

The Big Issue in Scotland Limited

Report and Financial Statements

Period Ended

28 March 2010

Company Number SC144546



The Big Issue in Scotland Limited

**Report and financial statements
for the period ended 28 March 2010**

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Directors

A J Bird
N Kershaw
P Bird

Registered office

43 Bath Street, Glasgow, G2 1HW.

Company number

SC144546

Bankers

Bank of Scotland, 110 Queen Street, Glasgow, G1 3BY.

Bank of Scotland, P O Box 10, Edinburgh, EH2 2YR.

Solicitors

Burness, 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU.

The Big Issue in Scotland Limited

Report of the directors for the period ended 28 March 2010

The directors present their report together with the audited financial statements for the period ended 28 March 2010.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the period.

Principal activity

The company's principal activity is the production and distribution of a newspaper for sale by the homeless.

Status of the company

The company is limited by guarantee, having no share capital. Each member of the company has undertaken to contribute an amount not exceeding £5 towards any deficit in the event of the company being placed in liquidation. The director has no beneficial interest in the company or its activities.

Donations

During the year the company made charitable donations of £nil.

Directors

The director of the company during the period was:

A J Bird

The following directors were appointed after the period end on 11 January 2011

N Kershaw

P Bird

Director's responsibilities

The directors are responsible for preparing the directors' report and 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 Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Big Issue in Scotland Limited

Report of the directors for the period ended 28 March 2010 (*Continued*)

Director's responsibilities (*Continued*)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors report advantage has been taken of the small companies' exemption.

On behalf of the Board

N Kershaw

Director

Date 25/11/11

The Big Issue in Scotland Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIG ISSUE IN SCOTLAND LIMITED

We have audited the financial statements of The Big Issue In Scotland Limited for the period ended 28 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2010 and of its loss for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

The Big Issue in Scotland Limited

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.



Mr Michael Goldstein (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date 25th January 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Big Issue in Scotland Limited

Profit and loss account for the period ended 28 March 2010

	Note	Period ended 28 March 2010 £	Period ended 1 April 2009 £
Turnover	2	1,232,649	1,345,575
Cost of sales		(532,235)	(532,943)
Gross profit		700,414	812,632
Administrative expenses	3	(802,933)	(907,193)
Operating loss	4	(102,519)	(94,561)
Interest payable		(185)	-
Interest receivable		-	2,641
Loss on ordinary activities before taxation		(102,704)	(91,920)
Taxation on loss from ordinary activities	5	-	12,603
Retained loss on ordinary activities after taxation		(102,704)	(79,317)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on reserves apart from the profit for the period.

The notes on pages 7 to 12 form part of these financial statements.

The Big Issue in Scotland Limited

Balance sheet at 28 March 2010

Company number SC144546	Note	28 March 2010 £	28 March 2010 £	1 April 2009 £	1 April 2009 £
Fixed assets					
Tangible assets	6		27,884		64,201
Current assets					
Debtors	7	95,796		117,269	
Cash at bank and in hand		30,731		108,646	
		<u>126,527</u>		<u>225,915</u>	
Creditors: amounts falling due within one year	8	320,742		348,244	
		<u></u>		<u></u>	
Net current liabilities			(194,215)		(122,329)
			<u></u>		<u></u>
Total assets less current liabilities			(166,331)		(58,128)
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	9		19,620		25,119
			<u>(185,951)</u>		<u>(83,247)</u>
Reserves					
Profit and loss account	11		(185,951)		(83,247)
			<u></u>		<u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 25/11/11

N Kershaw
Director

The notes on pages 7 to 12 form part of these financial statements.

The Big Issue in Scotland Limited

Notes forming part of the financial statements for the period ended 28 March 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Period of financial statements

The financial statements have been prepared for the 52 weeks ended 28 March 2010. In the prior year the financial statements reflected the 52 weeks ended 1 April 2009.

Basis of preparation

The financial statements have been prepared on a going concern basis which the director considers appropriate for the following reasons:

The director has prepared projected cash flow information for the period ending 12 months from the date of their approval of these accounts. On the basis of this cash flow information, due to significant cost savings already achieved in the next financial year, the director considers that the company will continue to meet liabilities as they fall due.

The company's bank has been very supportive in these difficult economic conditions and has granted an overdraft facility of £100,000 to The Big Issue Company Limited, another group company. They continue to be very committed to the Big Issue group of companies.

The company meets its day to day working capital requirements through funds generated from its business activities without the need for additional loan facilities. Going forward, there is a confirmed directive to increase the price of the magazine, which will result in a significant upsurge in revenue. All areas of the business are under scrutiny with further cost savings to be made in the foreseeable future.

The financial statements do not include any adjustments that would result from this going concern basis of accounts being inappropriate.

Turnover

Turnover represents amounts receivable in the ordinary course of business in respect of advertising revenue, the sale of newspapers and other complementary activities, excluding value added tax.

Depreciation

Depreciation is provided by the company to write off the cost less estimated residual value of all tangible fixed assets, by equal instalments over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	33% per annum
Leasehold improvement policy	-	33% per annum
Motor vehicles	-	33% per annum

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

The Big Issue in Scotland Limited

Notes forming part of the financial statements for the period ended 28 March 2010

1 Accounting policies (Continued)

Deferred taxation (continued)

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Rentals under operating leases are charged to the profit and loss account as incurred.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

	Period ended 28 March 2010 £	Period ended 1 April 2009 £
Staff costs consist of:		
Wages and salaries	733,083	686,038
Social security costs	52,529	89,136
	<u>785,612</u>	<u>775,174</u>
The average number of employees, including director, during the period was:	Number	Number
Employees	24	26
	<u>24</u>	<u>26</u>

The directors did not receive any remuneration during the current or prior period.

4 Operating loss

	Period ended 28 March 2010 £	Period ended 1 April 2009 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	38,882	39,262
Auditors' remuneration - audit	12,552	12,072
	<u>51,434</u>	<u>51,334</u>

The Big Issue in Scotland Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (Continued)

5 Taxation on loss from ordinary activities

	Period ended 28 March 2010 £	Period ended 1 April 2009 £
<i>Current tax</i>		
UK corporation tax on losses of the period	-	-
Adjustment in respect of previous years	-	(12,603)
	<hr/>	<hr/>
Total current tax	-	(12,603)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	(12,603)
	<hr/>	<hr/>

The tax assessed for the period differs to the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 28 March 2010 £	Period ended 1 April 2009 £
Loss on ordinary activities before tax	(102,704)	(91,920)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (1 April 2009 - 28%)	(28,757)	(25,738)
Effects of:		
Expenses not deductible for tax purposes	63	894
Depreciation in excess of capital allowances	3,254	6,132
Trading losses	25,440	18,712
Overprovision in prior year	-	(12,603)
	<hr/>	<hr/>
Current tax credit for period	-	(12,603)
	<hr/>	<hr/>

The Big Issue in Scotland Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

6 Tangible assets

	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
<i>Cost</i>			
At 2 April 2009	61,584	196,084	257,668
Additions	-	2,565	2,565
	<hr/>	<hr/>	<hr/>
At 28 March 2010	61,584	198,649	260,233
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 2 April 2009	31,869	161,598	193,467
Charge for the period	18,339	20,543	38,882
	<hr/>	<hr/>	<hr/>
At end of period	50,208	182,141	232,349
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 28 March 2010	11,376	16,508	27,884
	<hr/>	<hr/>	<hr/>
At 1 April 2009	29,715	34,486	64,201
	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £11,367 (1 April 2009 - £32,889) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £18,339 (1 April 2009 - £16,309).

7 Debtors

	28 March 2010 £	1 April 2009 £
Trade debtors	44,472	58,343
Other debtors	12,120	35,295
Prepayments and accrued income	34,817	6,641
Corporation tax	-	12,603
Deferred tax	4,387	4,387
	<hr/>	<hr/>
	95,796	117,269
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

The Big Issue in Scotland Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

8 Creditors: amounts falling due within one year

	28 March 2010 £	1 April 2009 £
Trade creditors	46,605	67,805
Taxation and social security	37,705	73,647
Other creditors	1,166	2,291
Accruals	86,688	55,927
Corporation tax	-	-
Amounts owed to parent	141,190	133,680
Obligations under finance lease	7,388	14,894
	<u>320,742</u>	<u>348,244</u>

The company has granted a bond and floating charge to the Bank of Scotland to obtain overdraft facilities.

9 Creditors: amounts falling due after more than one year

	28 March 2010 £	1 April 2009 £
Obligations under finance leases	19,620	25,119
	<u>19,620</u>	<u>25,119</u>

10 Liability of members

The liability of members is limited. In the event of the company being wound up during a member's period of membership, or within one year afterwards, an amount not exceeding £5 may be required from that member towards the payment of the debts and liabilities of the company incurred before membership ceased.

As at 28 March 2010 the company had 1 member (1 April 2009 - 1 member), The Big Issue Company Limited.

11 Reserves

	Profit and loss account £
At beginning of period	(83,247)
Loss for the financial period	(102,704)
	<u>(185,951)</u>
At 28 March 2010	<u>(185,951)</u>

The Big Issue in Scotland Limited

Notes forming part of the financial statements
for the period ended 28 March 2010 (*Continued*)

12 Reconciliation of movements in shareholders' funds

	Period ended 28 March 2010 £	Period ended 1 April 2009 £
Loss for the period	(102,704)	(79,317)
Reduction in shareholders' funds	(102,704)	(79,317)
Opening shareholders' deficit	(83,247)	(3,930)
Closing shareholders' deficit	(185,951)	(83,247)

13 Commitments under operating leases

As at 28 March 2010, the company had annual commitments under non-cancellable operating leases as set out below:

	28 March 2010 Land and buildings £	1 April 2009 Land and buildings £
Operating leases which expire:		
Within one year	-	5,750
In more than 5 years	9,500	24,750

14 Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with entities where 100% of the voting rights are controlled within the group.

15 Ultimate parent company

The company's ultimate holding company is The Big Issue Company Limited, a company registered in England and Wales. Copies of the financial statements are available from Companies House.

16 Cash flow statement

The company has used the exemption under FRS 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 2006.