

**COMPANY NO: SC087515**

**CHARITY NO: SC010036**

**COMMUNITY ENTERPRISE IN SCOTLAND**

**(A company limited by guarantee)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**COMMUNITY ENTERPRISE IN SCOTLAND**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>Charity Name:</b>	Community Enterprise in Scotland
<b>Principal Office:</b>	5 Dava Street Govan G51 2JA
<b>Charity Number:</b>	SC010036
<b>Company Number:</b>	SC087515
<b>Trustees:</b>	Maureen Porch (Chair) Iain McCall (Treasurer) Marian Gardiner Lynn McCulloch Ian Mitchell Hugh Logan Gillian Lowe (resigned 30/08/2019) Linda Andrews Darah Zahran Paul Bott Lisa Branter (appointed 09/10/2019) Lynn Waddell (appointed 11/10/2019) Richard Rollison (appointed 12/02/2020) Rose Cawood (appointed 23/03/2020)
<b>Secretary:</b>	Fiona McClune
<b>Senior Management:</b>	Ian Mitchell (CEO from 03/06/2019) Gerard Higgins (CEO until 02/06/2019, Director of International Enterprise from 03/06/2019) Anne-Marie Allan (Operations Manager) Gemma Gillespie (Finance and Corporate Services Manager) Stephen Hamill (General Manager, CEIS Ayrshire) Stuart Yuill (General Manager, DSL)
<b>Independent Auditors:</b>	Wylie & Bisset (Audit) Limited 168 Bath Street Glasgow G2 4TP
<b>Bankers:</b>	Bank of Scotland Glasgow Argyle St Branch PO Box 1000 BX2 1LB  RBS Glasgow Parkhead Branch 1304 Duke St G31 5PZ

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**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**REFERENCE AND ADMINISTRATIVE INFORMATION (continued)**

**Solicitors:**

MacRoberts LLP  
Capella  
60 York Street  
Glasgow  
G2 8JX

# COMMUNITY ENTERPRISE IN SCOTLAND (A company limited by guarantee)

## Report of the Trustees for the year ended 31 March 2020

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16 July 2014.

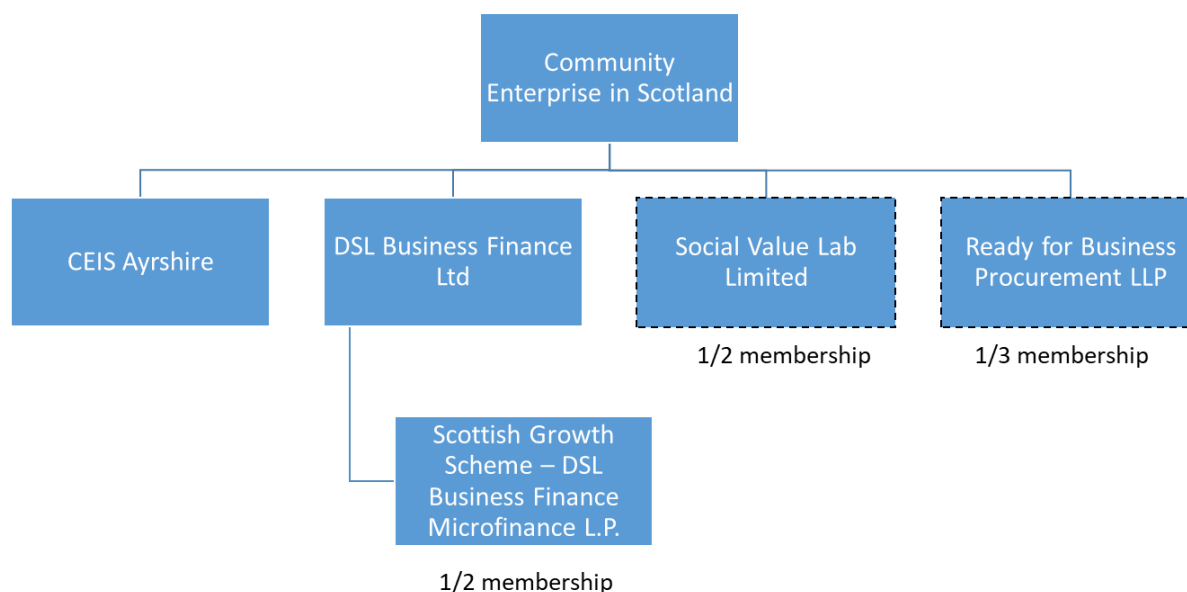
The legal and administrative information on pages 1 and 2 forms part of this report.

### 1 Performance and Impact

During the year a new Chief Executive, Ian Mitchell, was appointed and under his leadership the group has continued to perform a leading role in the social enterprise, micro lending and employability sectors. The business has also looked to develop its international role and to this end Gerry Higgins, was appointed International Director.

In 2019/20 the aims of the group were:

- Build the capacity of enterprises and communities to combat exclusion
- Be an excellent employer
- Ensure CEIS is a sustainable business
- Lead the market as a social enterprise with national and international impact



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**The CEIS group structure** allows mitigation of risk to charitable assets from trading, provides the ability to attract investment, tax efficiency and the ability to have a Board of directors with specialist skills and expertise. This includes business finance knowledge in DSL, the ability to have a “local” company operating employability services in Ayrshire, and the requirement to work as equal partners in Ready for Business and Social Value Lab.

Recently there have been two changes to the group structure. During the year CEIS ceased membership of Social Enterprise World Forum CIC; during 2018/19 DSL formed a joint venture, Scottish Growth Scheme – DSL Business Finance Microfinance L.P.; this is a Scottish Limited Partnership in which DSL is the General Partner and the Scottish Ministers the Limited Partner, and was set up at the behest of the Scottish Government in order to deliver the Microfinance part of the Scottish Growth Scheme (SGS) contract awarded in 2018 and which commenced from 1 January 2019. All SGS Fund Managers were required to enter into a similar arrangement.

Group Offices are in Glasgow, Irvine, Ayr, Kilmarnock and Stevenston as well as staff being located within North Ayrshire Council Hubs.

The CEIS Vision, Mission and Values are central to our operation and are highly visible in our premises, promotional materials and internal staff and board interfaces.

**CEIS VISION**

We will make Scotland a better place to live and work with a more inclusive economy

**CEIS MISSION**

To tackle inequality, strengthen communities and improve the performance and impact of businesses, which contribute to our society.

**CEIS VALUES**

Our vision and mission are underpinned by a number of values that CEIS seeks to demonstrate and measure in all aspects of its work. This system of values (called PRIQLE) is integrated into staff appraisal so each staff member aligns their performance with demonstrating the values of the organisation.

P	R	I	Q	L	E
					
<b>Partnership</b>	<b>Respect</b>	<b>Innovation</b>	<b>Quality</b>	<b>Leadership</b>	<b>Empowerment</b>
Our reputation as a trusted partner is critical to everything we do	We act with integrity and honesty with our clients, partners, staff and stakeholders	We seek to bring innovative approaches to everything we do to ensure maximum effect and efficiency	We will deliver and demonstrate high quality outcomes in all aspect of our work	We acknowledge and embrace our role as an industry expert to progress the sector	We work closely with clients and staff to provide required skills and abilities

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### **Report of the Trustees for the year ended 31 March 2020**

The organisation has continued to track its social impact using a key performance indicator system. Figures are reviewed by managers and each Board within the group and reported to staff on a quarterly basis, ensuring that all are aware of the impact of each part of the group. At the end of the year 9 main areas of impact are reported and disseminated widely. For 2019/20 these were:

- 572 supported into employment down from 853 in 18/19. The decrease is largely down to a focus on harder to reach group in Ayrshire where more wellbeing support, skills and training has been the focus.
- 951 jobs maintained in Scottish businesses almost twice as many as maintained in 2018/19 largely down to loans being issued to larger businesses.
- 1,320 individuals attendees at CEIS Events which is a slight decrease on 1504 attending in 2018/19 but very respectable given the challenging environment around events.
- £273,720 in funding secured to support communities a fall of £1,324,595 of on 2019/20. This is due to end of the Our Place programme in 2018/19 which accounted for £1,269,218 of the decrease.
- 78% percent of discretionary spend was with third sector suppliers slightly up from last year (77%).
- 1,117 Scottish businesses and social enterprises supported, in line in 2018/19 (1,118) and up from 2017/18 (1,005).
- £4.5 million loaned to Scottish SMEs by DSL Business Finance Ltd reflects an increase of 28% on the prior year and the continued growth in capacity and performance of DSL Business Finance. This is the highest sum disbursed by DSL in a financial year.
- International engagements supporting social enterprise development through ecosystem support and study visit facilitation involving partners from 11 countries.
- 2,792 individuals received support from our services across the group slightly down on a record breaking 2018/19. The change was due to new contract priorities and targets in CEIS Ayrshire, as well as more focus on skill development and training to support harder to help with multiple barriers, has resulted in lower entrants into the services. 2019/20 KPI's were set before contracts were renewed as an aspirational target at the time. This was still higher than our projected target for 2019/20, but the refocus on more support from skills and training services in Ayrshire and higher than expected client referrals, requiring more interventions and support on contracts ensured we surpassed our skills and training target for 2019/20 by 8% on the previous year.

2019/20 has been another strong performance year for CEIS as strong financial performance has been accompanied by exceptional service performance with increases across the majority of key performance indicators. In some areas such as business lending, skills and training and international engagement, there has been a substantial increase over the performance of the previous year. The company has also started to look at how these performance indicators link to outcomes and in particular the National Performance Framework; this will be a key objective for 2020/21.

The organisation is particularly pleased with very high outputs in staff attendance and customer satisfaction as the group relies on the professionalism of its teams to meet its objectives, satisfy contract requirements and maintain its reputation.

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### **Report of the Trustees for the year ended 31 March 2020**

During the year, performance of CEIS Group involved delivery of a wide range of activities, these include:

**DSL Business Finance Limited** through the Scottish Growth Scheme and other sources of business lending has supported the competitiveness and survival of micro businesses and social enterprises in Scotland by providing access to loan funds on affordable terms. DSL increased its lending by £1.1m in the last year, (£3.4m to £4.5m) and created 205 jobs while supporting retention of 958 jobs. DSL is a critical part of the Scottish business finance infrastructure.

**CEIS Ayrshire** was established with the principal aim to tackle inequality, strengthen communities and improve the economy in Ayrshire through the provision of employability support and skills development. In this financial year CEIS Ayrshire supported 371 people into employment and provided training and skills development to a further 1628 people as well as supporting 602 local businesses.

**CEIS** has continued to be a prominent and strategic player within the Social Enterprise ecosystem and has continued to push innovation and partnership and collaboration in how we deliver our business. Services and activities are delivered principally through two operational departments, Enterprise and Communities Team and Corporate and Events Team.

**Enterprise and Communities**, has identified, secured and delivered a range of business support services aimed at supporting new and strengthening existing social enterprises - building a strong sector within Scotland capable of trading locally, nationally and internationally. In 2019/20 CEIS led the Just Enterprise consortium delivering a 4 year contract for national business support for social enterprises. This entailed introducing a series of new programmes of support reflecting the changing needs of the sector. The Just Enterprise consortium will deliver this into 2023.

**CEIS Events Team:** Throughout 2019/20, CEIS hosted Scotland's Social Enterprise Policy & Practice Conference, where Aileen Campbell, Cabinet Secretary for Local Government and Communities launched the third bi-annual Social Enterprise Census, outlining the increasing number of social enterprises in Scotland and their contribution to the economy. CEIS also partnered with Social Enterprise Scotland to deliver their bi-annual marketplace event, offering social enterprises the opportunity to showcase their products and services to corporate and public sector businesses.

CEIS Events team undertook secretariat for Social Enterprise World Forum CIC including onsite and remote support of the international forum held in Addis Ababa, Ethiopia; the first time the event had been held in a developing economy. The event was attended by 1,312 people from 71 countries and territories and included the organisation of a Policy Forum, Academic Forum, 3-day Main forum and study trips. Following the implementation of the SEWF environmental policy, the 2019 hosts offset delegates carbon consumption contributing £12,606 to Selco Foundation, India.

**International:** a new International Director of CEIS was appointed in 2019, leading the company's work on supporting internationalisation of social enterprises based in Scotland, as well as assisting overseas social enterprises to locate here.



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## Report of the Trustees for the year ended 31 March 2020

### 2. Financial review

#### Current Performance

The financial performance outlined in the pages to follow shows that CEIS has had a strong year, with surpluses in each company in the group. The balance sheet has continued to improve whilst the company provides for the continued payments for exiting the defined benefit pension scheme. The group continues to produce high levels of social impact across all companies.

#### Forecasting

At the end of 2019/20, despite the undoubted challenges of COVID-19, CEIS officers the Board have been able to set a neutral budget for 2020/21 and 2021/22 as major income streams have been confirmed. The subsidiary companies and joint ventures are also forecasting positively in 2020/21 and this will contribute to the future financial health of CEIS. The following income streams will have continuity through to the end of the financial year in March 2021:

- As part of a consortium, CEIS leads the Just Enterprise contract for Scottish Government, which is the main contract for our business advisory service. Further resource has been dedicated to business support as a result of COVID-19. This contract runs through to May 2023.
- income from client assignments funded via Investing in Communities (formerly Strengthening Communities) will continue to the end of March 2022, subject to Scottish Government's provisional annual funding commitments.
- Service Level Agreement income with CEIS Ayrshire, DSL and Social Value Lab are internal and agreed in advance for the year to March 2021.
- Our Service Level Agreement with Glasgow City Council is in the form of a grant from the Integrated Grant Fund and this has been confirmed for the period to October 2020.
- Social Enterprise World Forum CIC has agreed a budget for secretariat fees to provide leadership and management services. This includes a secondment fee for the Director of International Enterprise at CEIS to be the SEWF Managing Director.
- CEIS has a licence with Social Enterprise Institute (SEI) to generate income from social enterprise online learning in Scotland.

The organisation has variable income streams where income depends on performance in the following areas:

- CEIS Events will tender for event management contracts during the year to achieve its income targets.
- Enterprise and Communities has an annual income generation target and this year a new strategy is being implemented. This is intended to increase income from fee paying clients and new contracts to improve sustainability and reduce dependency on larger time limited contracts.

The current situation with COVID-19 casts uncertainty over business. CEIS nonetheless will be part of the solution to helping businesses survive the initial wave with new loan funds to manage and a Just Enterprise resilience strand. We are also adapting our business to cater for on-line delivery of services. There is also scope for CEIS to play a big part in the recovery and to ensure a fairer society and one that respects the need to address climate change. Both the management team and the Boards will continue to monitor the budget situation very closely throughout the year.

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### Reserves

The CEIS reserves policy identifies that Directors aim to have between 3 and 6 months' operating costs in reserve in order to withstand unexpected events. The company is exiting a defined benefit pension scheme with interest free repayments agreed over six years from April 2017 with two years now remaining. The Directors are pleased that the strong financial performance this year has rebuilt the reserves to 4.8 months in CEIS and 3.8 months in CEIS Ayrshire.

	3-6 months operating costs	Current reserve
CEIS	£253,778 - £507,596	£407,241
CEIS Ayrshire	£300,679 - £601,359	£377,139

### 3. Plans for future periods

#### Group Strategic Priorities 2020/21

The following Group priorities have been identified for 2020/21;

- Ensure quality delivery of our existing contracts
- Explore new business development opportunities
- Build & maintain key relationships
- Establish new partnerships and collaborative ventures
- Secure renewal of all major contracts in CEIS, DSL and CEIS Ayrshire

These will be reviewed regularly by the senior management team and the Board.

#### Service and Company Priorities 2020/21

#### Enterprise and Communities Team

In 2020/21 ECT priorities include:

- Embedding the new Just Enterprise contract and delivering in a flexible manner to respond to recovery from the COVID-19 crisis.
- Securing a future capacity building partnership with Glasgow City Council as the IGF is restructured for 2020/21
- Expanding SEI throughout Scotland and the UK on an incremental basis
- Redesigning programmes and redeploying resources to enable digital delivery of support to our clients
- Diversifying income streams

#### Corporate and Events

The principal activities of the CEIS Corporate and Events Team in 2020/21 will include:

- Delivering the annual CEIS Social Enterprise Policy and Practice conference in September. Following the COVID-19 pandemic, the team will work with a national steering group to deliver the event online, focusing on the sector's response, recovery and the future of the sector. In light of the pandemic, the event will be free to attend for delegates to come together and explore the way forward.
- Developing an International Social Enterprise Observatory as contracted with Scottish Government

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### **Report of the Trustees for the year ended 31 March 2020**

- Utilising the newly created Director of International Enterprise role to generate new international business for CEIS
- Supporting Social Enterprise World Forum (SEWF) with its digital event in September 2020, looking to attract 3,000+ global delegates throughout a 4 day programme.
- The global events industry has been severely impacted by the COVID-19 pandemic, however CEIS Events has quickly adopted digital platform technology to provide expertise and aims to create a strong pipeline of event management opportunities.

CEIS will work with partners to highlight and develop the potential of social enterprise to contribute to the Scottish social enterprise ecosystem which aims to reduce inequality in Scotland and beyond.

#### **International**

The international business activity has been disrupted by COVID-19 and the activities will primarily focus on supporting the International Social Enterprise Observatory project and delivering services to Social Enterprise World Forum. With global travel bans in place, all international business has been disrupted and our social enterprise activity is no different. This requires a focus on consolidation, supporting enterprises to adapt to new markets and assisting international social enterprises with recovery.

#### **CEIS Ayrshire**

As an organisation we continue have an ambition as a forward thinking Community Anchor Organisation, recognised by its commitment to our communities through employability, skills training, business engagement services and community development capacity building and support services in our area, respected as the go to mission driven ethical company in Ayrshire and Dumfries and Galloway. The future landscape of the employability industry is changing, and CEIS Ayrshire is presented with some unknowns with regards to future funding and procurement of services.

Our key priorities will be to consolidate our current contracts and ensure that the operational delivery is maintained at a quality standard to ensure successful outcomes for our communities. The COVID-19 crisis may also bring levels of unemployment not seen for decades and so we must prepare to adapt and build new streams of delivery as well as secure any funding opportunities to support those that have been affected back into meaningful and sustainable fair employment

2020- 21 will bring some key funding, contract and delivery challenges therefore we must ensure we are prepared and flexible as an organisation to absorb such changes CEIS Ayrshire has the following priorities for 2020-21:

- Secure contract renewal in North Ayrshire;
- Deliver strong performance meeting outcome targets in current contracts;
- Playing a full role in the approach to Community Wealth Building being led by North Ayrshire Council;
- Continue to diversify activity through new business generation and respond to new funding opportunities.

In the wake of the current COVID-19 crisis the future of the sector is still unclear and funding to provide services will be challenging for the contracts that rely on outcome based face to face delivery, we will ensure we have an agile and responsive contingency and continuity plan as well as being responsive to ensure we deliver services and secure the funding to do

## **COMMUNITY ENTERPRISE IN SCOTLAND** (A company limited by guarantee)

### **Report of the Trustees for the year ended 31 March 2020**

so. This may include closer partnership and joint approaches with key local and national partners.

#### **DSL Business Finance Ltd**

DSL will continue to develop and promote itself in the Scottish market in the year to 31<sup>st</sup> March 2021 with the principal areas of focus being:

- To continue to support existing clients through the ongoing impact of COVID-19;
- To continue the delivery of the Microfinance part of the Scottish Growth Scheme contract that is in place with Scottish Government, albeit a downward target revision will be necessary as a result of the impact of COVID-19 and the response to that provided by UK Government e.g. Bounce Back Loans;
- To continue the successful delivery of the Digital Development Loan project in collaboration with Lanarkshire Enterprise Services Ltd;
- To attract additional affordable capital to enable DSL to maintain and grow the provision of loan support in addition to that mentioned in the above;
- To embed recently implemented systems and processes together with updating the existing website such that it provides a more user friendly experience and improved functionality;
- To further promote DSL across all media as Scotland's preferred provider of Microfinance funding.

## **4 Structure, Governance and Management**

Following the conclusion of the final phase of the Scottish Government programme "Developing Markets for Third Sector Providers" in the previous financial year, in May 2019 Ready for Business won a Scottish Government contract to support the development of a Public Social Partnership (PSP). The PSP forms part of the Fairer Scotland for Disabled People: Employment Action Plan and will explore options for removing the barriers some disabled people experience when they are seeking employment. Ready for Business' role was to support early stage development of the PSP between June and October. At the conclusion of the contract the Scottish Government indicated that they would commission further Ready for Business support however this was not approved until April 2020.

**The Boards of Directors** for each of the companies in the CEIS group have a remit aligned to that company. In the case of the joint venture companies that function is carried out by members of the management team and is fully accountable to the main company Board. The company secretary is responsible for each of the companies in the group to ensure that our compliance is consistently of a high standard.

The main functions of the CEIS Board is to set strategic direction and to monitor organisational performance and to ensure a high standard of governance. The Board works to achieve the best outcomes for the company by working in partnership with the management team. This model acknowledges that the officers have considerable expertise and experience and that Board and management working in partnership will achieve the best outcomes for the company. CEIS management team has a leadership function and is committed to the realisation of the company purpose, guided by its values and principles.

**Board subgroups** continue to support the Board in its decision-making with regard to Finance and HR.

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**The Finance subgroup** meets 4 times per year and additionally as required by financial issues arising. The remit of the group is to:

- Review and monitor group finances
- Ensure annual budgets are geared to long term sustainability
- Review affordability of the annual increment
- Agree strategy to improve balance sheet
- Bring appraisal of financial issues to main Board for action/approval
- Ensure financial governance arrangements are of the highest standard

**The HR subgroup meets** 4 times per year and more frequently as required to oversee governance from an HR perspective. This subgroup remit is to;

- Ensure organisation is structured appropriately for market and within resources available;
- Explore best route to developing a learning and improving organisation, maximising individual skills/experience, monitoring the annual training plan;
- Review appropriateness of annual increment and make recommendation to board;
- Bring HR/structural issues of significance to main Board for consideration or action/approval;
- Deliver a plan for Board member recruitment ensuring the Board has the expertise and experience to meet the needs of the company;
- Monitor the governance arrangements between companies in the group.

### **Corporate Services**

Corporate Services is a centralised team within the CEIS Group of companies. Their responsibilities include; Finance and Accounting; Reporting; Company Secretary; Policies and procedures; IT; HR; Office and Facilities Management.

The CEIS Corporate Services team is an essential resource to provide technical support to the operational teams within the Group.

**Finance and Accounting** - For all contracts, CEIS utilises project cost accounting to ensure that all costs are allocated, recorded, collated and invoiced on a timely basis. Where an element of the contract is an overhead recovery against actual cost and a detailed report of actual costs for the period can be produced and reviewed at compliance visits. CEIS has well established systems and reporting procedures used to support all of its contracts and European Funded projects alike including: a management information system for staffing and expenditure; central financial checking procedures for all project claims; and a monitoring and claims management system. The procedures deployed met the compliance requirements of ERDF programmes in Scotland.

On a day-to-day basis the finance and reporting provides essential information and resources to the operational delivery teams/ individuals to ensure their contracts and activities and the business as a whole are effectively and efficiently measured and accounted for. The Finance and Corporate Services Manager works closely with the CEO and Senior Operational Managers ensuring budgets are developed, monitored and managed.

**Policies and Procedures** - All policies were reviewed and where necessary revised in 2019/20 and the company continues to review policies for appropriateness.

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**Report of the Trustees for the year ended 31 March 2020**

**Trustees' Responsibilities**

The trustees (who are also directors of Community Enterprise in Scotland for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

A resolution will be proposed at the Annual General Meeting that Wylie & Bisset (Audit) Limited be reappointed as auditors to the charity for the ensuing year.



Approved by the Trustees and signed on their behalf by:

Name: Iain McCall

Date: 28 August 2020

# **COMMUNITY ENTERPRISE IN SCOTLAND**

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### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020**

#### **Opinion**

We have audited the financial statements of Community Enterprise in Scotland (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon.

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### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



# **COMMUNITY ENTERPRISE IN SCOTLAND**

**(A company limited by guarantee)**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020**

### **Auditor's responsibilities for the audit of the financial statements**

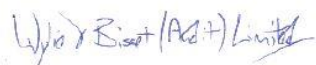
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of Report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Gillon BA(Hons) FCCA CA  
Senior Statutory Auditor  
For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

168 Bath Street  
Glasgow  
G2 4TP

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Date: 28 August 2020

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2020**

(Including an Income and Expenditure account)

	Note	Unrestricted Funds Year to 31 March 2020 £	Restricted Funds Year to 31 March 2020 £	Total Funds Year to 31 March 2020 £	Unrestricted Funds Year to 31 March 2019 £	Restricted Funds Year to 31 March 2019 £	Total Funds Year to 31 March 2019 £
<b>Income and endowments from:</b>							
Charitable activities	4	254,676	2,912,629	<b>3,167,305</b>	410,436	3,285,412	<b>3,695,848</b>
Other trading activities	5	158,854	-	<b>158,854</b>	99,164	-	<b>99,164</b>
Investments	6	1,492	-	<b>1,492</b>	1,650	-	<b>1,650</b>
<b>Total Income</b>		<b>415,022</b>	<b>2,912,629</b>	<b>3,327,651</b>	<b>511,250</b>	<b>3,285,412</b>	<b>3,796,662</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	7	83,073	-	<b>83,073</b>	75,667	-	<b>75,667</b>
Charitable activities	9	230,955	2,912,629	<b>3,143,584</b>	209,095	3,285,412	<b>3,494,507</b>
<b>Total Expenditure</b>		<b>314,028</b>	<b>2,912,629</b>	<b>3,226,657</b>	<b>284,762</b>	<b>3,285,412</b>	<b>3,570,174</b>
<b>Other gains/(losses)</b>	12	(8,832)	-	<b>(8,832)</b>	(12,138)	-	<b>(12,138)</b>
<b>Net movement in funds</b>		<b>92,162</b>	<b>-</b>	<b>92,162</b>	<b>214,350</b>	<b>-</b>	<b>214,350</b>
Funds reconciliation							
Total Funds brought forward	20	744,771	-	<b>744,771</b>	530,421	-	<b>530,421</b>
<b>Total Funds carried forward</b>	20	<b>836,933</b>	<b>-</b>	<b>836,933</b>	<b>744,771</b>	<b>-</b>	<b>744,771</b>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2020**

(Including an Income and Expenditure account)

	Note	Unrestricted Funds Year to 31 March 2020 £	Restricted Funds Year to 31 March 2020 £	Total Funds Year to 31 March 2020 £	Unrestricted Funds Year to 31 March 2019 £	Restricted Funds Year to 31 March 2019 £	Total Funds Year to 31 March 2019 £
<b>Income and endowments from:</b>							
Charitable activities	4	215,221	1,597,965	<b>1,813,186</b>	463,590	1,826,353	<b>2,289,943</b>
Other trading activities	5	253,262	-	<b>253,262</b>	185,720	-	<b>185,720</b>
Investments	6	1,492	-	<b>1,492</b>	1,650	-	<b>1,650</b>
<b>Total Income</b>		<b>469,975</b>	<b>1,597,965</b>	<b>2,067,940</b>	<b>650,960</b>	<b>1,826,353</b>	<b>2,477,313</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	7	178,399	-	<b>178,399</b>	179,694	-	<b>179,694</b>
Charitable activities	9	195,452	1,597,965	<b>1,793,417</b>	271,149	1,826,353	<b>2,097,502</b>
<b>Total Expenditure</b>		<b>373,851</b>	<b>1,597,965</b>	<b>1,971,816</b>	<b>450,843</b>	<b>1,826,353</b>	<b>2,277,196</b>
<b>Other gains/(losses)</b>	12	(8,832)	-	<b>(8,832)</b>	(12,138)	-	<b>(12,138)</b>
<b>Net movement in funds</b>		<b>87,292</b>	<b>-</b>	<b>87,292</b>	<b>187,979</b>	<b>-</b>	<b>187,979</b>
Funds reconciliation							
Total Funds brought forward	21	319,949	-	<b>319,949</b>	131,970	-	<b>131,970</b>
<b>Total Funds carried forward</b>	21	<b>407,241</b>	<b>-</b>	<b>407,241</b>	<b>319,949</b>	<b>-</b>	<b>319,949</b>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**BALANCE SHEET AS AT 31 MARCH 2020**

	Note	Group As at 31 March 2020 £	Group As at 31 March 2019 £	Charity As at 31 March 2020 £	Charity As at 31 March 2019 £
<b>Fixed assets:</b>					
Tangible assets	14/15	508,516	526,164	508,516	526,164
Investments	25	52,805	51,886	252	252
<b>Total Fixed Assets</b>		<u>561,321</u>	<u>578,050</u>	<u>508,768</u>	<u>526,416</u>
<b>Current assets:</b>					
Debtors	16	670,817	596,549	528,694	447,859
Cash at bank and in hand	24	1,273,839	974,937	984,385	734,799
<b>Total Current Assets</b>		<u>1,944,656</u>	<u>1,571,486</u>	<u>1,513,079</u>	<u>1,182,658</u>
<b>Liabilities:</b>					
Creditors falling due within one year	17	1,298,881	832,005	1,244,443	816,365
<b>Net Current assets</b>		<u>645,775</u>	<u>739,481</u>	<u>272,714</u>	<u>366,293</u>
Creditors falling due after more than one year	19	370,163	572,760	370,163	572,760
<b>Net assets</b>		<u>836,933</u>	<u>744,771</u>	<u>407,241</u>	<u>319,949</u>
<b>The funds of the charity:</b>					
Unrestricted funds	20,21	836,933	744,771	407,241	319,949
Restricted income funds	20,21	-	-	-	-
<b>Total charity funds</b>		<u>836,933</u>	<u>744,771</u>	<u>407,241</u>	<u>319,949</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 28 August 2020 and signed on their behalf by:



Name: Iain McCall

**Company registration number: SC087515**

The notes on pages 20 to 37 form part of these financial statements

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**STATEMENT OF CASHFLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDING 31 MARCH 2020**

	Note	Group Year to 31 March 2020 £	Group Year to 31 March 2019 £	Charity Year to 31 March 2020 £	Charity Year to 31 March 2019 £
<b><i>Cash flows from operating activities:</i></b>					
<b>Net cash (used in)/provided by operating activities</b>	<b>23</b>	299,185	15,966	249,869	(11,165)
<b><i>Cash flows from investing activities:</i></b>					
Interest from investments		1,492	1,650	1,492	1,650
Purchase of equipment		(1,775)	(9,856)	(1,775)	(9,856)
Purchase of investments		-	(250)	-	(250)
<b>Net cash (used in)/provided by investing activities</b>		(283)	(8,456)	(283)	(8,456)
<b>Change in cash and cash equivalents in the year</b>		298,902	7,509	249,586	(19,621)
Cash and cash equivalents brought forward		974,937	967,428	734,799	754,420
<b>Cash and cash equivalents carried forward</b>	<b>24</b>	<u>1,273,839</u>	<u>974,937</u>	<u>984,385</u>	<u>734,799</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**1. Accounting Policies**

**(a) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements consolidate the results of the charity's wholly owned subsidiaries, CEIS Ayrshire, CEIS Recruitment Services Ltd, on a line by line basis. In addition a 50% share of the assets and profits of Social Value Lab Limited are included in the consolidation.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

**(b) Funds structure**

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in notes 20 and 21.

**(c) Income recognition**

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**(d) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (e) below.

- Expenditure on charitable activities includes Employability and other activities undertaken to further the purposes of the charity and their associated support costs;
- Other expenditure includes trading expenditure generated by the subsidiary companies

**(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 8.

**(f) Tangible fixed assets and depreciation**

All assets costing more than £300 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Long leasehold buildings	2% on cost
Fixtures, fittings and equipment	25% on cost
Training and computer equipment	33.3% on cost

**(g) Stock**

Stock is included at the lower of cost or net realisable value.

**(h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**(i) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**(j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(k) Pension scheme**

The company was part of a defined benefit pension scheme but exited the scheme on 31<sup>st</sup> March 2017 as is further detailed within the Trustees' report and note 11. The company now offers employees a defined contribution pension scheme.

**(l) Financial instruments**

The charity and its subsidiary companies only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**(m) Taxation**

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only

**(n) Income from Investments**

Investment income is included in the financial statements in the accounting period in which it is received.

**(o) Investments**

Fixed asset investments are included at cost.

**(p) Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



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**2. Legal status of the Charity**

The Charity is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**3. Related party transactions and trustees' expenses and remuneration**

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). It is not the practice of the charity to reimburse Trustee expenses. There were no donations made by trustees during the year (2019: £nil).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2019: £nil).

The Chief Executive Officer, who is also a Trustee of the charity, changed during the year. G Higgins resigned as a Trustee on 31/05/2019, and I Mitchell was appointed on the same date. During the year the costs paid by the company to a Trustee in relation to the Chief Executive role were as follows: -

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
G Higgins		
Salaries and wages	11,853	77,354
Social security costs	1,307	8,661
Pension costs	1,185	7,700
	<u>14,345</u>	<u>93,715</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
I Mitchell		
Salaries and wages	61,667	-
Social security costs	7,006	-
Pension costs	6,167	-
	<u>74,840</u>	<u>-</u>

No other Trustees received any remuneration during the year.

**4. Income from charitable activities**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Social Enterprise	<u>3,167,305</u>	<u>3,695,848</u>	<u>1,813,186</u>	<u>2,289,943</u>
	<u>3,167,305</u>	<u>3,695,848</u>	<u>1,813,186</u>	<u>2,289,943</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**5. Income from other trading activities**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Service level agreements	<u>158,854</u>	<u>99,164</u>	<u>253,262</u>	<u>185,720</u>
	<u>158,854</u>	<u>99,164</u>	<u>253,262</u>	<u>185,720</u>

The wholly owned trading subsidiary CEIS Ayrshire is incorporated in the United Kingdom (company number SC327751). A summary of the trading results is shown on page 24.

The summary financial performance of the subsidiary alone is:

	2020 £	2019 £
Charitable Activities	1,354,119	1,503,239
Charitable Activities expenditure	1,350,166	1,494,340
Movement in funds	<u>3,953</u>	<u>8,899</u>
Funds brought forward	<u>373,186</u>	<u>364,287</u>
Funds carried forward	<u>377,139</u>	<u>373,186</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	431,577	388,857
Current liabilities	(54,438)	(15,671)
Total net assets	<u>377,139</u>	<u>373,186</u>
Aggregate reserves	<u>377,139</u>	<u>373,186</u>

**6. Investment income**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Interest received on cash deposits	<u>1,492</u>	<u>1,650</u>	<u>1,492</u>	<u>1,650</u>
	<u>1,492</u>	<u>1,650</u>	<u>1,492</u>	<u>1,650</u>

**7. Raising funds – expenditure on other trading activities**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Service level agreements	<u>83,073</u>	<u>75,667</u>	<u>178,399</u>	<u>179,694</u>
	<u>83,073</u>	<u>75,667</u>	<u>178,399</u>	<u>179,694</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**8. Allocation of governance and support costs**

The breakdown of support costs and how they were allocated between governance and other support costs is shown in the table below.

<b>Cost type</b>	<b>Total allocated £</b>	<b>Raising funds £</b>	<b>Social Enterprise £</b>	<b>Governance £</b>	<b>Basis of apportionment</b>
Salaries and secondment fees	808,656	161,731	634,747	12,178	<i>Time spent</i>
Subcontractor costs	52,039	-	52,039	-	<i>Usage</i>
Staff travel	8,485	6,025	2,121	339	<i>Staff split</i>
Staff training	3,374	2,935	270	169	<i>Staff split</i>
Conferences/Subscriptions and other	13,523	7,708	5,409	406	<i>Staff split</i>
Insurance, heat & light and rates	22,821	-	22,821	-	<i>Staff split</i>
Telephone, post and stationery	27,242	-	27,242	-	<i>Staff split</i>
Equipment leasing and maintenance	8,855	-	8,855	-	<i>Staff split</i>
IT	10,485	-	10,485	-	<i>Staff split</i>
Other property costs/Sundry expenses	14,399	-	14,399	-	<i>Staff split</i>
Depreciation (including building)	19,423	-	19,423	-	<i>Staff split</i>
Marketing	4,792	-	4,792	-	<i>Staff split</i>
Loan interest	-	-	-	-	<i>Staff split</i>
<b>Total</b>	<b>994,094</b>	<b>178,399</b>	<b>802,603</b>	<b>13,092</b>	

**Governance costs:**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Auditors remuneration	7,808	8,505
Legal fees	210	3,290
Costs of meetings	2,024	2,065
Support costs	13,092	13,153
	<b>23,134</b>	<b>27,013</b>

**Allocation of governance and other support costs:**

	<b>2020 £</b>	<b>2019 £</b>
Social Enterprise	23,134	27,013
<b>Total allocated</b>	<b>23,134</b>	<b>27,013</b>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**9. Analysis of expenditure on charitable activities**

	<b>Social Enterprise</b>	<b>Employability</b>	<b>2020 Total</b>	<b>Social Enterprise</b>	<b>Employability</b>	<b>2019 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	-	756,251	756,251	-	846,739	846,739
Direct overheads	964,179	-	964,179	1,288,801	15,576	1,304,377
Governance costs	15,326	4,309	19,635	18,508	4,106	22,614
Support costs	806,104	586,787	1,392,891	781,688	527,785	1,309,473
Audit	7,808	2,820	10,628	8,505	2,799	11,304
IT	-	-	-	-	-	-
	<b>1,793,417</b>	<b>1,350,167</b>	<b>3,143,584</b>	<b>2,097,502</b>	<b>1,397,005</b>	<b>3,494,507</b>

**10. Analysis of staff costs and remuneration of key management personnel**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	1,353,755	1,433,829	683,751	684,649
Social security costs	108,022	122,451	62,940	64,913
Employer contributions to pension schemes	103,130	102,884	61,966	62,864
<b>Total staff costs and employee benefits</b>	<b>1,564,907</b>	<b>1,659,164</b>	<b>808,657</b>	<b>812,426</b>

The number of employees whose employee benefits fell within the following bands are as follows:

	<b>2020 No.</b>	<b>2019 No.</b>
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-
£80,000 - £100,000	1	1

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Key management personnel remuneration	724,117	620,091

The CEO to worker salary ratio is 4.52:1 (2019: 4.47:1). This is in relation to the CEO of parent charity Community Enterprise in Scotland and the lowest paid staff within the CEIS Group.

	<b>2020 No.</b>	<b>2019 No.</b>
The average number of persons, by headcount, employed by the two charities during the year was:	51	54

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**11. Pension obligations**

The Board approved a decision to exit Strathclyde Pension Scheme on 31<sup>st</sup> March 2017 for the future sustainability of the company. This gave rise to an exit cost of £1,000,000 which has been fully accounted for. The Strathclyde Pension Scheme was a defined benefit scheme which has now been replaced with the company defined contribution scheme.

**12. Other Gains/(Losses)**

	2020 £	2019 £
FRS102 interest free loan – notional interest	(8,832)	(12,138)

**13. Net income/(expenditure) for the year**

This is stated after charging:	Group	
	2020	2019
	£	£
Depreciation	19,423	18,993
Auditor's remuneration:		
Audit fees – Company	7,808	8,505
Audit fees – subsidiaries	2,820	2,799

**14. Tangible Fixed Assets - Group**

	Long Leasehold Land & Buildings £	Training & Computer equipment £	Fixtures & Fittings £	Office refurbishment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	702,160	85,631	17,158	121,599	926,548
Additions	-	1,775	-	-	1,775
Disposals	-	(8,269)	-	(523)	(8,792)
At 31 March 2020	<u>702,160</u>	<u>79,137</u>	<u>17,158</u>	<u>121,076</u>	<u>919,531</u>
<b>Depreciation</b>					
At 1 April 2019	184,902	78,268	15,615	121,599	400,384
Charge for the year	14,043	4,272	1,107	-	19,423
On disposal	-	(8,269)	-	(523)	(8,792)
At 31 March 2020	<u>198,945</u>	<u>74,272</u>	<u>16,722</u>	<u>121,076</u>	<u>411,015</u>
<b>Net book value</b>					
At 31 March 2020	<u>503,215</u>	<u>4,865</u>	<u>436</u>	<u>-</u>	<u>508,516</u>
At 31 March 2019	<u>517,258</u>	<u>7,363</u>	<u>1,543</u>	<u>-</u>	<u>526,164</u>

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**15. Tangible Fixed Assets - Charity**

	Long Leasehold Land & Buildings £	Training & Computer equipment £	Fixtures & Fittings £	Office refurbishment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	702,160	73,374	17,158	121,599	914,291
Additions	-	1,775	-	-	1,775
Disposals	-	(8,269)	-	(523)	(8,792)
At 31 March 2020	<u>702,160</u>	<u>66,880</u>	<u>17,158</u>	<u>121,076</u>	<u>907,274</u>
<b>Depreciation</b>					
At 1 April 2019	184,902	66,011	15,615	121,599	388,127
Charge for the year	14,043	4,272	1,107	-	19,423
On disposal	-	(8,269)	-	(523)	(8,792)
At 31 March 2020	<u>198,945</u>	<u>62,015</u>	<u>16,722</u>	<u>121,076</u>	<u>398,758</u>
<b>Net book value</b>					
At 31 March 2020	<u>503,215</u>	<u>4,865</u>	<u>436</u>	<u>-</u>	<u>508,516</u>
At 31 March 2019	<u>517,258</u>	<u>7,363</u>	<u>1,543</u>	<u>-</u>	<u>526,164</u>

**16. Debtors**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	581,174	402,669	523,167	397,164
Other debtors	89,643	191,128	5,527	47,912
Group debtors	<u>-</u>	<u>2,752</u>	<u>-</u>	<u>2,783</u>
	<u>670,817</u>	<u>596,549</u>	<u>528,694</u>	<u>447,859</u>

**17. Creditors: amounts falling due within one year**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Loans	45,856	45,856	45,856	45,856
Trade creditors	150,506	151,627	142,983	148,211
Deferred income	636,647	322,492	620,304	322,492
Taxation and social security	141,407	74,301	141,407	74,301
Other creditors	161,502	74,766	130,930	62,542
SPF	162,963	162,963	162,963	162,963
	<u>1,298,881</u>	<u>832,005</u>	<u>1,244,443</u>	<u>816,365</u>

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**18. a) Deferred income - Group**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April 2019	322,492	592,981
Amount released to income earned from charitable activities	(322,492)	(592,981)
Amount deferred in year	636,647	322,492
Balance as at 31 March 2020	<u>636,647</u>	<u>322,492</u>

Deferred income at 31 March 2020 comprises:

Our Great Start	-	11,692
Strengthening Communities	10,856	-
Just Enterprise	578,114	235,224
International Social Enterprise Observatory	18,860	-
Events	10,030	64,701
Building Brighter Futures	16,343	-
Other Income	2,444	10,875
Balance at 31 March 2020	<u>636,647</u>	<u>322,492</u>

**18. b) Deferred income - Charity**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April 2019	322,492	592,981
Amount released to income earned from charitable activities	(322,492)	(592,981)
Amount deferred in year	620,304	322,492
Balance as at 31 March 2020	<u>620,304</u>	<u>322,492</u>

Deferred income at 31 March 2020 comprises:

Our Great Start	-	11,692
Strengthening Communities	10,856	-
Just Enterprise	578,114	235,224
International Social Enterprise Observatory	18,860	-
Events	10,030	64,701
Other Income	2,444	10,875
Balance at 31 March 2020	<u>620,304</u>	<u>322,492</u>

**Description of Deferred income:**

**Our Great Start** is a contract for the Wheatley Group working in new-build neighbourhoods in Glasgow.

**Strengthening Communities** is a contract to support clients to build capacity and improve their potential as community anchor organisations..

**Just Enterprise** is a Scottish Government programme providing a range of business support and learning services to social entrepreneurs and enterprising third sector organisations across Scotland.

**International Social Enterprise Observatory (ISEO)** is an initiative in Scotland to harvest learning from across the world, support Scottish social enterprises to internationalise and to demonstrate global citizenship through collaboration and partnership.

**Events** - CEIS run social enterprise events including the annual CEIS conference, Social Enterprise World Forum, SE100 and various other small events.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**19. Creditors: amounts falling due after more than one year**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Other	<u>370,163</u>	<u>572,760</u>	<u>370,163</u>	<u>572,760</u>
	<u>370,163</u>	<u>572,760</u>	<u>370,163</u>	<u>572,760</u>

Other	Group		Charity	
	2020 £	2019 £	2020 £	2018 £
Due within one to two years	206,241	206,241	206,241	206,241
Due within two to five years	132,542	291,506	132,542	291,506
Due greater than five years	<u>31,380</u>	<u>75,013</u>	<u>31,380</u>	<u>75,013</u>
	<u>370,163</u>	<u>572,760</u>	<u>370,163</u>	<u>572,760</u>

**20. Analysis of charitable funds - Group**

Analysis of Fund movements to March 2020	Fund b/fwd £	Income £	Expenditure £	Transfers £	Fund c/fwd £
<b>Unrestricted funds</b>					
Tangible Fixed Asset reserve	449,006	-	19,423	78,933	508,516
General funds	<u>295,765</u>	<u>415,022</u>	<u>303,437</u>	<u>(78,933)</u>	<u>328,417</u>
<b>Total unrestricted funds</b>	<u>744,771</u>	<u>415,022</u>	<u>322,860</u>	-	<u>836,933</u>
<b>Restricted funds</b>					
GCC Integrated Grant Fund	-	169,711	169,711	-	-
Events	-	10,392	10,392	-	-
Our place	-	8,026	8,026	-	-
International Social	-	70,995	70,995	-	-
Enterprise Observatory					
Just Enterprise	-	1,063,678	1,063,678	-	-
Strengthening communities	-	53,306	53,306	-	-
Changing Lives	-	94,826	94,826	-	-
SEI in Higher Education	-	122,306	122,306	-	-
SE Census	-	4,725	4,725	-	-
NAC	-	711,259	711,259	-	-
SDS	-	138,003	138,003	-	-
ITA	-	72,600	72,600	-	-
Building Brighter Futures	-	29,581	29,581	-	-
Salus	-	170,448	170,448	-	-
EAC Pipeline	-	120,174	120,174	-	-
Ahead/Tandem	-	72,599	72,599	-	-
<b>Total restricted funds</b>	-	<u>2,912,629</u>	<u>2,912,629</u>	-	-
<b>TOTAL FUNDS</b>	<u>744,771</u>	<u>3,327,651</u>	<u>3,235,489</u>	-	<u>836,933</u>



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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**20. Analysis of charitable funds – Group (continued)**

Analysis of Fund movements to March 2019	Fund b/fwd £	Income £	Expenditure £	Gains £	Fund c/fwd £
<b>Unrestricted funds</b>					
Tangible Fixed Asset reserve	449,006	-	-	-	449,006
General funds	81,415	511,250	296,900	-	295,765
<b>Total unrestricted funds</b>	<b>530,421</b>	<b>511,250</b>	<b>296,900</b>	<b>-</b>	<b>744,771</b>
<b>Restricted funds</b>					
GCC Integrated Grant Fund	-	169,711	169,711	-	-
Events	-	422,921	422,921	-	-
Our place	-	40,117	40,117	-	-
Opening public sector markets	-	15,435	15,435	-	-
Just Enterprise	-	1,048,624	1,048,624	-	-
Strengthening communities	-	90,950	90,950	-	-
Changing Lives	-	37,695	37,695	-	-
Hisez Governance	-	900	900	-	-
NAC	-	742,590	742,590	-	-
D&G Outreach	-	32,263	32,263	-	-
SDS	-	107,674	107,674	-	-
ITA	-	72,200	72,200	-	-
Building Brighter Futures	-	19,448	19,448	-	-
Salus	-	185,289	185,289	-	-
ATP	-	141,452	141,452	-	-
EAC Pipeline	-	158,143	158,143	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>3,285,412</b>	<b>3,285,412</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDS</b>	<b>530,421</b>	<b>3,796,662</b>	<b>3,582,312</b>	<b>-</b>	<b>744,771</b>

a) The unrestricted funds are available to be spent for any of the purposes of the charity.

- Tangible Fixed Assets Reserve – represents the Net Book Value of the charity’s fixed assets less applicable loan balances.
- General Funds - retained reserves from charitable activities.

b) Restricted funds comprise:

**Events** - CEIS run social enterprise events including the CEIS September conference, Social Enterprise World Forum, SE100 and various other small events.

**Our Place** - Big Lottery funded programme targeted at three neighbourhood communities in Dumfries, Ardrossan and Falkirk.

**Opening Public Sector Markets** - CEIS is working within Ready for Business Procurement LLP to deliver a new contract “Developing Public Sector Markets”.

**Strengthening communities** – CEIS is resourced from Scottish Government to support clients to build capacity and improve their potential as community anchor organisations.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**20. Analysis of charitable funds – Group (continued)**

**GCC Integrated Grant Fund** allows for the provision of business support to Glasgow based third sector organisations.

**International Social Enterprise Observatory (ISEO)** is an initiative in Scotland to harvest learning from across the world, support Scottish social enterprises to internationalise and to demonstrate global citizenship through collaboration and partnership.

**SEI** is a programme with CEIS as the Scottish licensee to provide digital learning resources for social enterprises and social entrepreneurs, developed by the Social Enterprise Institute (SEI) in Canada.

**Social Enterprise (SE) Census** is a project, led by CEIS with financial support from the Scottish Government, which is an essential guide to tracking social enterprise development, its impact on the national economy and identifying the support needs of the sector.

**Just Enterprise** is a Scottish Government programme providing a range of business support and learning services to social entrepreneurs and enterprising third sector organisations across Scotland. CEIS leads the Just Enterprise consortium and the contract was renewed in 2014 and will run to May 2016 with options for extension for a further two years.

**Hisez Governance** was a collaborative project with Highland and Island Social Enterprise Zone.

**Changing Lives** is a project which offers business support to third sector sporting organisations across Scotland.

**NAC** is a contract with North Ayrshire Council. CEIS Ayrshire was the preferred supplier for two contracts - Case Management and Job Brokerage.

**Skills Development Scotland (SDS)** looks to support unemployed clients at Stage 2,3 & 4 of the strategic skill pipeline with certified training, work experience and employment.

**ITA** is a service which provides short training courses to clients eligible for funding through SDS Individual Learning Accounts Funding. This is paid directly from Scottish Government.

**SALUS** is a health case management service in order to progress a number of unemployed residents with health barriers into and along the pipeline currently procured through North Ayrshire Council.

**ATP** was Youth Employment Initiative and Developing Young Workforce funded training programme for 16-29 year olds who have been inactive for 6 months across Ayrshire.

**EAC Pipeline** is an engagement and barrier removal service for those further away from the labour market, with training included. This service links into the rest of the East Ayrshire Council Pipeline contracts.

**D&G Outreach** was a project that was part of D&G Council's anti poverty strategy. The aim was to support local residents to access services which would benefit them

**Building Brighter Futures** is designed to help school leavers (16-18) transition from school either into work, education or training. The project aims to provide the young people with centre-based support, including Resilience, personal development and employability training and a work experience placement. Based in Dumfries & Galloway.

**Ahead/Tandem** is an Asset Based Community Development project based across four localities in North Ayr.

**COMMUNITY ENTERPRISE IN SCOTLAND**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**21. Analysis of charitable funds - Charity**

<b>Analysis of Fund movements to March 2020</b>	<b>Fund b/fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Fund c/fwd £</b>
<b>Unrestricted funds</b>					
Tangible Fixed Asset reserve	448,582	-	19,423	79,357	508,516
General funds	(128,633)	469,975	363,260	(79,357)	(101,275)
<b>Total unrestricted funds</b>	<b>319,949</b>	<b>469,975</b>	<b>382,683</b>	<b>-</b>	<b>407,241</b>
<b>Restricted funds</b>					
GCC Integrated Grant Fund		169,711	169,711		
Events	-	10,392	10,392	-	-
Our place	-	8,026	8,026	-	-
International Social Enterprise Observatory	-	70,995	70,995	-	-
Just Enterprise	-	1,063,678	1,063,678	-	-
SEI	-	122,306	122,306	-	-
Strengthening communities	-	53,306	53,306	-	-
Changing Lives	-	94,826	94,826	-	-
SE Census	-	4,725	4,725	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,597,965</b>	<b>1,597,965</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDS</b>	<b>319,949</b>	<b>2,067,940</b>	<b>1,980,648</b>	<b>-</b>	<b>407,241</b>

<b>Analysis of Fund movements to March 2019</b>	<b>Fund b/fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains £</b>	<b>Fund c/fwd £</b>
<b>Unrestricted funds</b>					
Tangible Fixed Asset reserve	448,582	-	-	-	448,582
General funds	(316,612)	650,960	462,981	-	(128,633)
<b>Total unrestricted funds</b>	<b>131,970</b>	<b>650,960</b>	<b>462,981</b>	<b>-</b>	<b>319,949</b>
<b>Restricted funds</b>					
GCC Integrated Grant Fund	-	169,711	169,711		
Events	-	422,921	422,921	-	-
Our place	-	40,117	40,117	-	-
Opening public sector markets	-	15,435	15,435	-	-
Just Enterprise	-	1,048,624	1,048,624	-	-
Glasgow Interface	-	-	-	-	-
Strengthening communities	-	90,950	90,950	-	-
Changing Lives	-	37,695	37,695	-	-
Hisez Governance	-	900	900	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,826,353</b>	<b>1,826,353</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDS</b>	<b>131,970</b>	<b>2,477,313</b>	<b>2,289,334</b>	<b>-</b>	<b>319,949</b>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**22. Net group assets over funds**

<b>Net Group Assets to March 2020</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	508,516	-	508,516
Investments	52,805	-	52,805
Debtors	670,817	-	670,817
Cash at bank and in hand	1,273,839	-	1,273,839
Creditors falling due within one year	(1,298,881)	-	(1,298,881)
Creditors falling due after more than one year	(370,163)	-	(370,163)
	<u>836,933</u>	<u>-</u>	<u>836,933</u>

<b>Net Group Assets to March 2019</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	526,164	-	526,164
Investments	51,886	-	51,886
Debtors	596,549	-	596,549
Cash at bank and in hand	974,937	-	974,937
Creditors falling due within one year	(832,005)	-	(832,005)
Creditors falling due after more than one year	(572,760)	-	(572,760)
	<u>744,771</u>	<u>-</u>	<u>744,771</u>

**23. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net (deficit)/income for the year (as per the Statement of Financial Activities)	92,162	214,350	87,292	187,979
Adjustments for:				
Depreciation charges	19,423	18,993	19,423	18,993
Interest from investments	(2,411)	(19,120)	(1,492)	(1,650)
Other Gain/(loss)	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-
Decrease in stocks	-	-	-	-
Decrease/(increase) in debtors	(74,268)	70,054	(80,835)	38,850
Increase/(decrease) in creditors	264,279	(268,311)	225,481	(255,337)
<b>Net cash (used in)/provided by operating activities</b>	<u>299,185</u>	<u>15,966</u>	<u>249,869</u>	<u>(11,165)</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**24. Analysis of cash and cash equivalents**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand	1,273,839	974,937	984,385	734,799
<b>Total cash and cash equivalents</b>	<u>1,273,839</u>	<u>974,937</u>	<u>984,385</u>	<u>734,799</u>

**25. Investments and Consolidation**

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Ordinary Shares Social Value Lab	2	2
Consolidated Reserves Social Value Lab	52,553	51,634
SEN Bonds	250	250
	<u>52,805</u>	<u>51,886</u>

<b>Company</b>	<b>2020</b>
	<b>£</b>
At 1 April 2019	2
Additions in year	250
Disposed in year	-
At 31 March 2020	<u>252</u>

<b>Company</b>	<b>2019</b>
	<b>£</b>
At 1 April 2018	2
Additions in year	250
Disposed in year	-
At 31 March 2019	<u>252</u>

Investments comprise 2 ordinary £1 shares in Social Value Lab Limited.

➤ **CEIS Ayrshire – SC327751**

**A company limited by guarantee**

Community Enterprise in Scotland is the sole member of CEIS Ayrshire and therefore controls its activities. Community Enterprise in Scotland provided management services for CEIS Ayrshire.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(loss) for the period ended 31 March 2020	<u>3,953</u>	<u>8,899</u>
Aggregate capital and reserves at 31 March 2020	<u>377,139</u>	<u>373,186</u>

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**25. Investments and Consolidation (continued)**

➤ **DSL Business Finance Ltd – SC145739**

**A company limited by guarantee**

Community Enterprise in Scotland is the sole member of DSL Business Finance Limited (DSL) and therefore controls its activities. This company has not been consolidated as the activities of DSL are so diverse from those of CEIS the result would not show a meaningful set of consolidated accounts and therefore a true and fair view.

DSL has been established in partnership with the public and private sectors to raise and manage funds to provide loans and investments, on a variety of terms, to enterprises and social economy organisations throughout Scotland.

DSL paid CEIS a management fee of £106,555 (2019 - £71,289) based on its service level agreement for 2019/20 which includes £12,323 (2019 - £11,730) based on the lease agreement for Dava Street.

During the year CEIS paid DSL a fee for services of £4,144 (2019 - £4,062).

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(loss) for the period ended 31 March 2020	<u>1,617</u>	<u>603,509</u>
Aggregate capital and reserves at 31 March 2020	<u>2,370,418</u>	<u>2,368,801</u>

➤ **Social Enterprise World Forum CIC – SC425154**

**A community enterprise company**

Community Enterprise in Scotland was the sole member of Social Enterprise World Forum until July 2015. From July 2015 onwards, the company is controlled by its members, each of whom is a director of the company. CEIS ceased being a member in the year to March 2020.

Community Enterprise in Scotland provided management services for Social Enterprise World Forum.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(loss) for the period ended 31 March 2020	<u>4,390</u>	<u>3,278</u>
Aggregate capital and reserves at 31 March 2020	<u>15,631</u>	<u>11,241</u>

➤ **Social Value Lab Ltd – SC386140**

**A company limited by share capital**

The company is incorporated as a company limited by share capital. Social Value Lab Ltd (SVL) is a joint venture.

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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**25. Investments and Consolidation (continued)**

This company has had 50% of its surplus consolidated into the activities of CEIS as 50% of its shares are owned by CEIS.

Sales of £47,981 (2019: £nil) were made by SVL to CEIS during the year. SVL purchased £23,629 (2019 - £12,485) of goods or services during the year from CEIS. SVL declared CEIS gift aid of £31,000 in 2020 (2019 - £10,225). At the end of the year CEIS owed SVL £11,014 (2019 - £nil).

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus/(loss) for the period ended 31 March 2020	1,837	714,840
Aggregate capital and reserves at 31 March 2020	105,105	2,480,132

➤ **Ready for Business Procurement LLP – SO303543**  
**A limited liability partnership**

This entity was incorporated as a limited liability partnership. Ready for Business LLP is a joint venture.

This company has no surplus.	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Surplus for the year ended 31 December 2019	-	-
Aggregate capital and reserves at 31 December 2019	-	-

**26. Operating Lease Commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	643	1,544	643	1,544
Due within one to two years	-	643	-	643
	<u>643</u>	<u>2,187</u>	<u>643</u>	<u>2,187</u>