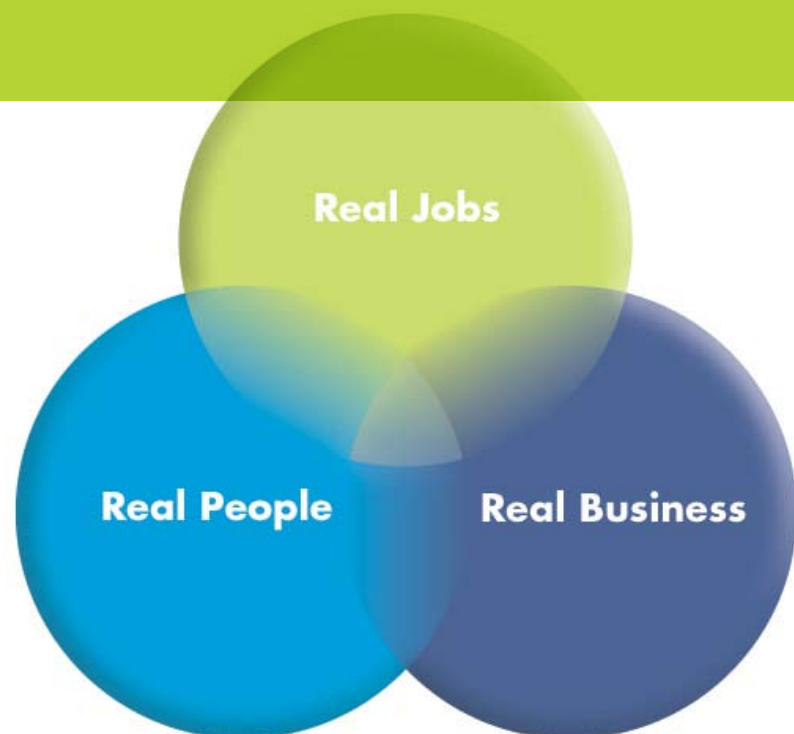


Investment £1

Return £7.34

Prospectus



“Real work experience
in real businesses,
that’s our approach.
It’s bold and it works.
More investment
means more returns.”

Andy Hunter, Founder, Forth Sector

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Introduction by the Chief Executive

Stability is a myth. Change is unrelenting; it creeps up imperceptibly or arrives with a bang. There is sense of something profound happening in the economy and in society.

At local level there is the same sense. The economic outlook is grimmer than could have been imagined, even six months ago. For organisations like ours, the surety of grant funding has evaporated with swingeing cuts in public funding. The move to competitive tendering is inexorable. This has already had a profound impact on Forth Sector, and over the last year, recognising the paradigm shift taking place, we have reduced grant income from 50% to 15%, but the change with the most far-reaching consequences for our clients will be Welfare Reform.

Cold economic reality means that the amount of money available for social care will decline over coming years. This will have most impact on those who are not considered to be in need of a high level of care and not able to move into mainstream employment without considerable help. These people, the majority of whom have mental health problems, will be even more marginalised by the emerging harsh regime.

They are our natural constituency, and we are well placed to support them, provided we have the capacity to do so.

The UK Government's ongoing strategy of moving people off benefits into employment has been confounded by the economic crisis, which has made it even more difficult to bring people excluded from mainstream employment into work. In a time of little or no economic growth, the growth market is in 'employability'. With more than 18,000 Incapacity Benefit claimants in Edinburgh alone, this is the market opportunity for Forth Sector. Our USP is that we can offer real work placements for real people (who are not, by the way, just statistics) in real businesses. The gap in the market lies here, because while a plethora of organisations offer training and 'work preparation' all the evidence is that what really makes the difference to a person's employability is 'Individual Placement and Support' (IPS). IPS relies on providing a real work environment; Forth Sector almost uniquely offers this through its businesses – real, competitive businesses.

Our business plan took the equivalent of seven person-years to produce to ensure we had a plan which we and prospective investors could believe in. We have undertaken a comprehensive reappraisal of our operation and know what we have to do to increase our impact and be sustainable.

The final section of the plan is a forecast of social return on investment (SROI). For every £1 of investment made in our plans, a return of more than £7.34 in measured social value can be expected. This is the true bottom line. We cannot offer the financial return of a hedge fund but what we can offer the forward thinking investor is real social return. I commend the plan to you and invite you to invest in something which will produce a real return for real people.

Mike Finlayson
Chief Executive
April 2011



“The future has a way of arriving unannounced.”

George Will

SROI Summary

This report presents a forecast of the social return created by Forth Sector's Business Development Plan that forecasts substantial growth over the next five years.

The Business Development Plan has identified an amount of £3.3 million capital and revenue investment required to facilitate this growth. Every day our actions and activities create and destroy value; they change the world around us. Although the value we create goes far beyond what can be captured in financial terms, this is, for the most part, the only type of value that is measured and accounted for. As a result, things that can be bought and sold take on a greater significance and many important things get left out.

Decisions made like this may not be as good as they could be as they are based on incomplete information about full impacts. Social Return on Investment (SROI) is a framework for measuring and accounting for this much broader concept of value. Forth Sector has used SROI to understand the impact of its planned developments and show how it understands the value created.

The change experienced by Forth Sector's main stakeholders has been measured, valued and recorded. The Forecast showed that:

- as a result of working with Forth Sector, clients are improving their physical (fitness) and mental health (confidence, self esteem, mood, outlook on the future) and are better able to cope with their issues and life in general;
- as a result of working with Forth Sector, clients are better able to deal with other people (friends and family, social life, people skills);
- as a result of working with Forth Sector, clients are happier with what they do with their life (meaningful use of time, social status, contribution to society);
- working with Forth Sector is a secure environment for clients to work in;

- Forth Sector’s work has an impact on the workload of other services.
- Forth Sector’s work changes the relationship of its clients with other service providers (more confident clients that are better able to communicate their wishes) and has a positive effect on the relationship of clients with these other service providers;
- occupational therapists say their therapy is more effective because their clients work with Forth Sector; and
- the government can make considerable savings because people far removed from the labour market get into employment and do not claim benefits and contribute through income tax.

This analysis estimates that for every £1 invested in Forth Sector’s Business Development Plan there is social value of £7.34 created.



Forecast SROI conducted by Ekos, - independent social and economic development consultancy

Executive Summary

Forth Sector is a company limited by guarantee and a charity based in Edinburgh. Formed in 1991, it supports people who for a variety of reasons are disadvantaged and unable to secure meaningful employment; many clients have mental health issues. It does this using a 'social firms' model where clients are offered placements in the organisation's businesses where they gain work experience and receive training and support from professional case-managers. The organisation and its component businesses have won numerous awards.

The strategy is to transform the organisation through investment in order to support many more people and ensure sustainability in future.

Larger, purpose-built premises will be acquired to provide accommodation for most activities. This will allow increased production capacity and the ability to support many more clients.

The organisation will develop further its model of employability to exploit new market opportunities by tendering for contracts and subcontracts. It will support a wider range of disadvantaged people and carry out training for work. This will lead to 470 clients being supported by 2016. The organisation will lose dependency on grants by 2013.

Investment in production space, facilities, product development, sales, marketing and organisational capacity will treble sales from social firms by 2016.

Forth Sector Development Ltd will become a separate trading company with its own Board and strategy to exploit new market opportunities.

Investment will be used to:

- Acquire new premises £300,000
- Fit out premises £1,700,000
- Purchase and install plant & equipment £53,000
- Working capital £421,000

Group annual sales in 2016 will be £2.8 million. £0.6 million from Employability Services, £1.5 million from Social Firms and £0.6 million from Forth Sector Development Ltd.

Group annual profits will be £138,000 by 2016.

The balance sheet will show £1.7 million net assets at the end of 2016.

£2.5 million of investment will be required to finance planned expansion. £800,000 of this will be in the form of loans and £1.7 million in the form of grants. Investment will be sought from a number of sources.

Social Return on Investment (SROI) will be £7.34 for every £1 invested.

Financial Summary

Year to 31 March	2011	2012	2013	2014	2015	2016
	£	£	£	£	£	£
SUMMARY PROFIT & LOSS ACCOUNT						
Sales	1,304,502	1,804,001	2,102,896	2,231,845	2,531,999	2,794,951
Cost of Sales	(169,395)	(162,450)	(190,709)	(252,993)	(339,825)	(397,958)
Operational Costs	(1,210,330)	(1,548,895)	(1,817,437)	(1,950,794)	(2,126,895)	(2,217,335)
Restructuring	(3,342)	(20,000)				
Set-up Costs		(195,802)	(105,267)	(40,000)	(40,000)	(40,000)
Interest	(6,363)	(7,699)	(55,130)	(56,645)	(51,800)	(46,568)
Release of Grant	0	195,802	110,529	45,262	45,262	45,262
Profit/(Loss)	(84,928)	64,956	44,882	(23,325)	18,741	138,352
SUMMARY BALANCE SHEET						
Fixed Assets	787,043	1,513,440	2,006,282	2,176,352	2,119,184	2,006,668
Current Assets	467,090	904,245	969,643	726,818	749,829	920,363
Current Liabilities	(557,140)	(478,728)	(550,308)	(604,556)	(660,571)	(694,799)
Net Current Assets	(90,050)	425,517	419,335	122,262	89,259	225,565
Long-term Liabilities	249,616	341,911	702,439	636,725	565,780	489,183
Net Assets	447,376	1,597,046	1,732,179	1,661,888	1,642,663	1,743,049
Total Reserves	447,376	1,597,046	1,732,179	1,661,888	1,642,663	1,743,049
SUMMARY CASH FLOW						
Opening Cash Balances	(68,877)	(128,243)	385,098	521,989	349,934	321,584
Cash Inflow/(Outflow):						
Trading	(30,111)	79,891	188,438	138,812	91,363	186,127
Capital Expenditure	0	(1,531,054)	(565,766)	(250,000)	(54,000)	0
Set-up Costs	0	(195,802)	(105,267)	(40,000)	(40,000)	(40,000)
Grants	0	1,355,517	224,483	40,000	40,000	40,000
Loans	(29,255)	104,789	395,001	(60,867)	(65,713)	(70,946)
Sale of Six Mary's Place		700,000				
Closing Cash Balances	(128,243)	385,098	521,989	349,934	321,584	436,764
KEY RATIOS						
Return on Capital Employed	-19%	4.1%	2.6%	-1.4%	1.1%	7.9%

“What helped me to develop? Being treated as a ‘normal’, capable individual in a job.”

SROI Impacts

When the new service is in full operation, Forth Sector creates more than £3,000,000 additional social value per year. For every pound of investment in the service an investor will get £7.34 back in social value.



Activities

Forth Sector is a company limited by guarantee and a charity based in Edinburgh. In its current form since 1991, it supports people who for a variety of reasons are disadvantaged and unable to secure meaningful employment; many clients have mental health issues.

The organisation uses a 'social firms' model. Clients are offered placements in the organisations' businesses where they gain work experience and receive training and support from professional case-managers.

Social firms are real businesses operating in competitive markets; they provide genuine and challenging work placements.

The organisation has a highly competent and experienced board and senior management team, a strong brand and solid history. It has three operational divisions, Employability Services, the Social Firms Division and Forth Sector Development Ltd.

Employability Services

The Division provides professional case-management, training and therapeutic support to clients who face disadvantage and as a consequence are excluded from meaningful work. The team consists of case managers, occupational therapists and a training coordinator, headed by an experienced manager. The team work closely with Business Managers and supervisors in Forth Sector's businesses to ensure supportive working environments. They work with clients to help them meet their personal goals and wherever possible, to move on into meaningful employment.



Social Firms Division

Under the leadership of a highly experienced manager, the Division operates three commercial businesses where clients take up work placements under the supervision of managers and core staff. Businesses now include St Jude's Laundry transferred to Forth Sector recently as a result of partnership working with Capability Scotland, Edinburgh Embroidery Services bespoke embroidery and work wear business and The Scottish Soapworks, a combined manufacturing and wholesale business.

Forth Sector Development Ltd (FSD Ltd)

FSD Ltd is a highly successful consultancy business, which gift-aids a proportion of profit back to the charity. The business operates on a wholly commercial basis with its own strategy and board.



“Our primary focus as a charity is to provide employability support to aid the recovery of people with mental health problems. We achieve this, uniquely, by offering placements within our businesses complemented by professional support provided by our Employability Services team. Forth Sector Development is our consultancy arm offering high level business development services.”

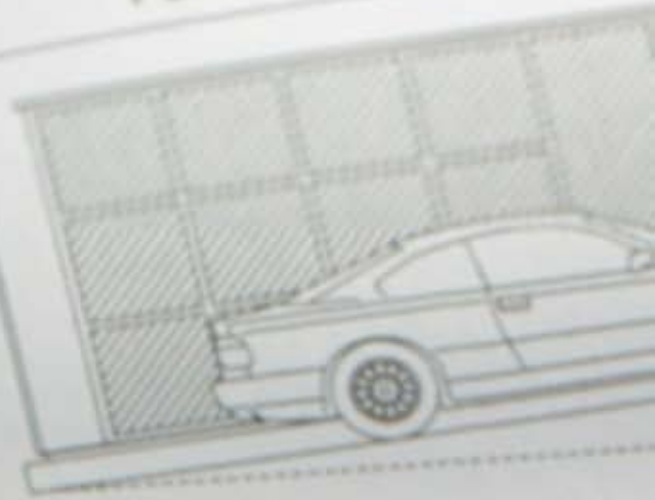
“Forth Sector has blazed a trail for innovation and enterprise”

Antonia Swinson - CEO of Scottish Social Enterprise Coalition

SROI Impacts

The SROI consultations exceeded our expectations and our clients told us of 11 important changes our services make to their lives, including improved confidence, improved physical and mental health, better coping and life skills and improved social relationships.

FORTH SECTOR DEVELO



ony 52sq.m.
560sq.ft.

Site Section



Ambitions

Our ambition is to support many more people by creating more and better work placement opportunities in sustainable businesses. The organisation will lose dependency on grants by 2013.

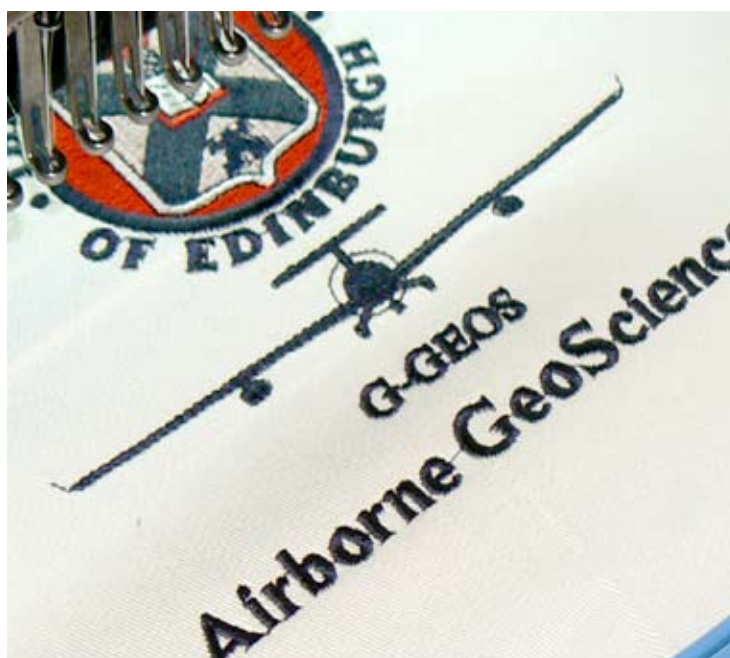
Larger premises will provide purpose-built accommodation for businesses and support facilities. They will allow increased production capacity and the ability to support many more clients in a suitable environment. They will create considerable economies of scale and energy efficiencies.

Sales across social firms will treble by 2016 through investment in premises, plant and machinery, product development sales and marketing.

Employability Services will develop further its model of employability to exploit new market opportunities by tendering for contracts and subcontracts. It will support more clients claiming Incapacity Benefit, Employment Support Allowance and Job-Seekers Allowance and a wider range of disadvantaged people and carry out training for work. This will lead to 470 clients being supported by 2016.

Forth Sector's commercial laundry business, currently based in Parkview Laundry, will benefit from significant investment in new high capacity plant and equipment, allowing it to compete for and win larger contracts. The recent acquisition of Saint Jude's Laundry, has brought about a seven fold increase in trading revenue from laundry operations, and will allow us to support many more clients in a busy commercial environment.

In the first half of 2011 a significant restructuring of Forth Sector's social firms will take place.



This pennant, above, embroidered by Edinburgh Embroidery Services, commissioned by Edinburgh University, travelled with Nasa astronaut Piers Sellers on the Space Shuttle Atlantis in May 2010.

Edinburgh Embroidery Services will be re-branded and additional equipment purchased to allow it to widen significantly its product offering. In the process it will adopt an ethical stance, sourcing fair-traded and organic products and raw materials. Sales will more than double by 2016.

The Soap Co (Edinburgh) will be relaunched as The Scottish Soapworks and will undertake a programme of process improvement and product development in support of its business growth objectives. The Scottish Soapworks manufacturing will exploit newly identified channels of distribution and develop a new offering to increase its turnover four-fold. It will also manufacture related or similar products.

Increased production space will be made available, new production equipment installed and a fulfilment facility built into the new premises. It will trade ethically. The Scottish Soapworks website will become a portal for Scottish produced soap, gifts and related products.

Forth Sector Development Ltd will continue to grow and develop with a new board and strategy. It will exploit new market opportunities.



Business Strategy

Our business strategy can be summed up in three words, investment, investment and investment: in capacity; in growth; and in people.

There is a huge demand for what we do. Need is increasing and 'employability' is the market opportunity. The aim is to support many more people and to support them better. Everything else is subservient to this. Just two objectives guide us:

- To create real work environments in which our service users and our staff can flourish.
- To create a sustainable business model.

Creating real work environments requires careful consideration of the type of business we operate and the work conditions in that business. It is important for our clients that they experience challenging but supportive work environments in credible, competitive businesses. This creates the essential challenge and tension, which aids recovery, increases self-esteem and prepares people for real work. Our aim is to develop these environments.

If we are to support more people we need to create more work placement opportunities; this means bigger businesses offering a wider choice of opportunities. It also means creating sustainable businesses, which are not dependent on grant-funding. Our strategy therefore is to grow the existing portfolio of

businesses through investment in more space, efficient plant and equipment, product development, sales and marketing, and especially people. Detailed plans reflect this. We expect to at least treble turnover in existing businesses by 2016 and possibly acquire new or existing businesses as well.

Until now, Forth Sector has been largely dependent on grant-funding. While funds were readily available and local authorities had the will and means to fund activities, this model was viable. This is no longer the case. Funds are drying up and what funding there is will be packaged and put out to competitive tender. ESF funding, which Forth Sector has benefitted from for some years, will disappear from 2013, perhaps sooner. By growing businesses, including our already successful consultancy business, and making the Employability Services Division a profit-centre, able to tender for contracts, we will lose dependency on any form of grant-funding.

Transforming Forth Sector will require larger premises and all of the paraphernalia of business development but the transformation depends largely on the ability to transform thinking and competency. For this reason we plan to invest in building organisational capacity and competency through recruitment and the training and development of existing staff.

Investment Offer

Year to 31 March	2012	2013	2014	2015	2016	Total
	£	£	£	£	£	£
FUNDING REQUIREMENTS						
Purchase of New Premises						
Acquisition Costs	300,000					300,000
Refurbishment	1,195,974	548,226				1,744,200
Plant & Equipment	35,080	17,540	250,000	54,000		356,620
Working Capital	195,802	105,267	40,000	40,000	40,000	421,070
Interest & Capital Repayments						
Total	1,726,856	671,033	290,000	94,000	40,000	2,821,890
Cumulative Total	1,726,856	2,397,890	2,687,890	2,781,890	2,821,890	
FUNDED BY						
Loans	371,340	446,550				817,890
Grants	1,355,517	224,483	40,000	40,000	40,000	1,700,000
Total	1,726,856	671,033	40,000	40,000	40,000	2,517,890
Cumulative funding:						
Loans	371,340	817,890	817,890	817,890	817,890	
Grants	1,355,517	1,580,000	1,620,000	1,660,000	1,700,000	
Total	1,726,856	2,397,890	2,437,890	2,477,890	2,517,890	

“I am more
confident in
the workplace
now”

SROI Impacts

Consultation with other professionals working with our clients showed that Forth Sector’s services have an influence on their relationships with our clients.

Clients are more confident and better able to express what they want and thus get better services.

Parkview Laundry, now part of St Jude's Laundry, has been washing the kits of the Scottish Rugby Union for the last 11 years

Experience



Organisational Strengths

Our strengths lie in our purpose, our approach and our people.

Our purpose is to support people excluded from mainstream employment. We do this by providing real work placements in real, competitive businesses, backed up with training and personal support. We have been doing this for nearly two decades and we are good at it but we are always seeking out new ways to become even better.

There is need for what we do from the many people who face exclusion from meaningful employment, and demand from government, local authorities and others to provide these services, efficiently and effectively.

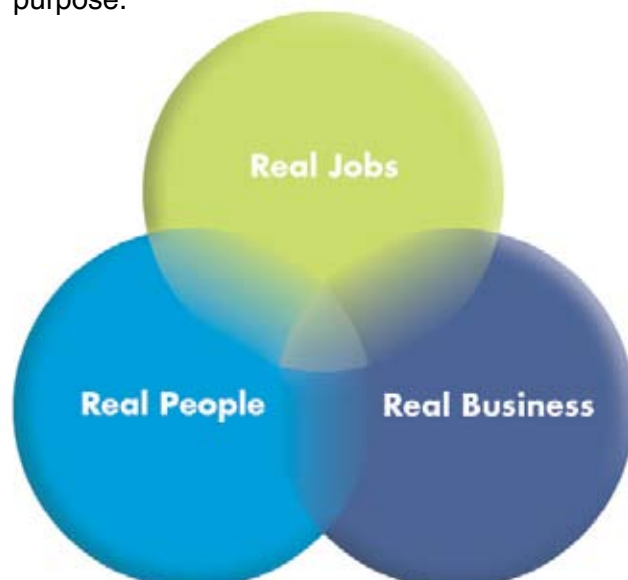
We are clear that work is good for wellbeing, but not just any work, it must be challenging and meaningful; it must support wellbeing not undermine it. This is what we provide.

Our approach is very different from other organisations; Forth Sector is no ordinary charity and no ordinary business. We call it the 'Forth Way'. No multiple bottom line here, just one - measurable social value. We unashamedly use the tools of business to

deliver a social aim. People who experience the Forth Way are supported to recover and move on. The individual benefits, society benefits. What we do creates social capital and has social value and is measurable.

Forth Sector has a strong brand in the social enterprise and the employability markets. Forth Sector Development Ltd, our consultancy business, exploits our knowledge, skills and experience commercially and for the benefit of others, adding social value. This is evidenced by their securing of key Scottish Government contracts to deliver aspects of the Scottish Enterprising Third Sector Action Plan, including the SROI Project in association with the Office of the Third Sector and Public Social Partnerships with Price Waterhouse Cooper.

Forth Sector is a well-managed, efficient and effective organisation. Our people are experienced professionals in business, employment and care, who have chosen to use their skills and experience for a social purpose.



Why Invest?

Callum

“Angry? Too true I’m angry. How would you feel if you were thrown on the scrap (heap) at 38; treated like a no-one just because you cracked up?

Five years ago. (I) haven’t worked since. (My) marriage broke up, lost my house, my car, my holidays, my kids, my friends, my self-respect. (I) have a pretty shitty life; Angry? yeah I’m angry, sad, depressed, pissed off, tired, bitter and scared if you want to know the truth. I wonder why I get up, sometimes I don’t; sometimes I don’t want to wake up, ever again. Ever.

The guys at the Social (the ‘social’ listen to me!), tell me I’m fit to work, I have to make the effort, and if I don’t (my) benefits go down the Swanee. Half of nothing is nothing. You know, Catch 22.

If you could work you would but because you haven’t worked for five years and they think you’re mental you don’t get a job; check-mate; stuffed, screwed, finito, problemo.

Why did I crack up? Mind your own business.”

17 months later.....

“Am I still angry? Yes, but with myself mostly, and sad but in a different way from when you asked me before. Anyway, the time in <deleted> has been good, very good.

I know I was pretty grim when I started, can’t think why <deleted> put up with me. Don’t get me wrong, I’m grateful and all that (but) the work is a bit low-level for me to be truthful. Anyway, the reason I wanted to speak to you is I’m off back to college, so I’ll be leaving you. They need plumbers, well heating engineers really, and I want to work for Scottish Gas. The training’s good and the money would be amazing.

So it’s a fond farewell and well, thanks, for everything, really. You guys have been good. I might be back, but I hope not (nothing personal like).”

We offer a sound investment, but figures cannot fully convey the true value to Callum, and the thousands we have supported in the past like him, and the thousands we will support in future.

Management Team

Mike Finlayson

Chief Executive

After running large department stores around the UK for a well known national chain, my first exposure to the third sector was as Retail Advisor to Oxfam. I went on to run Community Business Scotland and then Employee Ownership Scotland. I then joined RNIB as Director of Development.

I set up Teacher Support Scotland, a charity that did what it said on the tin and led a research task group on mental health and employability. With a business background, many years experience leading organisations and an interest in mental health and employment the obvious place to come was Forth Sector.

Neal Mackay

External Communications Director – Deputy CEO

Neal has responsibility for all marketing and communications functions for Forth Sector Businesses and Employability Services and sits on the board of Forth Sector Development. With a background in financial services and advertising, Neal started as Marketing Manager for Forth Sector. Neal is actively involved in supporting social enterprise activity in Scotland as a Board member of the Scottish Social Enterprise Coalition. Neal has a BA in Communications and is a Member of the Institute of Business Advisers.

Susan Mclaughlin

Head of Employability Services

Susan started work as a Charge Nurse in Elderly Assessment; then for the Social Work Department, to set up one of the early community based support services for people who had severe and enduring mental health illnesses. Susan developed a similar service for Edinburgh Association for Mental Health.

She managed a care home for people with dementia and a housing support service for people with mental health illnesses and learning disabilities. Susan then worked for a Housing Association, managing their care homes and developing systems and policies for the housing support services.

She is a qualified SEN, RMN, has a diploma in Nursing Studies, and an MBA.

Steve Baxter

Head of Social Firms

Steve has undertaken a number of business development roles, including sales and marketing management, export and distributor sales management, and the establishment of new business.

He has most experience in the health and social care sector, negotiating the supply of equipment and services to third sector care providers, the NHS and local authority Social Services and Education departments. Prior to working in Forth Sector he provided consultancy and training services for a number of third sector care providers and local authorities in Scotland and the north of England.

Jeremy Devlin-Thorp

Finance Director

Jeremy Devlin-Thorp is a CA and was appointed by the Board of Forth Sector in August 2009 to work with the Chief Executive on the financial transformation of the company.

Jeremy has 32 years experience as a finance director and business advisor, and has worked for a number of major commercial companies as well as running his own business in the field of business and personal growth. Jeremy brings a key blend of commercial control together with an understanding of the third sector to guide Forth Sector to its next level of growth.

Susan Duncan

Head of Finance and Administration

Susan Duncan is Head of Finance and Administration for Forth Sector. Prior to that she worked for Orkney Health Board as Accounts Payable Manager. She has recently completed her Association of Accounting Technician qualification and is a member of the association.

Susan manages the team that provides a finance and administration service to all the departments/businesses within the Forth Sector Group.

Board Experience

John Duncan

John Duncan has been the Chair of Forth Sector since 2007 and a board member since 2001. John is a qualified chartered accountant and has worked in accountancy firms in Scotland, London and Hong Kong. John has experience within the voluntary sector as Financial Controller of Maggie's Centre and then as Director of the English Speaking Union Scotland.

Craig Russell

Craig is Deputy Director for Efficiency and Transformational Government Division at the Scottish Government, which includes responsibility for shared services, benchmarking, Public Sector ICT Policy, Identity and Privacy Policy e-Care and GIS. Previous posts have included responsibilities for the Year 2000 Compliance programme, and the Management of Change, Efficiency Planning and Performance Management programmes. Craig joined Forth Sector's board in 2009.

Roy Durie

Roy Durie has had a long career specialising in the sale and valuation of public and industrial property. A Fellow of the Royal Institution of Chartered Surveyors and a member of the British Institute for Management, Roy has worked for the Ministry of Defence and many health boards among other clients in the public property sector. Roy has been a board member of Forth Sector for over four years.

Ian Stevenson

With a degree in Computer Science and Engineering, Ian has worked in a range of businesses, most recently working on applications to telecommunications providers based on a proprietary platform technology. During 2009 Ian participated in the prestigious Saltire Fellowship, which included a placement with Sun Microsystems in Silicon Valley. Ian is currently in a marketing role with Scottish technology company ATEEDA. Ian has been on the board of Forth Sector since 2009.

Andy Hunter

Andy Hunter founded Edinburgh Community Trust (later to become Forth Sector) in 1981 with a group of like-minded trustees. For many years Andy worked for Garvald Edinburgh, a charity providing day, accommodation and support services for adults with disabilities.

Mike Harland

Mike Harland is an independent consultant with over 36 years of practical experience in social work, housing and social policy development with local and central government, NGOs and Civil Society - both in the UK and Eastern Europe. Currently, Mike is working in Russia developing the creation of social enterprises and a sustainable enterprise programme. Mike joined the board of Forth Sector in 1991.

Kate Storrow

Kate Storrow is Employment and Learning Services Manager for RNIB, a post she has held since 2000. Kate manages teams in Aberdeen, Edinburgh and Glasgow who help over 60 blind and partially sighted people a year into jobs and help to retain over 100 jobs. Kate is also involved in the design and delivery of the £2.5 million Employment and Learning Centre at Jewel and Esk College through RNIB.

Kate joined Forth Sector in 2009.

Alison Meiklejohn

Alison Meiklejohn is Occupational Manager for Royal Edinburgh Associated Services and Edinburgh Community Partnership. She has worked in the field of mental health since 1985. In 1990 Alison became Head Occupational Therapist for In-Patient Rehabilitation Services, a role that expanded to include specialist services, acute psychiatry, older people, children and adolescent mental health, physical disabilities and, in particular vocational rehabilitation. It is through vocational rehabilitation that Forth Sector first came to Alison's attention.

Alison joined the board in 2006

Juliet Cheetham

Juliet is a social worker and has worked in probation and after care and mental health services in England and Scotland.

Juliet has also taught social work and medical students at Oxford University and spent some years as a researcher. She returned to Scotland to set up the Social Work Research Centre at Stirling University to undertake evaluation of the effectiveness of social work services.

Juliet was the Social Work Commissioner with the Mental Welfare Commission for Scotland and now works for the Social Work Inspection Agency, as well as being a General Member for the Mental Health Tribunals.

Juliet became a Forth Sector board member in 2006.



“There were so many benefits from training in a real working environment”

SROI Impacts

Because of Forth Sector’s ability to move people who are far removed from the labour market into employment, the government is expected to save almost half a million pounds in benefits payments per year and get £180,000 in extra income tax.



Profit and Loss

Year to 31 March	2011	2012	2013	2014	2015	2016
	£	£	£	£	£	£
SALES						
Social Firms						
Trading	349,354	888,416	982,910	1,169,129	1,341,313	1,534,801
Placements	0	0	0	0	0	0
Social Firms Total Sales	349,354	888,416	982,910	1,169,129	1,341,313	1,534,801
Employability Services	473,835	456,500	624,174	527,239	612,371	635,570
Forth Sector Development Ltd	481,313	459,085	495,812	535,477	578,315	624,580
Total Sales	1,304,502	1,804,001	2,102,896	2,231,845	2,531,999	2,794,951
GROSS PROFIT						
Social Firms	271,811	813,466	886,701	1,018,196	1,111,713	1,255,885
Employability Services	473,835	456,500	624,174	527,239	612,371	635,570
Forth Sector Development Ltd	389,461	371,585	401,312	433,417	468,090	505,537
Total	1,135,107	1,641,551	1,912,187	1,978,852	2,192,174	2,396,992
OPERATIONAL COSTS						
Social Firms	398,203	820,937	830,875	893,525	968,561	1,018,580
Employability Services	209,015	218,356	326,598	354,008	377,265	381,596
Forth Sector Development Ltd	256,629	249,473	278,609	300,898	324,969	350,967
Finance & Administration	109,581	108,323	193,879	226,945	232,294	237,750
Management	164,418	78,070	114,126	116,409	118,737	121,112
Corporate Costs	72,484	73,736	73,350	59,009	105,069	107,331
Total	1,210,330	1,548,895	1,817,437	1,950,794	2,126,895	2,217,335
OPERATIONAL PROFIT						
Social Firms	(126,392)	(7,471)	55,826	124,671	143,152	237,306
Employability Services	264,820	238,144	297,576	173,232	235,106	253,973
Forth Sector Development Ltd	132,832	122,112	122,703	132,519	143,121	154,570
Sub-Total	271,260	352,785	476,105	430,422	521,378	645,849
Finance & Administration	(109,581)	(108,323)	(193,879)	(226,945)	(232,294)	(237,750)
Management	(164,418)	(78,070)	(114,126)	(116,409)	(118,737)	(121,112)
Corporate Costs	(72,484)	(73,736)	(73,350)	(59,009)	(105,069)	(107,331)
Total Operational Profit/(Loss)	(75,223)	92,656	94,750	28,059	65,279	179,657
Loan Interest	(6,363)	(7,699)	(55,130)	(56,645)	(51,800)	(46,568)
Restructuring	(3,342)	(20,000)				
Set-up Costs		(195,802)	(105,267)	(40,000)	(40,000)	(40,000)
Release of Grant		195,802	110,529	45,262	45,262	45,262
NET PROFIT/(LOSS)	(84,928)	64,956	44,882	(23,325)	18,741	138,352

Balance Sheet

Year to 31 March	2011	2012	2013	2014	2015	2016
	£	£	£	£	£	£
FIXED ASSETS						
Property	775,000	1,495,974	2,000,595	1,956,990	1,913,385	1,869,780
Plant & Equipment	12,043	17,466	5,687	219,362	205,799	136,888
Total	787,043	1,513,440	2,006,282	2,176,352	2,119,184	2,006,668
CURRENT ASSETS						
Stock	10,000	10,000	10,000	10,000	10,000	10,000
Debtors	452,090	509,147	437,654	366,884	418,247	473,599
Cash	5,000	385,098	521,989	349,934	321,583	436,764
Total	467,090	904,245	969,643	726,818	749,829	920,363
CURRENT LIABILITIES						
Creditors and Accruals	410,000	452,334	489,440	538,843	589,625	618,202
Bank Overdraft	133,242	0	0	0	0	0
Loans Repayable within 1 Year	13,898	26,394	60,868	65,713	70,946	76,596
Total	557,140	478,728	550,308	604,556	660,571	694,799
NET CURRENT ASSETS	(90,050)	425,517	419,335	122,262	89,259	225,565
LONG-TERM LIABILITIES						
Loans Repayable within 2-5 years	60,331	127,130	295,954	319,531	344,993	372,491
Loans Repayable after 5 Years	189,285	214,781	406,484	317,195	220,787	116,692
NET ASSETS	447,376	1,597,046	1,723,179	1,661,888	1,642,663	1,743,049
Financed by:						
Reserves	447,376	437,332	482,214	458,889	477,630	615,982
Grants	0	1,159,714	1,240,965	1,202,999	1,165,033	1,127,067
NET ASSETS	447,376	1,597,046	1,723,179	1,661,888	1,642,663	1,743,049

Cash Flow

Year to 31 March	2011	2012	2013	2014	2015	2016
	£	£	£	£	£	£
Opening Cash/(Overdraft) Balances	(68,877)	(128,243)	385,098	521,989	349,934	321,584
CASH FLOW FROM OPERATIONS						
Trading Profit/(Loss)	(75,223)	92,656	94,750	28,059	65,279	179,657
Restructuring	(3,342)	(20,000)				
Interest	(6,363)	(7,699)	(55,130)	(56,645)	(51,800)	(46,568)
Adjustment for Non-Cash Items:						
Depreciation	16,296	29,657	72,923	79,930	111,168	112,516
Grant Release			(32,704)	(32,704)	(32,704)	(32,704)
Movement in Net Current Assets	38,521	(14,722)	108,599	120,173	(581)	(26,775)
Total	(30,111)	79,891	188,438	138,812	91,363	186,127
CASH FLOW ON INVESTMENTS						
Capital Expenditure		(1,531,054)	(565,766)	(250,000)	(54,000)	
Set-up Costs		(195,802)	(105,267)	(40,000)	(40,000)	(40,000)
Loan Repayments	(29,255)	(266,550)	(51,548)	(60,867)	(65,713)	(70,946)
Total	(29,255)	(1,993,407)	(722,581)	(350,867)	(159,713)	(110,946)
CASH FLOW FROM EXTERNAL SOURCES						
Existing Loans						
New Loans		371,340	446,549			
Sale of Six Mary's Place		700,000				
Grants		1,355,517	224,483	40,000	40,000	40,000
Total	0	2,426,856	671,032	40,000	40,000	40,000
TOTAL CASH INFLOW/(OUTFLOW)	(59,366)	513,340	136,890	(172,055)	(28,351)	115,181
Closing Cash/(Overdraft) Balances	(128,243)	385,098	521,989	349,934	321,584	436,764



“Since opening their doors for business, Forth Sector has blazed a trail for social enterprise in Scotland in innovation and enterprise. As founder members of our Coalition they have been at the forefront of engaging with policymakers and the business community in championing social enterprise as the means of combining market solutions and social transformation.”

Antonia Swinson - CEO of Scottish Social Enterprise Coalition

For information on Forth Sector, to view the full business plan, or for any enquiries on investing, please contact Mike Finlayson:-

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