

Charity Registration No SC003517

Company Registration No SC068995

# B.R.A.G Enterprises Limited

TRUSTEES' REPORT AND ACCOUNTS

For the Year Ended 31 March 2018

B.R.A.G Enterprises Limited  
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# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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The Trustees present their report and accounts for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 (FRS 102).

### Objectives and Activities

To assist in the creation of a vibrant economy by developing communities, investing in people and building viable businesses.

*Our Vision: "We exist because a better life is within everyone's reach"*

*Operating Area: We operate across Scotland however the bulk of our activities take place within our local area (Central Fife)*

Our objects are:

- To relieve poverty among residents
- To advance education among residents
- To promote and/or provide training in skills of all kinds particularly to assist individuals in obtaining paid employment
- To promote, establish and operate other schemes of a charitable nature for the benefit of the community
- To relieve those in financial hardship, suffering discrimination by encouraging inward investment and business start-ups to take place
- To be a good local employer giving back to the community where we can
- To influence social and economic development policy (and practice) particularly within SIMD areas

### Key business results

During 2017/18 BRAG achieved these objectives by delivering these key business results:

- BRAG Provided affordable property and workspace at three industrial locations across Fife
- BRAG supported the operation of the Benarty Foodbank in the Benarty area by offering free accommodation for the service within its Crosshill Business Centre along with space for another charitable organisation ReEmploy who offer employment to individuals with an enduring disability
- BRAG also made its 15 seat minibus available to 11 local constituted groups free of charge where it was used on 50 separate occasions.
- BRAG provided business support and advice for social enterprise which led to 20 new start up social enterprises whilst also assisted existing enterprises
- BRAG offered Business Support and Advice for new business start-ups via our NEA (New Enterprise Allowance) programme. Of our 198 programme starts, 113 of these started trading in the period with 53 having now been trading for 6 months or more
- BRAG's Youth Engagement and Learning activities including delivery of our Greenpower programme
- F24 was delivered in 3 secondary schools with 35 young people taking part and 21 going on the take part in race events
- Goblin support was given to 14 Fife schools with over 200 pupils and supporters attending our Cowdenbeath Racewall event
- F24 Police diversion partnership project worked with 12 high risk young people, all of whom gained city and guilds qualifications whilst also taking part in Greenpower race events

# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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- Delivery of City & Guilds qualifications to 6 people via our Introduction to Retail course
- BRAG's community activity including our support for the Our Place initiative in Glenrothes and our running of the Cowdenbeath Community Hub as well as the Glenrothes Enterprise Hub
- Our work as part of the Fife Employment and Training Consortium (Fife ETC) led to 747 people starting on the programme with an impressive 427 then moving into some form of employment. These were impressive statistics given the barriers they all had to overcome to achieve success. Brag itself provided direct support to 87 individuals on its ALBA programme with 49 individuals benefiting from our additional Key Work provision.

### **Activities, Achievements and Performance**

#### Property and Facilities

Our property yields have remained stagnant with occupancy rates remaining around 75%. Although we invested in repairs this year we do have a long backlog of essential improvements required although options are currently being explored.

In late 2016, we carried out a full property review and had provisionally decided to invest in major site improvements at our Crosshill site however this was put in hold when we realised we were sitting with a high level of tenant debt. After exploring options to recover we decided we had no option but to write it off. This along with poor market conditions forced us to put any Crosshill changes on hold.

#### Business and Enterprise Support

##### *Support to Social Enterprise (Fife Council)*

This year we were very happy to continue with our positive working relationship with Fife Council's Economic Development and continue to support the social enterprise sector across Fife. This money primarily funded Social Enterprise Advisors who were tasked with working closely with Business Gateway Fife to support start up social enterprises. We also hosted the Fife Social Enterprise Network (FSEN) and co-managed the Enterprise Hub in Glenrothes.

##### *New Enterprise Allowance (NEA)*

Our existing contract ended in March 2017, but we were successful in securing a new enhanced contract with an increased footprint. We now cover Fife, Tayside and Forth Valley and in the reporting year we supported nearly 200 new business start-ups across the contract area. The nature of those payment by results contract created a lag in income which meant that we ran at a loss for 2017/18 although we came back into surplus nearer to the year end

#### Youth & Community Development

Our Formula 24 Programmes was delivered in 3 secondary schools across Fife. These programmes were delivered in addition to the school curriculum and supported young people in S3-S4 who may have disengaged from main stream education. The programme provided opportunities for young people to engage with STEM activities, learn new skills, engage with employers and ultimately re-engage with learning.

Our Formula 24 Police diversionary project was run in conjunction with Cowdenbeath Community Police Team. This project targeted 14-16 year olds who may be 'at risk' within the community or on the periphery of offending behaviour. We worked with a total number of 12 young people during this period. All 12 completed City and Guilds qualifications as well as all 12 then racing at Greenpower Race Events in Scotland with 5 of them then going on the race at the Greenpower International Finals at Rockingham Motor Speedway in October 2017.

We worked in partnership with Fife Council's Education Service to support a Fife Greenpower Goblin Event. This programme is aimed at introducing 9-11 year olds to STEM activities, building confidence and developing skills for learning, life and future career choices. We were involved in supporting teaching staff with 4 Continuing Professional Development sessions, working with a total of 20 teaching staff and volunteers. We provided in school support as well as organising and running the Fife Goblin Event which was held in November 2017. This event was a huge success with over 200 children attending and 14 Fife Primary Schools racing at the event.

# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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We delivered a Community Based Adult Learning 'Introduction to Retail' course in partnership with Community Learning and Development in Kirkcaldy and Furniture plus. This programme was aimed at adult learners who were furthest from entering the job market. The course covered retail skills, work experience, manual handling qualifications and City & Guilds Employability qualifications.

### Fife Employability and Training Consortium (Fife-ETC) lead partner

BRAG continued to work with the seven other third sector organisations as Fife ETC albeit with one organisation then withdrawing in late March 2018. Fife ETC has performed well however we identified a need to adapt services to match both need and emerging funding models. As a result, we moved our whole employability team to Methil as a recognised area most in need. We also had ongoing cash flow issues with some of our partners and worked hard with Fife council to find solutions. Looking forward we also recognise the risks associated with our leaving of the European Union. We have high levels of deferred income on this programme due to the delay in European monies being released.

In early 2017 we also recognised the need to exploit the new DWP purchasing arrangements via their online Dynamic Purchasing System (DPS). After 11 months of hard work we were rewarded for this effort that in February 2018 when we secured our first DPS funded service. We were the first in Fife to do so and we hope to build on this success.

### Brag Business Marketing

We developed a new online presence and enhanced this with new branding and promotional material.

### **Financial Review**

As a social enterprise, we take great pride in the fact that a large proportion of our income is currently generated via non-grant based sources. This trend has continued in 2017-18 with a further increase in commercially earned income.

During 2018/19 the organisation still received part of its income from a core grant from Fife Council (albeit on a reducing scale). However, this was more in relation to the delivery of services and therefore more commercial in nature than had been the case in previous years. This direction of travel is a good one and one we hope to maintain even during these times of austerity. Moving forward, we will place continuing emphasis on securing further commercial funding to reduce our reliance on these grants although we take the view that we still work hard to demonstrate the impact we can make with our grant.

We spent most of 2017/18 making changes to both our financial procedures and our financial management systems. As well as moving from Sage to Xero we also assigned specific cost centre controls to managers measuring any costs against budget. We also started coding income and expenditure per department which meant a more transparent method of producing our management accounts. We also utilised external specialist services to help make this happen. This approach has given the BRAG Board more confidence in the figures being presented

The early losses on our new NEA programme along with the write off of previous tenant debt has led to the bulk of the deficit for this year. We are satisfied that the changes we have made should see a return to stability next year

### Reserves Policy

The board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between three and six months of the charity's expenditure. The unrestricted reserves are needed to meet the working capital requirement of the charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. This need is even more a requirement now given the delays we have experienced in receiving our European Fund monies.

The present level of unrestricted funds is £320,264 which along with the £321,401 in restricted funds gives us a healthy level of working capital. At year end we were sitting with £586,584 in cash which exceeded the current working capital requirements. These funds are currently held within our regular current account along with a 30-day access account. We also held around 25% of our free funds in high yield fixed term accounts

# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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### Investment properties

After the property review of late 2016 we decided to dispose of our two Lochgelly sites as they were not providing us with the yields we needed to make them sustainable and were no longer fit for purpose. They were both then placed on the open market in January 2017. However as of March 2018 they remain unsold. The use of any free funds will be decided when the ultimate future of the sites are clear.

### **Risk Management**

The Board meets on a six weekly cycle and at its meetings considers the risks which the charity faces and puts in place appropriate mitigation. Where appropriate, these mitigation measures are formalised through systems or procedures. The business plan identifies the significant external risks to funding and details a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, clients and visitors to the centre. These procedures are periodically reviewed by our Quality Group to ensure that they continue to meet the needs of the charity. The Board have also recently introduced a Risk Management Plan that they plan to revisit at least annually.

### Financial Controls

We continue to keep tight control of finances ensuring that all work is quoted for on a full cost recovery basis. With a move to external organisations letting bigger contracts we will look to explore consortium and other joint working as a way of bidding for work. After a review of our financial systems we recently introduced new procedures into the business to ensure that everyone now knows of their financial management obligations and that we have robust controls in place.

We have also introduced a Finance and Audit Committee who have been delegated authority to both support and have oversight of the finance function. They normally meet prior to any main Board meetings however have not met since February 2018 following the resignation of the Finance and Audit Committee Chair. We are currently recruiting a replacement Trustee and are hopeful of finding someone with a suitable finance background.

### **Structure, governance and management**

The charity is a company limited by guarantee that has no share capital and is a recognised charity governed by its Memorandum and Articles of Association. Trustees are appointed in line with a skills map for the organisation which details the required level and range of skills required for a Board of trustees for the organisation. Where a skills gap is identified existing members of the Board look to actively recruit new members with the skills required. Appointment of new trustees is by majority vote at an Annual General Meeting.

There is a general induction providing an overview and introduction to the organisation including its aims, objectives, ethics and operation. Added to this, new Trustees receive training in a document outlining the duties and responsibilities of being a Trustee of BRAG, this includes legal responsibilities. Trustees sign to say that they have received the training and understand their responsibilities as Trustee. BRAG also liaises closely with the local Third Sector Interface (Fife Voluntary Action) ensuring that where a shortfall in knowledge has been identified, the Trustee attends the appropriate FVA training programme.

The organisation is also supported by a nominated Link Officer from Fife Council and the presence of our nominated local councillors.

A clear risk for the organisation had been in the long-term tenure of some of its trustees with a number of them now reaching 20 plus years' service to the organisation.

### **Decision Making**

Strategy and direction for the organisation is decided at Trustee level. On a day to day basis the Managing Director implements the strategy on behalf of the Trustees. There are financial restrictions placed upon the Managing Director who is unable to authorise single items of expenditure in excess of £2,000 unless consent is first given by a minimum of two Trustees. In late 2016 the business added a new Finance & Audit Sub Group. This group is made up of 3 Non-Executive Directors and the Managing Director. The Managing Director is aided in the day to day running of the organisation by a number of managers who are responsible for individual project centres.

# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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### **Key Management personnel remuneration**

The Trustees consider themselves the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The Managing Director then has authority to then recruit the salaried staff required to fulfil the objectives and any contractual obligations of the charity.

The Managing Director is both an employee and a Trustee, however, no other trustees received remuneration in the year. Details of Directors expenses are disclosed in note 7 to the accounts.

**B.R.A.G Enterprises Limited**  
**TRUSTEES' REPORT**  
For the year ended 31 March 2018

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**Reference and administrative information**

**TRUSTEES**

Iain Gow (Chair)  
Anne Hay  
James (Lindsay) Stewart  
Brian Robertson-Fern (Managing Director)  
Jacqueline Cannon  
William Clarke  
Mary Nardone  
Stephen Nardone  
Joseph Paterson  
Elizabeth Brown  
Russell Miller (resigned February 2018)

CHARITY NUMBER SC003517

COMPANY NUMBER SC068995

**PRINCIPAL ADDRESS**

Crosshill Business Centre  
Main Street  
Crosshill  
LOCHGELLY  
Fife  
KY5 8BJ

**REGISTERED OFFICE**

Crosshill Business Centre  
Main Street  
Crosshill  
LOCHGELLY  
Fife  
KY5 8BJ

**AUDITORS**

Thomson Cooper  
3 Castle Court  
Carnegie Campus  
DUNFERMLINE  
Fife  
KY11 8PB

**BANKERS**

Bank of Scotland  
67 Bank Street  
LOCHGELLY  
Fife  
KY5 9QN

**SOLICITORS**

Young & Partners LLP  
1 George Square  
Castle Brae  
DUNFERMLINE  
Fife



# B.R.A.G Enterprises Limited

## TRUSTEES' REPORT

For the year ended 31 March 2018

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### **Directors' Responsibilities**

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus of the company for that period. In preparing those financial statements, the Directors 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 assume that the Charity will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of Information to Auditors**

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

Thomson Cooper are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Approved by the Board of Trustees on 9 October 2018 and signed on its behalf by:

Iain Gow  
Trustee

**B.R.A.G Enterprises Limited**  
**INDEPENDENT AUDITORS' REPORT**  
**To the Members and Trustees of B.R.A.G Enterprises Limited**

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**Opinion**

We have audited the financial statements of B.R.A.G Enterprises Limited for the year ended 31 March 2018 comprising the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2018 and of its surplus 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 (as amended).

**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 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 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 annual report, other than the financial statements and our auditor's report thereon. 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.

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

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**B.R.A.G Enterprises Limited**  
**INDEPENDENT AUDITORS' REPORT**  
**To the Members and Trustees of B.R.A.G Enterprises Limited**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity'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 charity, the charity's members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Croxford (Senior Statutory Auditor)**  
**for and on behalf of Thomson Cooper, Statutory Auditor**  
Dunfermline  
October 2018

**B.R.A.G Enterprises Limited**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 March 2018**

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b><u>INCOME</u></b>					
Voluntary income		8,400	-	8,400	8,400
Activities for generating funds		202,193	-	202,193	231,560
Investment income		1,215	-	1,215	314
Activities in furtherance of the charity's activities	2	320,264	321,401	641,665	756,396
<b>TOTAL INCOME</b>		<b>532,072</b>	<b>321,401</b>	<b>853,473</b>	<b>996,670</b>
<b><u>EXPENDITURE</u></b>					
Expenditure on charitable activities:	3	565,905	339,185	905,090	1,091,891
<b>TOTAL EXPENDITURE</b>		<b>565,905</b>	<b>339,185</b>	<b>905,090</b>	<b>1,091,891</b>
<b>NET EXPENDITURE</b>		<b>(33,833)</b>	<b>(17,784)</b>	<b>(51,617)</b>	<b>(95,221)</b>
UNREALISED GAIN ON REVALUATION	8	-	-	-	199,882
<b>NET MOVEMENT OF FUNDS</b>		<b>(33,833)</b>	<b>(17,784)</b>	<b>(51,617)</b>	<b>104,661</b>
Fund balances at 1 April 2017		966,674	284,793	1,251,467	1,146,806
<b>FUND BALANCES AT 31 March 2018</b>	15/16	<b>932,841</b>	<b>267,009</b>	<b>1,199,850</b>	<b>1,251,467</b>

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

All incoming resources and resources expended relate to continuing activities.

**B.R.A.G Enterprises Limited**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 31 March 2018

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Total income	853,473	996,670
Total expenditure from income funds	(905,090)	(1,091,891)
Net Expenditure	(51,617)	(95,221)
Unrealised Gain on revaluation of assets	-	199,882
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(51,617)</b>	<b>104,661</b>

**B.R.A.G Enterprises Limited**  
**BALANCE SHEET**  
For the year ended 31 March 2018

		2018		2017	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		762,320		796,174
Investment properties	9		175,000		175,000
			<u>937,320</u>		<u>971,174</u>
<b>CURRENT ASSETS</b>					
Debtors	10	169,961		113,913	
Cash at bank and in hand		<u>586,584</u>		<u>401,687</u>	
		756,545		515,600	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	<u>(284,015)</u>		<u>(25,307)</u>	
<b>NET CURRENT ASSETS</b>			<u>472,530</u>		<u>490,293</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,409,850		1,461,467
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	12		<u>(210,000)</u>		<u>(210,000)</u>
<b>NET ASSETS</b>			<u>1,199,850</u>		<u>1,251,467</u>
<b>INCOME FUNDS</b>					
Restricted funds	15		267,009		284,793
Unrestricted funds:					
Designated funds	16		493,321		527,175
Unrestricted general funds	16		<u>439,520</u>		<u>439,499</u>
			<u>1,199,850</u>		<u>1,251,467</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved by the Board on 9 October 2018 and signed on its behalf by;

Brian Robertson-Fern  
TRUSTEE

Company Number: SC068995

**B.R.A.G Enterprises Limited**  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2018

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	<b>Note</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>Cash flows from operative activities:</b>			
Net cash provided by (used in) operating activities	19	<u>191,600</u>	<u>(168,880)</u>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant & equipment		<u>(6,703)</u>	<u>(11,250)</u>
Net cash provided by (used in) investing activities		<u>(6,703)</u>	<u>(11,250)</u>
Change in cash and cash equivalents in the year		184,897	(180,130)
Cash and cash equivalents at the beginning of the year		<u>401,687</u>	<u>581,817</u>
Cash and cash equivalents at the end of the year		<u><u>586,584</u></u>	<u><u>401,687</u></u>

# B.R.A.G Enterprises Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

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### 1 ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

#### 1.2 GOING CONCERN

The trustees are satisfied that B.R.A.G Enterprises Limited has adequate unrestricted resources, of which a high percentage is held in cash, to continue its objectives for the foreseeable future, and therefore believe it is appropriate to adopt the going concern basis in preparing these financial statements.

#### 1.3 FUND ACCOUNTING

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds which have been set aside by the trustees for a specific purpose.

Restricted funds - the company has received certain restricted funds which represent funds received for a specific purpose specified by the donor.

#### 1.4 INCOME

Voluntary income is recognised in the accounts as an in-kind donation equal to the estimated cost of providing the loan facility at a market rate of interest when it has been provided interest free.

Activities for generating funds include rental and commercial income and are accounted for over the period to which the income is generated.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable. All other income of a revenue nature is included when receivable.

#### 1.5 EXPENDITURE

Charitable expenditure includes direct and indirect costs of the charity. Indirect costs have been allocated between costs of activities in the furtherance of charitable objectives, and governance based on staff time and usage.

Governance costs include any costs in relation to audit and accountancy work, legal and professional advice, and consultancy costs associated with constitutional and statutory requirements.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Support costs have been allocated between activities undertaken directly and charitable activities based on the number of staff involved in each area.



# B.R.A.G Enterprises Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

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### ACCOUNTING POLICIES (Continued)

#### 1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2 - 5% straight line
Fixtures, fittings & vehicles	15% reducing balance
Computer equipment	33% straight line
BioMass Boiler	5% straight line
Motor vehicles	20% straight line

#### 1.7 INVESTMENT PROPERTIES

Investment properties are stated at valuation at the balance sheet date. Formal valuations are undertaken every three years with the unrealised gains or losses being added to or deducted from Unrestricted Funds.

#### 1.8 PENSIONS

The company participates in a defined contribution scheme. The pension costs charges in the accounts represent the contributions payable by the charity during the year in accordance with the applicable accounting standards.

#### 1.9 LEGAL STATUS OF THE 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 £1. At the end of the financial year there were eleven members.

### 2 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Grants receivable	320,264	321,401	641,665	756,396

**B.R.A.G Enterprises Limited**  
**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

**3 EXPENDITURE**

	Note	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
<u>Expenditure</u>					
<u>Direct Project costs</u>					
Staff costs		300,658	210,794	511,452	524,955
Travel costs		7,729	4,490	12,219	18,601
Training costs		-	1,600	1,600	7,902
Programme costs		52,353	85,804	138,157	278,472
		360,740	302,688	663,428	829,930
<u>Support costs</u>					
Rent		32,856	8,903	41,759	32,697
Heat & light		42,070	126	42,196	42,945
Postage, stationery & printing		4,131	3,503	7,634	6,276
Telephone		4,366	3,157	7,523	7,177
Advertising		1,454	345	1,799	4,318
Repairs & renewals		19,956	3,083	23,039	59,244
Cleaning		4,296	156	4,452	4,987
Insurance		12,415	-	12,415	14,684
Bank charges		141	-	141	107
Depreciation		27,675	12,882	40,557	26,916
Consumables		1,980	2,522	4,502	5,065
Donations		-	-	-	396
Memberships & subscriptions		2,870	1,820	4,690	4,161
Subsidiary loan written off		(3,570)	-	(3,570)	3,040
Bad debts written off		9,314	-	9,314	14,120
		159,954	36,497	196,451	226,133
<u>Governance costs</u>					
Staff costs		21,639	-	21,639	21,858
Audit fee		5,600	-	5,600	5,500
Professional fees		9,572	-	9,572	70
		36,811	-	36,811	27,428
Cost of generating voluntary income	4	8,400	-	8,400	8,400
<b>Total Expenditure</b>		<b>565,905</b>	<b>339,185</b>	<b>905,090</b>	<b>1,091,891</b>

Expenditure on charitable activities was £905,090 (2017 - £1,091,891) of which £65,905 was unrestricted (2017 - £593,778) and £339,185 was restricted (2017 - £498,113).

Governance costs of £36,811 (2017 - £27,428) include audit fees, professional fees and an allocation of the Manager's salary costs.

**4 COSTS OF GENERATING VOLUNTARY INCOME**

Costs of generating voluntary income comprise:

	2018 £	2017 £
In-kind donation equal to interest on interest free loan (note 12)	8,400	8,400

**B.R.A.G Enterprises Limited**  
**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

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**5 EMPLOYEES**

The average monthly number of employees during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Project workers	17	18
Admin / Other	6	7
	<u>23</u>	<u>25</u>

**6 EMPLOYMENT COSTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	466,107	480,265
Social security costs	38,768	40,384
Other pension costs	28,216	26,164
	<u>533,091</u>	<u>546,813</u>

No employees earn more than £60,000 per year.

**7 DIRECTORS' REMUNERATION**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	40,400	40,200
Other pension costs	2,878	3,516
	<u>43,278</u>	<u>43,716</u>

No employee received emoluments above £60,000 (2017 – none)

The key management personnel of the charity comprise the trustees including the managing director. The total employee benefits of the key management personnel of the charity were £43,278 (2017 - £43,716).

Travel and accommodation costs amounting to £870 (2017 - £1,241) were paid to one director (2017 – one director) during the year. No other Directors received any remuneration or expenses in the year.

**B.R.A.G Enterprises Limited**  
**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

**8 TANGIBLE FIXED ASSETS**

	<b>Freehold Buildings £</b>	<b>Motor Vehicles £</b>	<b>Fixtures, &amp; fittings £</b>	<b>Computer equipment £</b>	<b>BioMas boiler £</b>	<b>Total £</b>
<u>Cost</u>						
As at 1 April 2017	1,021,961	11,250	152,306	9,515	257,607	1,452,639
Additions	-	-	3,973	2,730	-	6,703
At 31 March 2018	1,021,961	11,250	156,279	12,245	257,607	1,459,342
<u>Depreciation</u>						
As at 1 April 2017	453,042	2,250	140,132	9,515	51,526	656,465
Charge for the year	22,626	2,250	1,992	807	12,882	40,557
At 31 March 2018	475,668	4,500	142,124	10,322	64,408	697,022
<u>Net Book Value</u>						
At 31 March 2018	546,293	6,750	14,155	1,923	193,199	762,320
At 31 March 2017	568,919	9,000	12,174	-	206,081	796,174

During the previous year the freehold land and buildings were revalued by Andrew Reilly Associates Limited on an existing use basis. On an historical cost basis the net book value would have been £546,848 (2017: £569,399).

**9 FIXED ASSET INVESTMENTS**

	<b>Investment Properties £</b>
Market value at 1 April 2016 and 31 March 2018	175,000
Historical cost at 1 April 2016 and 31 March 2018	312,739

The investment property Grainger Street, Lochgelly was valued by Independent Chartered Surveyors, Graham & Sibbald, at 31 March 2014. In the opinion of the Trustees the valuation remains appropriate as at 31 March 2018.

The valuations have been prepared based on a multiple of the annual rental income received and the Trustees feel this is appropriate in the circumstances.

Both properties are currently being marketed for sale.

**10 DEBTORS**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	31,678	19,284
Other debtors	138,283	94,629
	169,961	113,913

# B.R.A.G Enterprises Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2018

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11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018 £	2017 £
Trade creditors	6,289	1,442
Taxes and social security costs	21,461	10,367
Accruals and deferred income	252,746	13,498
Other creditors	3,519	-
	<u>284,015</u>	<u>25,307</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018 £	2017 £
Other long term loans	<u>210,000</u>	<u>210,000</u>
	£	£
LOAN MATURITY ANALYSIS		
Debt due in one year or less	-	-
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
In more than five years	210,000	210,000
	<u>210,000</u>	<u>210,000</u>

In the year ending 31 March 2007 the charity purchased the property it occupies at Crosshill. Fife Council provided a loan of £210,000 which will be payable in the event of the sale of the property. There is no interest on this loan and it is secured on the property.

### 13 PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,216 (2017 - £26,164).

### 14 SHARE CAPITAL

The company has no share capital as it is limited by guarantee. The members have agreed to contribute £1 each in the event of the company being unable to meet its debts.

**15 RESTRICTED FUNDS**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2018 £
Capital Fund	58,999	-	-	-	58,999
Enterprise Growth Fund	145,525	-	(12,882)	-	132,643
Fife Council - Support to Social Enterprise	-	35,000	(28,200)	-	6,800
The Robertson Trust – Formula 25	5,051	10,000	(7,151)	-	7,900
Growbiz	2,500	-	-	-	2,500
Fife ETC – Infrastructure	8,770	70,564	(70,564)	-	8,770
Fife ETC - Delivery	36,596	72,636	(90,332)	-	18,900
Business Gateway – Social Enterprise	20,667	50,000	(43,317)	-	27,350
Big Lottery Fund – Greenpower	2,122	-	(2,122)	-	-
NHS Fife	4,563	21,000	(22,416)	-	3,147
Scottish Government – Aspiring Communities	-	34,201	(34,201)	-	-
Enterprise Hub	-	28,000	(28,000)	-	-
	284,793	321,401	(339,185)	-	267,009

Capital Fund – A grant from Coalfields Regeneration Trust to assist the charity to purchase the building that it trades from. This was intimated in 2007 on the condition that the building must be retained for 25 years, otherwise the amount will have to be repaid.

Enterprise Growth Fund – This is a capital grant which was used to purchase and install the BioMas boiler at Crosshill. The expenditure in the year relates to the annual depreciation charge.

Support to Social Enterprise – Money paid by Fife Council to deliver a project aimed at encouraging the start-up of social enterprise businesses in regeneration areas across Fife.

The Robertson Trust – Formula 25 – A grant from The Robertson Trust to assist in the running of a Formula 25 Police programme.

Growbiz – A grant from Fife Council for the provision of a business support service. It will be carried forward until the launch of the new European Leader programme.

Fife ETC – The Fife Employability and Training Consortium with BRAG as the lead member was funded by Fife Council's Fairer Scotland Fund to provide employability support across Fife.

Business Gateway – This funding was received to assist Business Gateway in providing specialist assistance to new start up social enterprises. It also assists us to help existing Fife based social enterprises grow and prosper.

Big Lottery Fund – Greenpower – Funding to explore the option of setting up a Greenpower Scotland.

NHS Fife – Funding from Fairer Fife Health & Equalities Fund via NHS Fife for a research study in to equalities in Fife.

Aspiring Communities – This Scottish Government funded programme was to carry out a feasibility study on the development of the new consortium approaches to tackling poverty.

Enterprise Hub – These funds were received to run the new Fife Council owned Enterprise Hub in Glenrothes.

**B.R.A.G Enterprises Limited**  
**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2018

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**16 UNRESTRICTED FUNDS**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 March 2018 £
General Fund	439,499	532,072	(565,905)	33,854	439,520
Designated Fund	527,175	-	-	(33,854)	493,321
	<u>966,674</u>	<u>532,072</u>	<u>(565,905)</u>	<u>-</u>	<u>932,841</u>

The General Fund includes amounts which have been given to the charity to be used on specific projects which carry over into the following financial year and are in furtherance of the charity's overall aims and objectives.

The Designated Fund at 31 March 2018 includes a loan element of £210,000 (2017 - £210,000) which is offset against the total net book value of assets £762,320 (2017 - £796,174) less the remaining restricted element of the capital fund £58,999 (2017 - £58,999).

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	-	703,321	58,999	762,320
Investments	175,000	-	-	175,000
Current assets	326,830	-	429,715	756,545
Creditors: amounts falling due within one year	(62,310)	-	(221,705)	(284,015)
Creditors: amounts falling due after more than one year	-	(210,000)	-	(210,000)
	<u>439,520</u>	<u>493,321</u>	<u>267,009</u>	<u>1,199,850</u>

**18 RELATED PARTIES**

During the year B.R.A.G Enterprises Limited paid expenses on behalf of Sabre Associates Limited of £1,967 (2017 - £30,800).

Sabre Associates Limited was dissolved on 19 September 2017.

At 19 September 2017 Sabre Associates Limited was due £31,318 (2017 - £34,889) to B.R.A.G Enterprises Limited. The Trustees had previously considered the recoverability of the outstanding amounts due from Sabre Associates Limited and believed it was prudent to provide for any unrecoverable amounts. The balance provided for amounted to £34,889.

**19 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net movement in funds for the reporting period (as per the statement of financial activities)	(51,617)	104,661
Adjustments for:		
Depreciation	40,557	26,916
Unrealised Gain on revaluation of property	-	(199,882)
Increase in debtors	(56,048)	(25,276)
Increase/(decrease) in creditors	258,708	(75,299)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	<u>191,600</u>	<u>(168,880)</u>