

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 2023

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COMMUNITY ENTERPRISE IN SCOTLAND
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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COMMUNITY ENTERPRISE IN SCOTLAND
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name:	Community Enterprise in Scotland
Principal Office:	5 Dava Street Govan G51 2JA
Charity Number:	SC010036
Company Number:	SC087515
Trustees:	Lynn McCulloch (Chair) Linda Andrews (Treasurer and Vice Chair) Darah Zahran Rose Cawood Simon Smith (Appointed 25/04/2023) Sreevas Sahasranamam (Appointed 10/11/2022) Gillian Fyfe (Appointed 11/11/2022) Matthew Baqueriza-Jackson (Appointed 10/11/2022) Anna Brow (Appointed 20/11/2022) Shahnila Shafiq (Appointed 28/11/2022) David Kelly (Appointed 29/11/2022) Agne Zasinaite (Appointed 04/07/2023) Linda Christie (Appointed 16/05/2023, Resigned 13/06/2023) Oonagh Gil (Resigned 24/02/2023) Neil McInroy (Appointed 10/11/2022, Resigned 28/02/2023) Iain McCall (Resigned 25/11/2022) Marian Gardiner (Resigned 26/08/2022) Maureen Porch (Resigned 15/07/2022) Lisa Branter (Resigned 01/04/2023)
Secretary:	Fiona McClune
Senior Management:	Martin Avila (CEO) James Finnie (Team Lead New Business Development) Roddy Stewart (Team Lead Enterprise and Communities) Stephen Hamill (General Manager, CEIS Ayrshire) Stuart Yuill (Executive Director, DSL) Chris Donnelly (Finance & Corporate Services Manager)
Independent Auditors:	Wylie & Bisset (Audit) Limited 168 Bath Street Glasgow G2 4TP

COMMUNITY ENTERPRISE IN SCOTLAND
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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Bankers:

Bank of Scotland
Glasgow Argyle St Branch
PO Box 1000
BX2 1LB

RBS
Glasgow Parkhead Branch
1304 Duke St
G31 5PZ

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 2023

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2023.

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).

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

1 Performance and Impact

The Financial Year 2022/23 represented another successful year for the CEIS Group. The Group delivered against its strategic objectives for the year, as well as delivering a strong financial result in the face of challenging economic times

Group Strategic Priorities

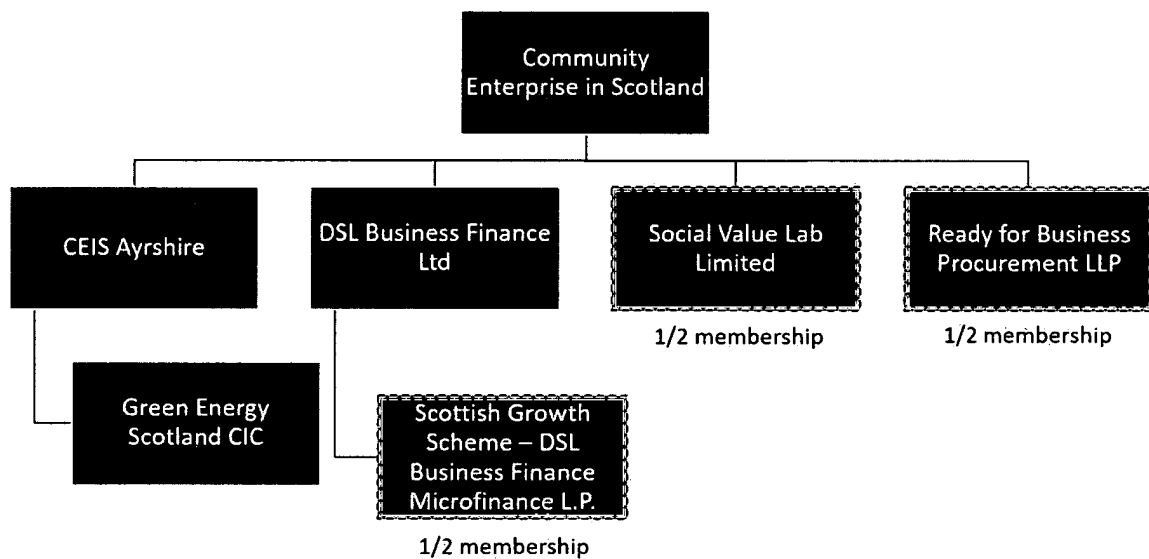
At the start of the financial year the following strategic priorities were identified, with the following results

- **Recruit a new permanent Finance and Corporate Services Manager and restructure the Finance function to improve resilience and efficiency** – *A new Finance Manager was recruited in December 2022 and as a result of subsequent recruitment the finance team is now comprised of solely permanent and directly employed staff for the first time since 2019.*
- **Secure an extension to the Just Enterprise contract** – *CEIS was successful in bidding for a renewed contract for the Business Support for the 3rd Sector tender. This represents a total of circa £4.75 million of the predicted 4 years of the contract.*
- **Review governance arrangements across the group to aid more successful collaboration** – *A full review of governance arrangements is now underway in order to support more successful collaboration.*
- **Develop new products and services for DSL** – *DSL has been successful in securing a number of new contracts for services to be delivered for the British Business Bank.*
- **Undertake a Business Improvement Project and Digital Transformation scoping exercise** – *A full scoping exercise was carried out on the back of the Business Improvement Project which has resulted in the implementation of new project management and customer relationship management software for CEIS.*

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Report of the Trustees for the year ended 31 March 2023

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.



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.

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 7 main areas of impact are reported and disseminated widely.

COMMUNITY ENTERPRISE IN SCOTLAND
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Report of the Trustees for the year ended 31 March 2023

For 2022/2023 these were:

- 931 Scottish businesses and social enterprises supported (2021/22: 1,412)
- 4,000 individuals received skills and training development (2021/22: 5,630)
- 1,059 jobs maintained in Scottish business (2021/22: 1,059)
- 633 people supported into employment (2021/22: 891)
- £4.4m loaned to Scottish businesses (2021/22: £5.1m)
- 95% customer satisfaction with CEIS services (2021/22: 98%)
- 74% expenditure with Third Sector suppliers (2021/22: 74%)

A breakdown of activity by Group members is as follows:

Enterprise and Communities and Events, 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.

- Continued to lead the Just Enterprise consortium delivering a 4 year Scottish Government contract for national business support for social enterprises running until May 2023.
- Provided ongoing support to Glasgow based Third Sector organisations under the Glasgow Communities Fund.
- Commenced a 3 year arrangement with the Scottish Government under the Strengthening Communities Programme to administer grant funds and provide business support to third sector organisations.

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.

- Delivered the loan management function of the Scottish Government flagship Digital Development Loans
- Delivered the Start-Up Loan Company program to support the development of start-up businesses across Scotland
- Continued to lend under a number of schemes including the Recovery Loan Scheme

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.

- Employability pipeline contracts in both North and East Ayrshire
- Sector Based Work Academies in South and East Ayrshire
- Training and development opportunities under the ILM schemes supported by Skills Development Scotland

COMMUNITY ENTERPRISE IN SCOTLAND (A company limited by guarantee)

Report of the Trustees for the year ended 31 March 2023

2 Financial Review

With the end of the COVID pandemic, the group was able to deliver a strong operational performance. Longer term funded projects such as Just Enterprise, Strengthening Communities Program (CEIS), and North Ayrshire Council (CEIS Ayrshire), provided a stable foundation both in the year ended March 2023 and in budgeting the year ahead. All entities across the group continue to seek new opportunities such as Start Up Loan Company (DSL through the British Business Bank) and the continued development of the Train Me product within CEIS Ayrshire.

Financially this resulted in a net operating surplus of £215,644. Balance sheets have remained healthy, and cash has remained strong across the group.

With the Just Enterprise, Strengthening Communities and North Ayrshire Councils continuing into 2023/24, the group has budgeted for a small operating surplus.

Reserves

The Board has agreed that it should seek to maintain working reserves of between three and six months of its annual core operating costs and other liabilities such as staff redundancy costs, notice costs and other binding financial and legal obligations. Based on the current level of spend, this would equate to between £246k and £492k (CEIS Ayrshire) and between £261k and £522k (CEIS). The total unrestricted funds at 31 March 2021 total £390k (Ayrshire) and £420k (CEIS), which represents approximately 5 months and 3 months respectively.

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

Report of the Trustees for the year ended 31 March 2023

3 Plans for future periods

Group Strategic Priorities

The following Group priorities have been identified for 2023/24:

- Improve reporting.
- Upgrade infrastructure.
- Invest in training and development.
- Enhance marketing and communications.
- Develop new business opportunities.
- Deliver Group Wide Improvement Plan.

4 Structure, Governance and Management

The CEIS Group is comprised of the main company as well as subsidiary Boards and joint ventures. In the case of subsidiaries, CEIS Ayrshire and DSL Business Finance, the main company, CEIS, is the sole member. In the case of joint venture, responsibility is shared between CEIS and its partners.

The main function of the CEIS Board is to set strategic direction and to monitor organisational performance and to ensure a high standard of governance. It is supported in this task by a Staffing & H&S and a Finance subgroup. These subgroups meet 4 times per year, ahead of CEIS Board meetings.

CEIS appoints Directors to the subsidiary Boards and these Directors have a responsibility to ensure good governance within each subsidiary. This includes election of Office Holders from amongst the Directors.

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.

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Report of the Trustees for the year ended 31 March 2023

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 CEIS tenders for Auditors to provide services for the financial year 2023/24

Approved by the Trustees and signed on their behalf by:

DocuSigned by:

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Name: Linda Andrews

Date: 18 August 2023

**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
2023**

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 2023 which comprise the statement of financial activities (including an income and expenditure account), balance sheet, the statement of cash flow and related notes to the financial statements, including 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 and parent charitable company's affairs as at 31 March 2023, 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 regulation 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, March cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**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
2023**

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information contained within Report and Financial Statements. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees, which includes the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees 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 included within the Report of the Trustees. 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

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH
2023**

- The directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 7 - 8, the Trustees (who are also the Directors of the parent 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, responding appropriately to fraud or suspected fraud identified during the audit process. This includes obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The primary responsibility however for the prevention and detection of fraud rests with those charged with governance and executive management of the entity.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH
2023

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- The nature of the group and charitable company, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether judgements made in making accounting estimates are indicative of a potential bias; and, evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

**COMMUNITY ENTERPRISE IN SCOTLAND
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COMMUNITY ENTERPRISE IN SCOTLAND FOR THE YEAR ENDED 31 MARCH
2023**

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

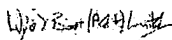
A further description of our responsibilities is available on the Financial Reporting Council's website at: WorkingPaper/Description-of-auditors-responsibilities-for-audit.aspx.

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 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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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: 18 August 2023

COMMUNITY ENTERPRISE IN SCOTLAND
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023
(Including an Income and Expenditure account)

	Note	Unrestricted Funds Year to 31 March 2023 £	Restricted Funds Year to 31 March 2023 £	Total Funds Year to 31 March 2023 £	Unrestricted Funds Year to 31 March 2022 £	Restricted Funds Year to 31 March 2022 £	Total Funds Year to 31 March 2022 £
Income and endowments from:							
Charitable activities	4	494,090	4,525,863	5,019,953	997,662	3,970,499	4,968,161
Other trading activities	5	137,977	-	137,977	161,678	-	161,678
Investments	6	-	-	-	37	-	37
Other incoming resources	7	27,689	-	27,689	-	-	-
Total Income		659,756	4,525,863	5,185,619	1,159,377	3,970,499	5,129,876
Expenditure on:							
Raising funds							
Other trading activities	8	113,713	-	113,713	117,954	-	117,954
Charitable activities	10	283,626	4,511,651	4,795,277	998,711	3,924,253	4,922,964
Total Expenditure		397,339	4,511,651	4,908,990	1,116,665	3,924,253	5,040,918
Net income/ (expenditure)		262,417	14,212	276,629	42,712	46,246	88,958
Transfers between funds		-	-	-	(1,349)	1,349	-
Other gains/(losses)	12	(3,704)	-	(3,704)	(5,089)	-	(5,089)
Net movement in funds		258,713	14,212	272,925	36,274	47,595	83,869
Funds reconciliation							
Total Funds brought forward	20	862,771	47,595	910,366	826,497	-	826,497
Total Funds carried forward	20	1,121,484	61,807	1,183,291	862,771	47,595	910,366

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

All income and expenditure derive from continuing activities.

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023
(Including an Income and Expenditure account)

	Note	Unrestricted Funds Year to 31 March 2023 £	Restricted Funds Year to 31 March 2023 £	Total Funds Year to 31 March 2023 £	Unrestricted Funds Year to 31 March 2022 £	Restricted Funds Year to 31 March 2022 £	Total Funds Year to 31 March 2022 £
Income and endowments from:							
Charitable activities	4	415,433	3,022,383	3,437,816	855,451	1,949,667	2,805,118
Other trading activities	5	230,680	-	230,680	247,021	-	247,021
Investments	6	-	-	-	37	-	37
Total Income		646,113	3,022,383	3,668,496	1,102,509	1,949,667	3,052,176
Expenditure on:							
Raising funds							
Other trading activities	8	211,306	-	211,306	201,992	-	201,992
Charitable activities	10	219,163	3,022,383	3,241,546	855,188	1,949,667	2,804,855
Total Expenditure		430,469	3,022,383	3,452,852	1,057,180	1,949,667	3,006,847
Net income/ (expenditure)		215,644	-	215,644	45,329	-	45,329
Other gains/(losses)	12	(3,704)	-	(3,704)	(5,089)	-	(5,089)
Net movement in funds		211,940	-	211,940	40,240	-	40,240
Funds reconciliation							
Total Funds brought forward	21	420,291	-	420,291	380,051	-	380,051
Total Funds carried forward	21	632,231	-	632,231	420,291	-	420,291

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

All income and expenditure derive from continuing activities.

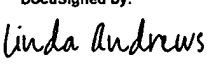
COMMUNITY ENTERPRISE IN SCOTLAND
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BALANCE SHEET AS AT 31 MARCH 2023

	Note	Group As at 31 March 2023 £	Group As at 31 March 2022 £	Charity As at 31 March 2023 £	Charity As at 31 March 2022 £
Fixed assets:					
Tangible assets	14	469,548	484,109	469,548	484,109
Investments	25	57,644	52,755	252	252
Total Fixed Assets		<u>527,192</u>	<u>536,864</u>	<u>469,800</u>	<u>484,361</u>
Current assets:					
Debtors	15	311,296	434,028	232,976	283,057
Cash at bank and in hand	24	1,630,055	1,475,918	1,126,599	1,070,711
Total Current Assets		<u>1,941,351</u>	<u>1,909,946</u>	<u>1,359,575</u>	<u>1,353,768</u>
Liabilities:					
Creditors falling due within one year	16	(1,180,298)	(1,338,195)	(1,092,190)	(1,219,589)
Net Current assets		<u>761,053</u>	<u>571,751</u>	<u>267,385</u>	<u>134,179</u>
Creditors falling due after one year	18	(86,954)	(198,249)	(86,954)	(198,249)
Provisions	19	(18,000)	-	(18,000)	-
Net assets		<u>1,183,291</u>	<u>910,366</u>	<u>632,231</u>	<u>420,291</u>
The funds of the charity:					
Unrestricted funds	20,21	1,121,484	862,771	632,231	420,291
Restricted funds	20,21	61,807	47,595	-	-
Total charity funds		<u>1,183,291</u>	<u>910,366</u>	<u>632,231</u>	<u>420,291</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 18 August 2023 and signed on their behalf by:

DocuSigned by:

 FDD45D5756A943B...

Name: Linda Andrews

Company registration number: SC087515

The notes on pages 18 to 39 form part of these financial statements

COMMUNITY ENTERPRISE IN SCOTLAND
(A company limited by guarantee)

STATEMENT OF CASHFLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 31 MARCH 2023

	Note	Group Year to 31 March 2023 £	Group Year to 31 March 2022 £	Charity Year to 31 March 2023 £	Charity Year to 31 March 2022 £
<i>Cash flows from operating activities:</i>					
Net cash provided by/(used in) operating activities	23	158,219	102,971	59,970	(32,643)
<i>Cash flows from investing activities:</i>					
Interest from investments		-	37	-	37
Purchase of equipment		(4,082)	(9,997)	(4,082)	(9,997)
Net cash (used in)/provided by investing activities		(4,082)	(9,960)	(4,082)	(9,960)
Change in cash and cash equivalents in the year		154,137	93,012	55,888	(42,603)
Cash and cash equivalents brought forward		1,475,918	1,382,907	1,070,711	1,113,314
Cash and cash equivalents carried forward	24	<u>1,630,055</u>	<u>1,475,918</u>	<u>1,126,599</u>	<u>1,070,711</u>

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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) 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.

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 £500 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) 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.

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

(h) 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.

(i) 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.

(j) Pension scheme

The company was part of a defined benefit pension scheme but exited the scheme on 31st March 2017 as is further detailed within the Trustees' report and note 27. The company now offers employees a defined contribution pension scheme.

(k) 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.

(l) 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.

(m) Income from Investments

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

(n) Investments

Fixed asset investments are included at cost.

(o) 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.

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

(p) Judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Depreciation of fixed assets – fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

Allocation of expenditure between activities – Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.

Bad debt provision – The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of debtors, management considers factors including credit rating of the customer, previous payment patterns and ageing of the debt.

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 (2022: £nil). It is not the practice of the charity to reimburse Trustee expenses. There were no donations made by trustees during the year (2022: £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 (2022: £nil).

During the year the costs paid by the company to a Trustee in relation to the Chief Executive role were as follows: -

	2023	2022
	£	£
Salaries and wages	68,776	49,162
Social security costs	8,555	5,229
Pension costs	15,000	9,731
	<u>92,331</u>	<u>64,122</u>

COMMUNITY ENTERPRISE IN SCOTLAND
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

4. Income from charitable activities

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Social Enterprise	<u>5,019,953</u>	<u>4,968,161</u>	<u>3,437,816</u>	<u>2,805,118</u>
	<u>5,019,953</u>	<u>4,968,161</u>	<u>3,437,816</u>	<u>2,805,118</u>

5. Income from other trading activities

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Service level agreements	<u>137,977</u>	<u>161,678</u>	<u>230,680</u>	<u>247,021</u>
	<u>137,977</u>	<u>161,678</u>	<u>230,680</u>	<u>247,021</u>

The wholly owned trading subsidiary CEIS Ayrshire is incorporated in the United Kingdom (company number SC327751).

The summary financial performance of the subsidiary alone is:

	2023	2022
	£	£
Charitable Activities	1,609,826	2,163,043
Charitable Activities expenditure	1,553,731	2,118,109
Movement in funds	<u>56,095</u>	<u>44,934</u>
Funds brought forward	<u>437,573</u>	<u>392,639</u>
Funds carried forward	<u>493,668</u>	<u>437,573</u>

The assets and liabilities of the subsidiary were:

Current assets	653,558	566,962
Current liabilities	(159,890)	(129,389)
Total net assets	<u>493,668</u>	<u>437,573</u>

Aggregate funds

	<u>493,668</u>	<u>437,573</u>
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6. Investment income

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Interest received on cash deposits	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>
	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

7. Other income resources

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Other Income	27,689	-	-	-
	<u>27,689</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. Raising funds – expenditure on other trading activities

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Service level agreements	113,713	117,954	211,306	201,992
	<u>113,713</u>	<u>117,954</u>	<u>211,306</u>	<u>201,992</u>

9. Allocation of governance and support costs

The breakdown of support costs and how they were allocated between governance and other support costs is as follows.

Charity

Cost type	2023 Total allocated £	Raising funds £	Social Enterprise £	Governance £	Basis of apportionment
Salaries and secondment fees	863,625	172,725	677,894	13,006	<i>Time spent</i>
Subcontractor costs	90,424	-	90,424	-	<i>Usage</i>
Staff travel	23,396	16,611	5,849	936	<i>Staff split</i>
Staff training	20,406	17,753	1,632	1,020	<i>Staff split</i>
Conferences/Subscriptions and other	7,397	4,216	2,959	222	<i>Staff split</i>
Insurance, heat & light and rates	32,481	-	32,481	-	<i>Staff split</i>
Telephone, post and stationery	32,898	-	32,898	-	<i>Staff split</i>
Equipment leasing and maintenance	16,793	-	16,793	-	<i>Staff split</i>
IT	10,782	-	10,782	-	<i>Staff split</i>
Other property costs/Sundry expenses	4,856	-	4,856	-	<i>Staff split</i>
Depreciation (including building)	18,655	-	18,655	-	<i>Staff split</i>
Marketing	2,590	-	2,590	-	<i>Staff split</i>
Total	1,124,303	211,306	897,813	15,184	

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

9. Allocation of governance and support costs (continued)

Charity

Cost type	2022 Total allocated £	Raising funds £	Social Enterprise £	Governance £	Basis of apportionment
Salaries and secondment fees	730,292	146,058	573,235	10,999	<i>Time spent</i>
Subcontractor costs	88,328	-	88,328	-	<i>Usage</i>
Staff travel	21,212	15,061	5,303	848	<i>Staff split</i>
Staff training	1,425	1,240	114	71	<i>Staff split</i>
Conferences/Subscriptions and other	17,546	10,001	7,019	526	<i>Staff split</i>
Insurance, heat & light and rates	23,347	-	23,347	-	<i>Staff split</i>
Telephone, post and stationery	17,454	-	17,454	-	<i>Staff split</i>
Equipment leasing and maintenance	7,302	-	7,302	-	<i>Staff split</i>
IT	13,942	-	13,942	-	<i>Staff split</i>
Other property costs/Sundry expenses	7,523	-	7,523	-	<i>Staff split</i>
Depreciation (including building)	17,800	-	17,800	-	<i>Staff split</i>
Marketing	2,742	-	2,742	-	<i>Staff split</i>
Settlement Agreement	29,632	29,632	-	-	<i>Staff split</i>
Total	978,545	201,992	764,109	12,444	

COMMUNITY ENTERPRISE IN SCOTLAND
(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

9. Allocation of governance and support costs (continued)

Group	2023 Total allocated	Employability	Raising funds	Social Enterprise	Governance	Basis of apportionment
Cost type	£	£	£	£	£	
Salaries and secondment fees	863,625	-	172,725	677,894	13,006	<i>Time spent</i>
Subcontractor costs	90,424	-	-	90,424	-	<i>Usage</i>
Staff travel	35,151	11,755	16,611	5,849	936	<i>Staff split</i>
Staff training	20,406	-	17,753	1,632	1,020	<i>Staff split</i>
Conferences/ Subscriptions and other	7,397	-	4,216	2,959	222	<i>Staff split</i>
Insurance, heat & light and rates	32,481	-	-	32,481	-	<i>Staff split</i>
Telephone, post and stationery	42,184	9,286	-	32,898	-	<i>Staff split</i>
Equipment leasing and maintenance	16,793	-	-	16,793	-	<i>Staff split</i>
IT	10,782	-	-	10,782	-	<i>Staff split</i>
Other property costs/Sundry expenses	58,691	53,835	-	4,856	-	<i>Staff split</i>
Depreciation (including building)	18,655	-	-	18,655	-	<i>Staff split</i>
Marketing	5,734	3,144	-	2,590	-	<i>Staff split</i>
Consultancy/ Professional fees	4,651	4,651	-	-	-	<i>Usage</i>
Management fees	157,414	157,414	-	-	-	<i>Usage</i>
Equipment/ Office costs	3,329	3,329	-	-	-	<i>Usage</i>
Client costs	208,749	208,749	-	-	-	<i>Usage</i>
Total	1,576,466	452,163	211,306	897,813	15,184	

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

9. Allocation of governance and support costs (continued)

Group						
Cost type	2022 Total allocated £	Employability £	Raising funds £	Social Enterprise £	Governance £	Basis of apportionment
Salaries and secondment fees	730,292	-	146,058	573,235	10,999	<i>Time spent</i>
Subcontractor costs	88,328	-	-	88,328	-	<i>Usage</i>
Staff travel	21,212	-	15,061	5,303	848	<i>Staff split</i>
Staff training	1,425	-	1,240	114	71	<i>Staff split</i>
Conferences/Subscriptions and other	17,546	-	10,001	7,019	526	<i>Staff split</i>
Insurance, heat & light and rates	23,347	-	-	23,347	-	<i>Staff split</i>
Telephone, post and stationery	26,505	9,051	-	17,454	-	<i>Staff split</i>
Equipment leasing and maintenance	7,302	-	-	7,302	-	<i>Staff split</i>
IT	13,942	-	-	13,942	-	<i>Staff split</i>
Other property costs/Sundry expenses	12,276	4,753	-	7,523	-	<i>Staff split</i>
Depreciation (including building)	17,800	-	-	17,800	-	<i>Staff split</i>
Marketing	4,029	1,287	-	2,742	-	<i>Staff split</i>
Settlement Agreement	29,632	-	29,632	-	-	<i>Staff split</i>
Consultancy/Professional fees	19,768	19,768	-	-	-	<i>Usage</i>
Management fees	147,590	147,590	-	-	-	<i>Usage</i>
Equipment/office costs	163	163	-	-	-	<i>Usage</i>
Client costs	243,295	243,295	-	-	-	<i>Usage</i>
Total	1,404,452	425,907	201,992	764,109	12,444	

	Group		Charity	
Governance costs:	2023 £	2022 £	2023 £	2022 £
Auditors remuneration	16,401	10,695	11,765	10,695
Legal fees	-	9,771	-	9,771
Costs of meetings	999	281	999	281
Consultancy	4,249	4,249	-	-
Support costs	15,184	12,444	15,184	12,444
	<u>36,833</u>	<u>37,440</u>	<u>27,948</u>	<u>33,191</u>

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

9. Allocation of governance and support costs (continued)

Allocation of governance and other support costs:	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Social Enterprise	27,948	33,191	27,948	33,191
Employability	8,885	4,249	-	-
	<u>36,833</u>	<u>37,440</u>	<u>27,948</u>	<u>33,191</u>

10. Analysis of expenditure on charitable activities

Charity

	Social Enterprise £	2023 Total £	2022 Total £
Direct overheads	2,296,407	2,296,407	1,998,664
Other costs	19,378	19,378	8,891
Governance costs	27,948	27,948	33,191
Support costs	897,813	897,813	764,109
	<u>3,241,546</u>	<u>3,241,546</u>	<u>2,804,855</u>

Group

	Social Enterprise £	Employability £	2023 Total £	2022 Total £
Salaries	-	897,968	897,968	921,329
Kickstart Awards	-	197,902	197,902	733,197
Direct overheads	2,296,407	(7,823)	2,288,584	2,026,013
Other costs	19,378	-	19,378	8,891
Governance costs	16,183	8,885	25,068	25,573
Support costs	897,813	452,163	1,349,976	1,190,016
Audit	11,765	4,636	16,401	17,945
	<u>3,241,546</u>	<u>1,553,731</u>	<u>4,795,277</u>	<u>4,922,964</u>

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

11. Analysis of staff costs and remuneration of key management personnel

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Salaries and wages	1,491,319	1,371,594	721,005	614,576
Social security costs	138,531	119,349	68,050	55,326
Employer contributions to pension schemes	107,548	105,393	54,376	51,976
Total staff costs and employee benefits	<u>1,737,398</u>	<u>1,596,336</u>	<u>843,431</u>	<u>721,878</u>

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

	2023	2022
	No.	No.
£60,000 - £70,000	2	3
£70,000 - £80,000	-	-
£80,000 - £100,000	1	-

CEO position was vacant for a portion of the year to 31 March 2022

	Group	
	2023	2022
	£	£
Key management personnel remuneration	600,957	518,931

The CEO to worker salary ratio is 4.52:1 (2022: 4.52:1). This is in relation to the CEO of parent charity Community Enterprise in Scotland and the lowest paid staff within the CEIS Group.

This ratio is based upon pro-rating of the 2022 CEO salary as the position was vacant for a portion of the year to 31 March 2022.

	2023	2022
	No.	No.
The average number of persons, by headcount, employed by the two charities during the year was:	42	49

12. Other Gains/(Losses)

	2023	2022
	£	£
FRS102 interest free loan – notional interest	(3,704)	(5,089)

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

13. Net income/(expenditure) for the year

	Group	
This is stated after charging:	2023	2022
	£	£
Depreciation	18,642	17,799
Auditor's remuneration:		
Audit fees – Company	11,765	10,695
Audit fees – subsidiaries	13,335	12,295

14. Tangible Fixed Assets

	Long Leasehold Land & Buildings £	Training & Computer equipment £	Fixtures & Fittings £	Office refurbishment £	Total £
Group Cost or valuation					
At 1 April 2022	702,160	88,153	18,523	121,076	929,912
Additions	-	4,082	-	-	4,082
At 31 March 2023	702,160	92,235	18,523	121,076	933,994
Depreciation					
At 1 April 2022	227,037	80,217	17,473	121,076	445,803
Charge for the year	14,024	3,569	1,050	-	18,642
At 31 March 2023	241,061	83,786	18,523	121,076	464,446
Net book value					
At 31 March 2023	461,099	8,449	-	-	469,548
At 31 March 2022	475,123	7,936	1,050	-	484,109

	Long Leasehold Land & Buildings £	Training & Computer equipment £	Fixtures & Fittings £	Office refurbishment £	Total £
Charity Cost or valuation					
At 1 April 2022	702,160	75,895	18,523	121,076	917,654
Additions	-	4,082	-	-	4,082
At 31 March 2023	702,160	79,977	18,523	121,076	921,736
Depreciation					
At 1 April 2022	227,037	67,959	17,474	121,076	433,546
Charge for the year	14,024	3,569	1,049	-	18,642
At 31 March 2023	241,061	71,528	18,523	121,076	452,188
Net book value					
At 31 March 2023	461,099	8,449	-	-	469,548
At 31 March 2022	475,123	7,936	1,049	-	484,109

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

15. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	163,244	337,753	73,715	273,708
Other debtors	148,052	96,275	159,261	9,349
	<u>311,296</u>	<u>434,028</u>	<u>232,976</u>	<u>283,057</u>

16. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Loans	51,245	102,491	51,245	102,491
Trade creditors	263,374	215,264	252,869	179,411
Deferred income	344,050	698,289	295,697	639,700
Taxation and social security	138,288	95,750	119,975	95,750
Other creditors	268,341	111,401	257,404	87,237
SPF	115,000	115,000	115,000	115,000
	<u>1,180,298</u>	<u>1,338,195</u>	<u>1,092,190</u>	<u>1,219,589</u>

17. a) Deferred income - Group

	2023	2022
	£	£
Balance as at 1 April 2022	698,289	1,038,422
Amount released to income earned from charitable activities	(698,289)	(1,038,422)
Amount deferred in year	344,050	698,289
Balance as at 31 March 2023	<u>344,050</u>	<u>698,289</u>

17. b) Deferred income - Charity

	2023	2022
	£	£
Balance as at 1 April 2022	639,700	1,018,282
Amount released to income earned from charitable activities	(639,700)	(1,018,282)
Amount deferred in year	295,697	639,700
Balance as at 31 March 2023	<u>295,697</u>	<u>639,700</u>

Relates to funding received in advance.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

18. Creditors: amounts falling due after more than one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Loans	80,435	79,553	80,435	79,553
SPF exit cost	6,519	118,696	6,519	118,696
	<u>86,954</u>	<u>198,249</u>	<u>86,954</u>	<u>198,249</u>
Due within one to two years	<u>86,954</u>	<u>198,249</u>	<u>86,954</u>	<u>198,249</u>
	<u>86,954</u>	<u>198,249</u>	<u>86,954</u>	<u>198,249</u>

19. Provisions

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Provisions	18,000	-	18,000	-
	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>-</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of charitable funds – Group

Analysis of Fund movements to March 2023	Fund b/fwd £	Income £	Expenditure £	FRS 102 Notional Interest £	Transfers £	Fund c/fwd £
Unrestricted funds						
Tangible Fixed Asset reserve	484,544	-	19,078	-	4,082	469,548
General funds	(64,253)	548,520	313,798	(3,704)	(4,082)	162,683
General funds						
Ayrshire	389,978	106,346	64,463	-	-	431,861
General funds SVL	52,502	4,890	-	-	-	57,392
Total unrestricted funds	862,771	659,756	397,339	(3,704)	-	1,121,484
Restricted funds						
Just Enterprise 3	-	1,412,886	1,412,886	-	-	-
GCC Grants	-	153,995	153,995	-	-	-
Strengthening Communities	-	1,332,515	1,332,515	-	-	-
Ready for Business	-	11,320	11,320	-	-	-
Changing Lives	-	2,253	2,253	-	-	-
Through Sport						
SEI in Higher Education	-	53,444	53,444	-	-	-
International Social Enterprise	-	55,970	55,970	-	-	-
Observatory						
Business Services (Kickstart)	17,886	252,194	259,946	-	-	10,134
SDS	25,548	26,610	37,312	-	-	14,846
LOTS	333	835,034	835,367	-	-	-
SCF	3,828	-	-	-	-	3,828
ITA	-	112,686	110,183	-	-	2,503
EAC Pipeline	-	217,225	186,729	-	-	30,496
North Carrick	-	59,731	59,731	-	-	-
Total restricted funds	47,595	4,525,863	4,511,651	-	-	61,807
TOTAL FUNDS	910,366	5,185,619	4,908,990	(3,704)	-	1,183,291

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of charitable funds – Group (continued)

Analysis of Fund movements to March 2022	Fund b/fwd £	Income £	Expenditure £	FRS 102 Notional Interest £	Transfers £	Fund c/fwd £
Unrestricted funds						
Tangible Fixed Asset reserve	492,347	-	17,800	-	9,997	484,544
Contingency reserve	532,000	-	-	-	(532,000)	-
Redundancy reserve	130,000	-	-	-	(130,000)	-
General funds	(434,296)	1,018,471	955,342	(5,089)	312,003	(64,253)
General funds Ayrshire	52,639	142,211	143,523	-	338,651	389,978
General funds SVL	53,807	(1,305)	-	-	-	52,502
Total unrestricted funds	826,497	1,159,377	1,116,665	(5,089)	(1,349)	862,771
Restricted funds						
GCC Integrated Grant Fund	-	114,136	114,136	-	-	-
International Social Enterprise Observatory	-	112,827	112,827	-	-	-
Just Enterprise	-	1,390,980	1,390,980	-	-	-
Strengthening communities	-	233,932	233,932	-	-	-
Changing Lives Through Sport	-	1,761	1,761	-	-	-
SCF – Management Fee	-	12,422	12,422	-	-	-
Glasgow Interface	-	83,609	83,609	-	-	-
NAC	-	896,393	896,393	-	-	-
Busines Services (Kickstart)	-	797,796	779,910	-	-	17,886
SDS	-	234,500	208,952	-	-	25,548
ITA	-	69,670	69,670	-	-	-
LOTS	-	333	-	-	-	333
Building Brighter Futures	-	8,812	10,161	-	1,349	-
SCF	-	3,828	-	-	-	3,828
AHEAD/Tandem	-	9,500	9,500	-	-	-
Total restricted funds	-	3,970,499	3,924,253	-	1,349	47,595
TOTAL FUNDS	826,497	5,129,876	5,040,918	(5,089)	-	910,366

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of charitable funds – Group (continued)

- 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.
 - Running cost contingency – this equated to three months running costs.
 - Redundancy contingency – this was for potential future redundancies in the event that key funding contracts end without an equivalent replacement project that results in workforce reductions.

- b) Restricted funds comprise:

Investing in Communities - CEIS is resourced from Scottish Government to support clients to build capacity and improve their potential as community anchor organisations.

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.

Just Enterprise 3 - 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.

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.

LOTS - CEIS Ayrshire Key Worker service supports individuals in North and East Ayrshire with multiple barriers to employment, positive destinations are employment, education and training. Referrals predominately come from JCP but individuals can self-refer or come from other partners within these areas. Suitable referrals are aged 16 – retirement. Business Services Team support and progress clients into employment, work experience/placements and volunteering opportunities. We support both the client and employees for 12 months once they have commenced employment, supporting with any issues faced or looking at workforce development solutions.

SCF Management Fee - is the management fee for the Strengthening Communities fund.

Ready for Business (Procurement) - is a Scottish Government funded programme which supports stronger engagement between public sector buyers and third sector suppliers.

Changing Lives Through Sport - is a project which offers business support to sports and physical activity focussed third sector sporting organisations across Scotland.

EAC Pipeline – This 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.

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

20. Analysis of charitable funds – Group (continued)

North Carrick – Funding received for a range of research and development activities for investment ready projects.

21. Analysis of charitable funds - Charity

Analysis of Fund movements to March 2023	Fund b/fwd £	Income £	Expenditure £	FRS 102 Notional Interest £	Transfers £	Fund c/fwd £
Unrestricted funds						
Tangible Fixed Asset reserve	484,544	-	19,078	-	4,082	469,548
General funds	(64,253)	646,113	411,391	(3,704)	(4,082)	162,683
Total unrestricted funds	420,291	646,113	430,469	(3,704)	-	632,231
Restricted funds						
Just Enterprise 3	-	1,412,886	1,412,886	-	-	-
GCC Grants	-	153,995	153,995	-	-	-
Investing in Communities	-	1,332,515	1,332,515	-	-	-
Ready for Business	-	11,320	11,320	-	-	-
Changing Lives Through Sport	-	2,253	2,253	-	-	-
SEI in Higher Education	-	53,444	53,444	-	-	-
International Social Enterprise Observatory	-	55,970	55,970	-	-	-
Total restricted funds	-	3,022,383	3,022,383	-	-	-
TOTAL FUNDS	420,291	3,668,496	3,452,852	(3,704)	-	632,231

Analysis of Fund movements to March 2022	Fund b/fwd £	Income £	Expenditure £	FRS 102 Notional Interest £	Transfers £	Fund c/fwd £
Unrestricted funds						
Tangible Fixed Asset reserve	492,347	-	17,800	-	9,997	484,544
Contingency reserve	262,000	-	-	-	(262,000)	-
Redundancy reserve	60,000	-	-	-	(60,000)	-
General funds	(434,296)	1,102,509	1,039,380	(5,089)	312,003	(64,253)
Total unrestricted funds	380,051	1,102,509	1,057,180	(5,089)	-	420,291
Restricted funds						
GCC Integrated Grant Fund	-	114,136	114,136	-	-	-
International Social Enterprise Observatory	-	112,827	112,827	-	-	-
Just Enterprise	-	1,390,980	1,390,980	-	-	-
SEI	-	-	-	-	-	-
Strengthening communities	-	233,932	233,932	-	-	-
SCF – Management Fee	-	12,422	12,422	-	-	-
Glasgow Interface	-	83,609	83,609	-	-	-
Changing Lives Through Sport	-	1,761	1,761	-	-	-
Total restricted funds	-	1,949,667	1,949,667	-	-	-
TOTAL FUNDS	380,051	3,052,176	3,006,847	(5,089)	-	420,921

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

22. Net group assets over funds

Net Group Assets to March 2023	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Fixed assets	469,548	-	469,548
Investments	57,644	-	57,644
Debtors	311,296	-	311,296
Cash at bank and in hand	1,568,248	61,807	1,630,055
Creditors falling due within one year	(1,180,298)	-	(1,180,298)
Creditors falling due after more than one year	(86,954)	-	(86,954)
Provisions	(18,000)	-	(18,000)
	<u>1,121,484</u>	<u>61,807</u>	<u>1,183,291</u>

Net Group Assets to March 2022	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Fixed assets	484,109	-	484,109
Investments	52,755	-	52,755
Debtors	434,028	-	434,028
Cash at bank and in hand	1,428,323	47,595	1,475,918
Creditors falling due within one year	(1,338,195)	-	(1,338,195)
Creditors falling due after more than one year	(198,249)	-	(198,249)
	<u>862,771</u>	<u>47,595</u>	<u>910,366</u>

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

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Net (deficit)/income for the year (as per the Statement of Financial Activities)	268,035	83,869	211,940	40,240
Adjustments for:				
Depreciation charges	18,642	17,800	18,642	17,800
Interest from investments	-	(37)	-	(37)
Other finance income		1,305		-
Decrease/(increase) in debtors	122,733	330,937	50,082	316,872
Increase/(decrease) in creditors	(251,191)	(330,903)	(220,694)	(407,518)
Net cash provided by/(used in) operating activities	<u>158,219</u>	<u>102,971</u>	<u>59,970</u>	<u>(32,643)</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

24. Analysis of cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Cash in hand	1,630,055	1,475,918	1,126,599	1,070,711
Total cash and cash equivalents	<u>1,630,055</u>	<u>1,475,918</u>	<u>1,126,599</u>	<u>1,070,711</u>

25. Investments and Consolidation

Group	2023	2022
	£	£
Ordinary Shares Social Value Lab	2	2
Consolidated Reserves Social Value Lab	57,392	52,503
SEN Bonds	250	250
	<u>57,644</u>	<u>52,755</u>

Company	2023
	£
At 1 April 2022 and 31 March 2023	<u>252</u>

Company	2022
	£
At 1 April 2021 and 31 March 2022	<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. At the year-end CEIS Ayrshire owed CEIS £62,790 (2022 – £4,976), and CEIS owed CEIS Ayrshire £nil (2022: £nil).

	2023	2022
	£	£
Surplus/(loss) for the period ended 31 March 2023	<u>59,095</u>	<u>44,934</u>
Aggregate capital and reserves at 31 March 2023	<u>493,668</u>	<u>437,573</u>

COMMUNITY ENTERPRISE IN SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

25. Investments and Consolidation (continued)

➤ **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.

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 £86,933 (2022: £158,126) were made by SVL to CEIS during the year. SVL purchased £6,971 (2022: £24,585) of goods or services during the year from CEIS. SVL declared CEIS gift aid of £12,822 in 2023 (2022: £24,382). At the end of the year CEIS owed SVL £8,992 (2022: £5,808) and SVL owed CEIS £34,531 (2022: £55)

	2023 £	2022 £
Surplus/(loss) for the period ended 31 March 2023	9,779	21,773
Aggregate capital and reserves at 31 March 2023	99,610	102,652

➤ **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. At the end of the year Ready for Business Procurement LLP owed CEIS £nil (2022 - £7,260).

This company has no surplus.	2023 £	2022 £
Surplus for the year ended 31 December 2023	-	-
Aggregate capital and reserves at 31 December 2023	-	-

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:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Due within one year	1,954	1,600	582	-
Due within one to two years	4,286	2,748	2,910	-
	<u>6,240</u>	<u>4,348</u>	<u>3,492</u>	<u>-</u>

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

27. Pension Obligations

The Board approved a decision to exit Strathclyde Pension Scheme on 31 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. Details of the outstanding balances can be found in notes 16 and 18.