	645
AGM & Sundry	2		2	0
	767	0	767	885

6. Board Members Remuneration and Benefits

There were no Board Members remuneration or other benefits for the year ended 31 March 2016 (2015 – zero).

There were no Board Members expenses for the year ended 31 March 2016 (2015 – zero)

7. Staff Costs

No employees received emoluments of more than £60,000 (2015: None)

	2016	2015
	£	£
Gross Salaries	28,076	19,515
National Insurance	0	0
Employer Pension	1,088	1,693
	29,164	21,208

8. Trade and other receivables: Amount falling due within one year

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
Accrued Income			0	412
Prepayments	194		194	304
	194	0	194	716

West Lothian Social Enterprise Network
Notes to Financial Statements (Cont.)
Year Ended 31 March 2016

SC479215

9. Creditors: Amount falling due within one year

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Other Creditors	33		33	1,867
Social Security & Other Taxes	(4)		(4)	657
Accruals	1,032	8,807	9,839	1,108
Deferred Income	7,690		7,690	59,215
	8,751	8,807	17,558	62,847

10. Movement in Funds

	At 01.04.15 £	Net Movement in Funds £	At 31.03.16 £
Unrestricted funds			
General fund	3,976	277	4,253
Restricted funds			
Restricted funds	0	0	0
	3,976	277	4,253

Net movement in funds, included in the above are :

	Incoming Resources £	Resources Expended £	Movement in funds £
Unrestricted funds			
General fund	38,143	37,866	277
Restricted funds			
Restricted funds	19,332	19,332	0
	57,475	57,198	277

West Lothian Social Enterprise Network
Detailed Statement of Financial Activities
Year Ended 31 March 2016

SC479215

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOMING RESOURCES				
Voluntary income				
Donations & Legacies	38,143	19,332	57,475	34,296
	38,143	19,332	57,475	34,296
Investment income				
Deposit account interest	0	0	0	0
Total incoming resources	38,143	19,332	57,475	34,296
RESOURCES EXPENDED				
Support Costs				
Wages	28,076		28,076	19,515
Pension contributions	1,088		1,088	1,693
Staff travel	692		692	578
Conferences and training	364		364	370
Insurance	139		139	325
Rent and service charges	4,174		4,174	1,316
Telephone	269		269	221
Postage and stationery	70		70	488
IT expenses	268		268	697
Advertising & marketing	113		113	4,200
Subscriptions	83		83	20
Networking Events	1,763	950	2,713	12
Consultancy fees		13,382	13,382	0
Members Training Event		5,000	5,000	0
Governance costs				
Legal & professional fees			0	240
Accountancy	765		765	645
AGM and sundry	2	0	2	0
Total resources expended	37,866	19,332	57,198	30,320
NET SURPLUS	277	0	277	3,976

This Page does not form part of the Financial Statements