

BUSINESS LOANS SCOTLAND LTD
Company No. SC500710

DRAFT Business Plan 2015 – 18

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1. Executive Summary

1.1. Executive Summary

Business Loans Scotland Ltd (BLS) is a consortium of Scotland's 32 local authorities, incorporated as a company limited by guarantee in March 2015, providing loan finance up to £100,000 to new and growing, small and medium-sized businesses (SMEs) across Scotland.

This new Fund builds on the existing local authority loan funds, the West of Scotland Loan Fund (WSLF) and the East of Scotland Investment Fund (ESIF), the assets of which will be transferred into the new company, and will offer membership to all Scottish local authorities.

This innovative public-private partnership fund will help accelerate the growth of businesses in Scotland, complementing other private and public sector forms of funding, creating significant leverage effects and engineering valuable growth in SMEs. As well as standardising the product offering, it will greatly increase the scale and operational efficiency of delivering a Local Authority loan fund to Scotland's SMEs.

Evidence from the existing WSLF and ESIF clearly shows this type of supportive investment vehicle has a positive impact in terms of creating new employment opportunities as well as safeguarding existing jobs.

BLS is seeking to benefit from an award of £7.2 million from the European Regional Development Fund (ERDF). Matched with funding from a Bank of £5.4 million and contributions from the Member Authorities totalling £5.4 million, a fund of £18 million will be created to be invested over a three year period to 30th September 2018. Annually, the Fund will have the capacity to invest circa £6 million, support circa 150 businesses and help create over 600 new jobs.

This new fund will mean we are better placed to meet the needs of many of Scotland's "start-up" and "growing" businesses. Raising awareness of the new brand as a gap funder will be one of our initial priorities through marketing and also a direct approach to local businesses and their key influencers namely accountants, bankers and other public sector agencies.

The Fund has considerable resources to invest in SMEs and will substantially address the "access to finance" barrier that exists for so many businesses in starting up, expanding and maintaining sustainability. However, we must ensure that we also measure and manage the risks taken. Tools have been developed, based on experience from the successful West of Scotland Loan Fund (WSLF) and East of Scotland Investment Fund (ESIF) and reporting will be available to help ensure that we not only meet our economic development targets but also to ensure the sustainability of the Fund into the future.

The Fund can only be as good as the people it employs. We will constantly review training needs to ensure staff both at the centre and also within the various local authority members are fully equipped to ensure we maintain our high standards.

2. History, business and products

2.1. Background

Business Loans Scotland Ltd (BLS / the Fund), established in March 2015, is a company limited by guarantee. The Fund is 100% public sector owned and controlled and is a partnership of the 32 Scottish Local Authorities.

This new Fund builds on the existing loan funds, the West of Scotland Loan Fund (WSLF) and the East of Scotland Investment Fund (ESIF), both of which will be subsumed into the new company.

WSLF has operated since 1996 and ESIF since 2010. Together, these funds have invested a total of £36 million to date, supporting over 1,700 businesses, generating increased turnover of £680 million and helped create and safeguard over 29,000 jobs.

Over this time, the two funds have developed robust systems and processes and gained valuable experience which will be utilised by the new fund. The move to a single Scotland-wide fund will also bring benefits in the form of a standardised product offering and greatly increased scale and operational efficiency.

In addition to the former WSLF and ESIF, the loan portfolio of the South of Scotland Loan Scheme will also transfer to Business Loans Scotland Ltd.

The Fund and its Local Authority Members will operate across three regional delivery areas covering the whole of Scotland:

Highlands & Islands

- Argyll & Bute Council
- Eilean Siar
- Highland Council
- Moray Council
- Orkney Council
- Shetland Council

West

- Dumfries & Galloway Council
- East Ayrshire Council
- East Dunbartonshire Council
- East Renfrewshire Council
- Glasgow City Council
- Inverclyde Council
- North Ayrshire Council
- North Lanarkshire Council
- Renfrewshire Council
- South Ayrshire Council
- South Lanarkshire Council
- West Dunbartonshire Council

East

- Aberdeen City Council
- Aberdeenshire Council
- Angus Council
- City of Edinburgh Council
- Clackmannanshire Council

- Dundee City Council
- East Lothian Council
- Falkirk Council
- Fife Council
- Midlothian Council
- Perth & Kinross Council
- Scottish Borders Council
- Stirling Council
- West Lothian Council

A collective ERDF bid to the 2014-2020 European Structural Funds Programme is being actively encouraged by the Scottish Government and the fund is targeting an initial award of £7.2 million. This would be combined with a private sector contribution of £5.4 million from the Bank and Member Authority contributions totalling £5.4 million, creating a fund of £18 million to be invested during the period 2015 - 2018. This business plan covers that 3 year period and will be updated annually.

Details of the of the funding package and contributions are set out below;

	Funding Package
Member Authorities' contribution	5,400,000
Bank	5,400,000
European Regional Development Fund	7,200,000
Total	18,000,000

With the significant input of funds from the local authorities, the European Regional Development Fund and the Bank, Business Loans Scotland will be able to substantially increase the supply of loan capital to new and growing, small and medium sized businesses across Scotland. This will contribute directly to improving the business birth rate and creating the growth potential of those supported, as well as making a major contribution to job creation and wealth.

3. Market and competition

3.1. Product offering

The Fund offers gap-funding to small and medium-sized enterprises (SMEs) within its geographic area of operation up to a maximum of £100k and where either its contribution or the aggregate of all sources of public sector funding would not exceed 75% of the total funding package.

The fund is complementary to products available through the enterprise companies and Scottish Investment bank (see section 3.4 for details).

Applicant businesses should demonstrate that they have explored all available options including personal funds and borrowings, bank funding including factoring and asset finance and the potential for equity from venture capitalists. Any business approaching the Fund will receive support and advice from Business Gateway and local authority economic business support teams to help them reach this stage.

In addition to an up to date business plan and financial projections, applicant businesses will be required to submit, as appropriate, historical annual accounts and/or up to date management

accounts. This financial information must be no more than 3 months old at time of application and there must be no gaps between annual accounts and management accounts.

Security will be taken where appropriate for loans. This can be via a bond and floating charge and/or a standard security where business land and/or property is involved. Personal guarantees can also be taken where there is a lack of security or the risk is higher.

The Fund's focus is on new and growing businesses where there is evidence that, in supporting these businesses, additional economic and employment benefits can be secured for the region, including, inter alia:

- more robust and sustainable businesses
- new jobs - particularly better paid jobs
- safe-guarding of existing jobs, and,
- additional gross value added (GVA).

In order to warrant support, these applicant businesses must demonstrate that their business plans are viable, robust and sustainable. From the Fund's perspective, each business plan requires to be appraised in a professional and consistent manner to ensure any assistance will:

- be justified
- bring additionality to the local economy, and
- not create displacement in the local economy to the detriment of any other similar business.

The loan conditions are standard for all businesses. Interest is charged at 6% and businesses may seek up to six months capital holiday at the commencement of the loan. Repayment is by monthly direct debit.

The Fund will develop a robust Operations Manual which all Officers involved in the Fund will be required to follow to ensure a consistent approach and quality of service. At no time will the Fund displace private sector funding as the Fund's role is to address market failure.

3.2. Size of market

Using data from the Scottish Government, the number of registered SMEs in Scotland as at March 2014 was 164,230 an increase of circa 4% when compared to the same period at March 2013 (157,785). These SMEs account for 98.6% of all registered private sector enterprises in Scotland and employ 936,560 people.

A breakdown of the number of SMEs by member authority and by broad size bandings of up to 49 employees and from 50 to 249 employees can be found in Appendix 2. In addition, intelligence is provided on the number of businesses, the total Scottish employment and the turnover for each member authority within each broad size band.

The statistics demonstrate that, whilst we will lend to all businesses that meet the criteria, our main focus will be on the 0 to 49 employee band enterprises which account for circa 98% of our potential market - some 160,450 businesses.

3.3 Targeted market

The Fund can support any legally formed and trading business including the following:

- Sole Traders
- Partnerships
- Limited Companies
- Limited Liability Partnerships
- Co-operatives and

- Social Enterprises

The primary focus will be on businesses engaged in the Business to Business (B2B) and Business to Consumer (B2C) categories. Generally the eligible sectors can be classified as;

- Manufacturing
- Service to manufacturing
- Construction
- Wholesale
- Transport and Distribution
- Software
- Agriculture linked to farm diversification
- Tourism & tourism infrastructure
- Service based (providing they are not one of the sectors not normally eligible for support)

Each applicant will be required to demonstrate the additionality that their business/project will achieve at the local or Scottish economy level. Certain business activities which may not strictly adhere to the above sectors may be considered, including:

- Restaurants which support the local tourism product
- Retail activities in isolated settlements where there is no suitable alternative provider within the area or with a specific tourism focus
- Specialist B2C activities where key skills could be lost (e.g. specialist florists)

The following sectors are not normally eligible for support, however, some flexibility will exist to allow member authorities to target local priority sectors.

- Sale of Motor Vehicles
- Real Estate / Speculative Property Development
- Professional Services
- Social and Personal Services
- Local Services

3.4 Supply side

The supply of finance can be broadly broken down into two sources, namely the private sector and the public sector. An explanation of what is meant by each is as follows;

Private Sector:

1. Banks

This includes the “High Street” banks for loan and overdrafts, asset finance providers including hire purchase, lease finance and the various forms of debtor financing.

In addition, under the Enterprise Finance Guarantee banner, there are other private sector lenders such as:

- U K Steel Enterprise
- DSL Business Finance

2. Personal Equity:

This covers share capital, director’s loans and owner / partnership loans

3. Third Party Equity

This covers many potential sources, including:

- individual private investor already known to the business
- smaller scale individual investors accessed via organisations like LINC Scotland
- larger scale venture funds where several investors will individually take equity via a memo of understanding between the investors

- single venture fund investments
- “Crowd Funding”, a new and innovative way to raise capital by usually leveraging small amounts of money from many sources

Public Sector

Funding from the public sector is usually through the provision of either grant or loan funding each counting as part of the public sector contribution to the funding package to match against the private sector contribution.

1. Scottish Enterprise (SE) / Highlands and Islands Enterprise (HIE) / Scottish Investment Bank (SIB)

Under the umbrella of the Scottish Investment Bank, SE/HIE provides both investment capital and grant assistance to businesses across Scotland. Most of their activities are focussed on those businesses which are defined as “growth” businesses which are seeking equity or loan funding usually above £100,000.

The funds under the Scottish Investment Bank suite are:

- | | |
|-------------------------------|------------------------|
| • Scottish Seed Fund | £20,000 to £250,000 |
| • Scottish Co-investment Fund | £100,000 to £1,000,000 |
| • Scottish Venture Fund | £500,000 to £2,000,000 |
| • Scottish Loan Fund | £250,000 to £5,000,000 |

It is worth noting that SE/HIE continue to experience demand from businesses seeking supplementary funding rounds in their attempts to attract the money necessary to offset the lack of private sector funding for working capital.

2. Local Authorities

Traditionally many local authorities offer support to businesses through grants as well as loans. As budgets come under increasing financial pressure the ability for local authorities to maintain discretionary business support programmes is likely to reduce.

3. Princes Trust - Youth Business Scotland

Youth Business Scotland, formerly the Prince’s Scottish Youth Business Trust (PSYBT), provides grant and loan funding but with certain age, scale and geographic restrictions. Development loans of up to £5,000 are available to applicants aged 18 to 29 and who have been trading for 1 to 3 years. Accelerator loans of between £10,000 and £25,000 are available to applicants aged 18 to 31 and who have been trading for 1 to 5 years.

4. Start Up Finance Scotland

Start Up Finance Scotland provides loan funding to Individuals looking to start a business and those who have started trading within the last 24 months under contract with the Start Up Loans Company Ltd. See section 8 for further information.

3.5 Demand side

Demand is expected to be high given the current financial climate where there has been a reduction in private sector funding available for SME’s.

Whilst there is an apparent adequacy of “supply side” in the market, evidence from ESIF/WSLF and other sources would suggest this is not necessarily the case. We have a current and ongoing choke on the supply side whereby new and additional lending by the private sector is suppressed.

The lack of available match funding from the Banks remains a major challenge. Banks continue to appear reticent to lend where there is any perceived risk and lending is based on the banks requiring full security including personal guarantees as a matter of course. There has been a

noticeable increase in the banks pricing for risk, leaving loan applicants, with little or no history, being offered deals at higher margins that are fully secured.

Looking at the recent experiences of ESIF/WSLF, where external funders are involved there is evidence that deals are taking longer to finalise with increased due diligence by the banks and the requirement to take security slowing the process further, aligned with increased legal costs. This reticence to lend into the business base has resulted in many more applications being supported by the use of personal and/or director's funds.

The SME Finance Monitor for Q1 2014, compiled from a survey of 5,000 business, shows that:

- Only 33% of SMEs used any form of external finance in the last 12 months.
- Use of core "traditional bank lending" is 27%, a drop of 5% on the same period in 2013.
- Whilst most applications for renewed facilities are successful, the gap between these and successful new applications is widening. In Q1 2014, 96% of renewals were successful but only 37% of new applications.
- Smaller, newer businesses remained less likely to be successful and those declined reported limited support options being offered as an alternative.
- SMEs are still discouraged to apply for bank lending as there remains an assumption, amongst new businesses in particular, that if they approached the bank for funding they would automatically be turned down due to their credit history and size and therefore did not ask.
- Generally the SME population is still showing signs of pressure in a difficult economic climate in terms of profitability, external risk rating, credit balances and use of overdraft facilities.
- In the last 12 months, 36% had seen an injection of personal funds from the owner / director into the business with half of these (18%) saying this was something they felt they "had" to do.

All these findings strengthen the position and need for Business Loans Scotland Ltd to actively seek to deliver a loan product which is addressing a gap in the market to enable SMEs to complete funding packages given changing lending terms by the banks.

3.6 Strategic Fit

The Fund's stated objective is to increase the supply of loan finance to support new and growing businesses. This supports the thematic objective of the European Regional Development Fund 2014-20 Scottish Operational Programme to enhance the competitiveness of SMEs and is also in line with Scotland's Economic Strategy 2015 aim of providing "targeted assistance in areas where the market fails to step in".

Improving the supply of access to finance remains one of the priorities to help deliver a supportive business environment in order to deliver sustainable economic growth.

The role Business Loans Scotland Ltd will play in improving the supply of finance to new and growing businesses meets the strategic objectives of the European Commission and Scottish Government.

3.7 Marketing and Promotion

The key principles of the marketing strategy will be as follows:

- inform new and growing businesses (SMEs) of Business Loans Scotland Ltd as a potential source of gap funding
- advise new and growing businesses on how to access the Fund at the local level
- inform the business development network including professional advisers and banks of Business Loans Scotland Ltd as a potential source of funding

- advise the business development network including professional advisers and banks on how to access Business Loans Scotland Ltd on behalf of their clients.

The principle target groups for the Fund can be classified as small and medium sized businesses, the business development network and professional advisers. These can be further categorised as follows:

- Owners and directors, Finance Managers and Operations Managers
- Professional Advisers
- Business membership organisations including the Chambers of Commerce, Federation of Small Business etc.

In order to get our message across to the above target audiences, a number of channels will be used as follows:

- Press
- Business Publications
- Seminars
- Exhibitions
- Website
- Brochure
- Personal visits
- Social networking
- Online advertising

Each target group will be reached in different ways and it is likely the messages will continue to be repeated through a number of different channels over the 3 years to reinforce the message.

A key source of referral to the Fund will be from the economic and business development network (including Business Gateway, Scottish Enterprise and Highlands & Islands Enterprise), banks and professional advisers such as accountants and lawyers. With the transfer of responsibility for the Business Gateway to the local authorities, a more integrated approach to advising and supporting businesses is developing.

This is an on-going task in view of the turmoil and changes which are taking place both within the financial sector and the public sector. There are many changes in roles within organisations and to ensure our provision remains in focus there must be continual contact and discussion with the banks, other financial intermediaries and public sector agencies.

4. Strategy and business development

4.1. Targets 2015 - 16

The key targets for the coming year are as follows;

- Lend £6 million
- Support circa 150 businesses (based on an estimated average loan value of £40,000)
- Lend 40% by value to “new” businesses
- Lend 60% by value to “growing” businesses
- Create 4 new/safeguarded jobs per business supported
- Increase turnover by £150,000 per supported business and
- Achieve a leverage of 1:3 from the private sector match funding

The key principle for lending to businesses must always be balanced between risk and reward as lending will never be based on an assumed need to spend and achieve target.

The provisional targets for each of the member authorities are detailed in the table below:

Member Authority	Business Base	% Business Base	Provisional 3 Year Target Investment
East of Scotland Area			
Aberdeen City	9,985	5.61%	£975,000
Aberdeenshire	14,235	8.00%	£1,410,000
Angus	4,025	2.26%	£150,000
Clackmannanshire	1,220	0.69%	£120,000
Dundee City	3,610	2.03%	£225,000
East Lothian	3,095	1.74%	£300,000
Edinburgh, City of	17,850	10.03%	£450,000
Falkirk	4,000	2.25%	£600,000
Fife	9,290	5.22%	£999,000
Midlothian	2,325	1.31%	£525,000
Perth and Kinross	6,375	3.58%	£300,000
Scottish Borders, The	5,320	2.99%	£600,000
Stirling	4,120	2.31%	£225,000
West Lothian	4,745	2.67%	£975,000
	90,195	50.67%	£7,854,000
Highlands and Islands Area			
Argyll & Bute	4,105	2.31%	£300,000
Eilean Siar	1,190	0.67%	£120,000
Highland	11,225	6.31%	£1,125,000
Orkney Islands	1,550	0.87%	£231,000
Moray	3,370	1.89%	£150,000
Shetland Islands	1,450	0.81%	£150,000
	22,890	12.86%	£2,076,000
West of Scotland Area			
Dumfries & Galloway	6,770	3.80%	£675,000
East Ayrshire	3,255	1.83%	£1,200,000
East Dunbartonshire	2,940	1.65%	£300,000
East Renfrewshire	2,575	1.45%	£75,000
Glasgow City	17,655	9.92%	£1,800,000
Inverclyde	1,765	0.99%	£150,000
North Ayrshire	3,360	1.89%	£750,000
North Lanarkshire	7,365	4.14%	£1,125,000
Renfrewshire	4,770	2.68%	£525,000
South Ayrshire	3,730	2.10%	£600,000
South Lanarkshire	8,815	4.95%	£1,125,000
West Dunbartonshire	1,915	1.08%	£225,000
	64,915	36.47%	£8,550,000
Total	178,000	100%	£18,480,000

4.2. Economic Impact

Funding from the European Regional Development Fund (ERDF) requires as one of its conditions that the fund is able to report on the economic impact it is achieving from the investments in the businesses.

It is a requirement for the Fund Management to report to the member authorities and the board on an annual basis across a range of indicators. These will include:

- Number of enterprises receiving financial support
- Number of new business starts receiving financial support
- Value of Business Loans Scotland Ltd investment analysed by member authority and by period
- Value of private sector match funding
- Value of total funding package
- Leverage in terms of private and other public sector funding
- Number of gross jobs created
- Increase in turnover in supported enterprises

The information detailed above will be captured from each of the supported businesses through regular monitoring, allowing the Fund Manager to report on the economic impact the fund is achieving. As each loan reaches 12 months in age the information will be collated and reported accordingly.

The economic impact report will take into account any displacement and additionality and will comment on Gross Value Added (GVA) and operational costs which will allow a net cost per job to be produced.

Before the end of its third year, the Fund will be required to undertake an independent economic impact assessment and evaluation to measure the Fund's performance during the period 2015 - 18. Broadly it is expected this will cover areas such as:

- Value for money
- Economic impact
- Net cost per job and
- Gross value added

This will also provide a valid comparator against our own measures.

4.3. WSLF Management Services Ltd

WSLF Management Services Ltd is a wholly owned subsidiary of the West of Scotland Loan Fund which was specifically established to deliver the Fund Management contract on behalf of the East of Scotland Investment Fund Ltd.

Initially, WSLF MS had a three year contract expiring 31st March 2013 but the board of the East of Scotland Investment Fund Ltd agreed to extend the contract for a further two, 1 year periods until 31st March 2015. In order to ensure continuity of service during the transition to the new fund, a 3 month extension effective from 1st April 2015 has been agreed with the option of a further 3 month extension thereafter.

WSLF Management Services Ltd is also the lead company contracting with the Start Up Loans Company Ltd which was rolled out across Scotland from April 2014. This involves partnering the Business Gateway to deliver the business support and provision of loans to new businesses within their first 24 months of trading.

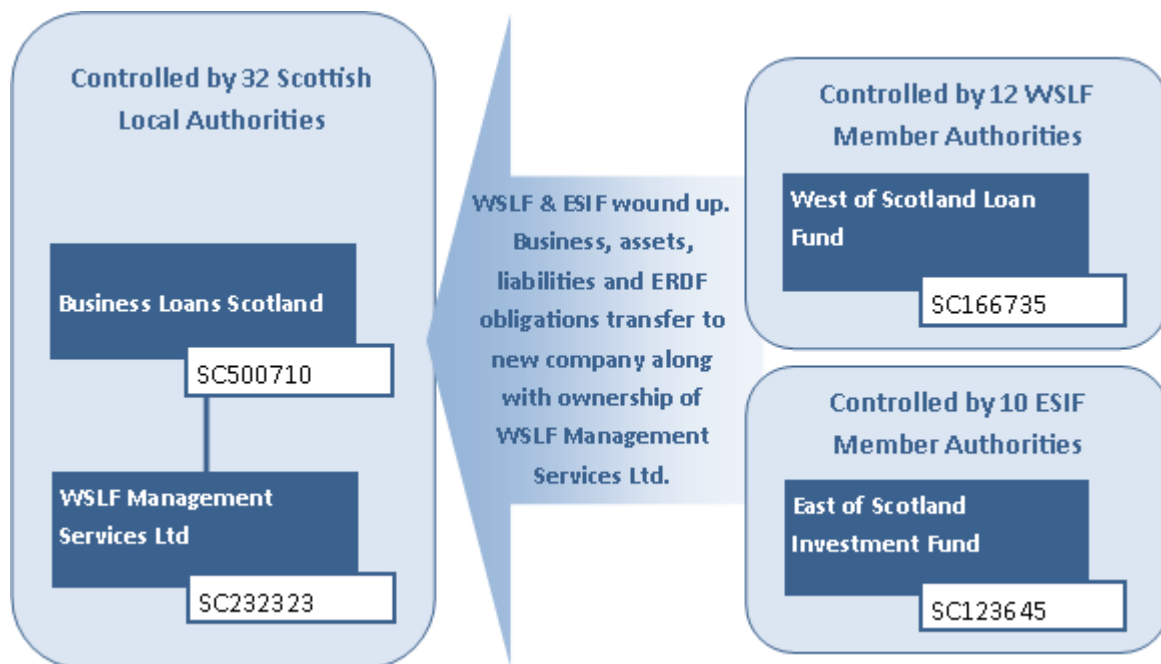
The position of WSLF Management Services Ltd under the new fund is shown in section 5 and the contract with the Start Up Loans Company Ltd and associated staffing is detailed in section 8.

5. Management and organisation

Business Loans Scotland Ltd is a company limited by guarantee and as such must at all times comply with company law. In addition, the Company must comply with its own published Articles of Association.

5.1 Company Structure

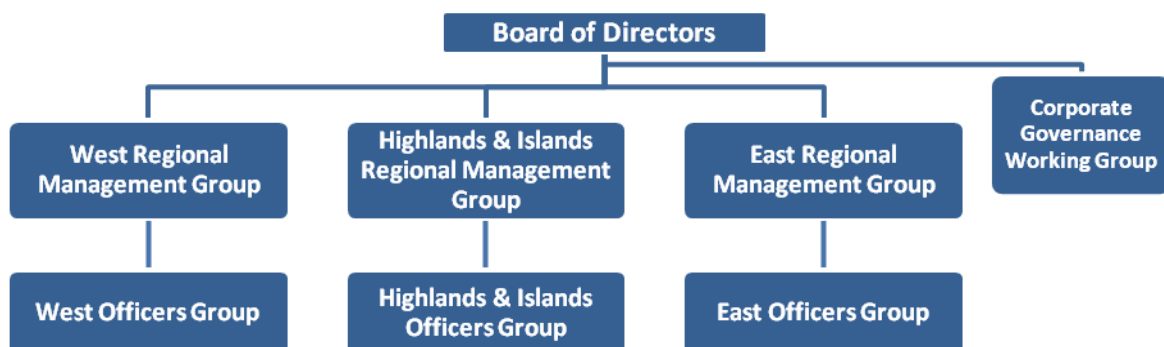
West of Scotland Loan Fund Management Services Ltd will become a wholly owned subsidiary of the new company, and will undergo a name change to reflect this. The business (including loan books), assets and liabilities of WSLF and ESIF, along with their ERDF obligations under the 2007-2013 EU Structural Funds Programme, will transfer to the new company and WSLF/ESIF will be wound up in early course.



5.2 Corporate Governance Structure

The fund's governance structure will consist of four elements:

- The Board of Directors
- Corporate Governance Working Group
- Regional Management Groups
- Regional Officers Groups



5.2.1 Board of Directors

Meeting frequency/timing:	4 times per year
Membership:	Up to 9 Directors from the member authorities - 3 from each region
Other Attendees:	Attended by Fund Manager/Company Secretary
Key Responsibilities:	Strategy and direction of the fund
Communication:	Draft minutes of meetings circulated to Regional Management Groups within 2 weeks of the meeting and signed off at the next meeting of the Board

The management responsibility of the company rests with the board of directors. With up to 32 Local Authorities as members of BLS, it is not realistic or desirable to have each member represented on the Board.

Nominations will instead be sought from the 3 operational areas, namely East, West and Highlands and Islands, to stand as Directors of BLS.

The Local Authorities within each Region will be given the opportunity to agree amongst themselves to nominate 3 people to represent their Region on the Board of Directors, thereby forming a Board of 9 directors.

Appointment to the Board will be for a period of 12 months. Formal election/re-election of the Directors nominated by Regional Management Groups will take place at the same meeting as the presentation and approval of annual accounts. This may be dealt with as part of the normal Board meeting cycle (likely September) or through an AGM to which all members are invited.

A draft minute of Board meetings will be circulated to all members of the Regional Management Groups within two weeks of the meeting. In order to ensure that member authorities not represented on the board are consulted on strategic matters, the Regional Management Groups will meet three weeks prior to each Board meeting and their agenda will include any items requiring a decision at the upcoming board meeting.

The company's Articles of Association includes a clause stating that, in the case of a board vote, a minimum of one Director from each region must approve for an item to pass.

The nomination of directors will depend on the policies of the individual member authorities and will usually be either an Elected Member or an officer of senior rank. Representation on the main board from other Stakeholders and the private sector will also be considered in due course.

The board of BLS will meet 4 times per year.

Until such times as they are formally wound up, WSLF and ESIF will continue to be governed by their own boards of Directors. During this transitional phase the frequency of board meeting will be reviewed and may be reduced subject to approval of the boards. The board of WSLF Management Services, membership of which will be reviewed following the transfer of ownership to BLS, will continue to meet four times per annum, primarily to provide governance for Start Up Finance Scotland.

5.2.2 Corporate Governance Working Group

Meeting frequency/timing:	As required
Membership:	Up to 6 – one Director and Officer from each region
Other Attendees:	Attended by Fund Manager/Company Secretary
Key Responsibilities:	Consider matters referred to it from Board
Communication:	A record of matters remitted to the CGWG by the Board and the resulting recommendations will be included in the minute of Board meetings.

The Corporate Governance Working Group (CGWG) will be established to support the board. The group will consist of a mix of board directors and officers from member authorities along with the Fund Manager.

The CGWG will meet on an “as required” basis, and will be remitted to:

- Consider matters referred to it from the board
- Provide advice / recommendations to board
- Develop relevant policies and strategies
- Consider any item of business requiring a decision out with normal board meeting cycle including financial transactions up to a value of £10,000 (a report detailing such business will be brought to the next meeting of the Board for homologation)
- Ensure compliance & resolve issues as required
- Consider measures to ensure sustainability of fund
- Provide a sounding board for all matters relating to the fund

5.2.3 Regional Management Groups

Meeting frequency/timing:	4 times per year, 3 weeks prior to main Board meetings
Membership:	One senior representative (likely to be an elected member or senior officer) nominated to sit on RMG by each member local authority within the region
Other Attendees:	Led and organised by Loan Fund Officer Fund Manager/Company Secretary will attend at least one meeting of each RMG per annum
Key Responsibilities:	Local performance, executing Board strategy and direction, nomination of Directors to represent the region on the Board, determining applications over £50k and up to £100k
Communication:	Draft minutes of the meetings circulated to the Board of Directors with their agenda and signed off at the next meeting of the RMG. Agenda includes any items requiring a decision at the upcoming Board meeting.

Each region will have a “management group” comprising one senior representative (either a Senior Manager or Elected Member) from each member authority within that region. These groups will be responsible for:

- Nominating 3 Directors to represent the Region on the Board of Directors and ensuring a suitable proxy is identified in the event of a Director being unable to attend a board meeting
- Appraising and determining all applications from their respective region for loans above £50,000 up to £100,000 which have been recommended for approval by a member authority.
- Monitoring and reviewing the Region's performance in terms of investment spend, targets etc.

Regional Management Groups (RMGs) will meet four times per annum, three weeks prior to each meeting of the Board of Directors. The RMG agendas will include any items requiring a decision at the upcoming Board meeting, thereby allowing those Authorities not sitting on the Board to be consulted on strategic matters.

All Member Authorities will be invited to each Regional Management Group meeting with a minimum standard set out in the Articles of Association requiring the higher of 3 members or 30% of a region's members to be in attendance to achieve quorum. During the consideration of loan applications at such a meeting, the sponsoring local authority cannot be one of the authorities counting towards the quorum or vote on their own application. The Articles of Association will allow a degree of flexibility in raising the minimum standard locally, therefore, regions will be able to set a higher quorum for investment decisions should they wish.

While the Regional Management Groups may choose to include the appraisal of loan applications over £50k within their scheduled RMG meetings, this should not be allowed to cause undue delay in determining an application and separate investment panel meetings will therefore need to be called as required. All of a region's RMG members will be invited to participate in these ad-hoc investment panel meetings and the same quorum will apply as for full RMG meetings.

5.2.4 Regional Officers Groups

Meeting frequency/timing:	4 times per year, 2 weeks in advance of Regional Management Group meetings
Membership:	One nominated officer from each member local authority within the region
Other Attendees:	Led and organised by Loan Fund Officer
Key Responsibilities:	Member Authority performance against ERDF targets, operational and compliance matters.
Communication:	Draft minutes of the meetings are circulated to the Regional Management Group with their agenda and signed off at the next meeting of the Officers Group.

The Regional Officers Groups (ROGs) will be the mechanism that ensures the Fund remains sensitive to the needs of local areas. There will be one group for each of the three regional delivery areas and membership will consist of an Officer from each member authority within the area and the regional Loan Fund Officer. The ROGs will meet quarterly in advance of both the Regional Management Group and Board meetings with crossover meetings, bringing together representatives from the three ROGs, scheduled as required. Out-with the meetings, the Regional Officers will also form an on line network.

The ROGs will be responsible for:

- Member Authority performance and progress against ERDF targets
- Operational and compliance matters
- Sharing good / best practice

In addition, the ROGs will assist in identifying:

- Officers' training needs, marketing & promotional opportunities as well as the
- Monitoring of investments, managing arrears and debt management.

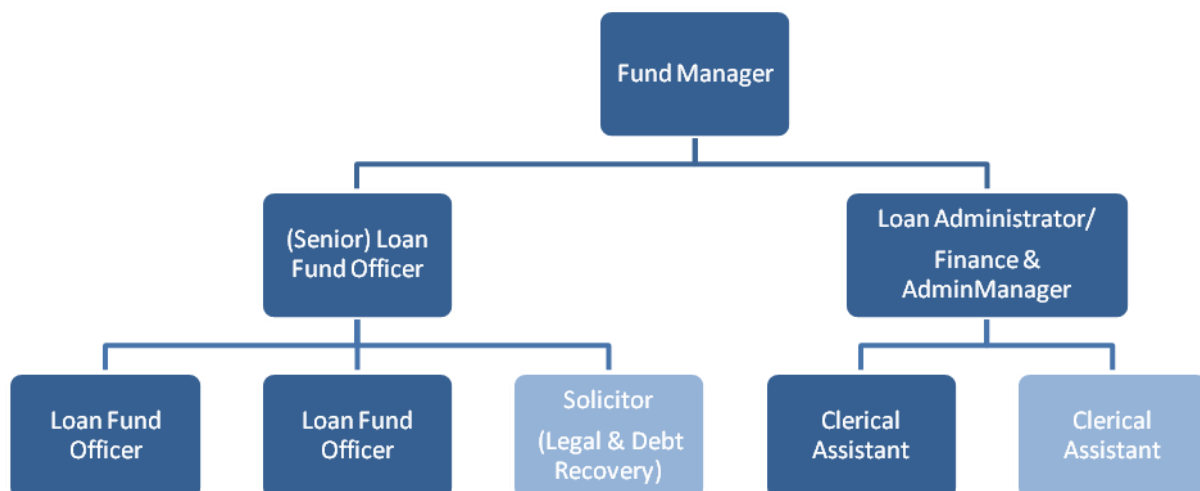
5.2.5 Corporate Governance Communications

Board of Directors:	Draft minutes of meeting circulated to the members of the three Regional Management Groups within two weeks of meeting Agenda includes draft minute of preceding Regional Officers Group meetings
Corporate Governance Working Group:	A record of any items remitted by the Board to the CGWG and the resulting recommendations/decisions will be included in the minute of Board meetings and will be communicated to all members via that mechanism.
Regional Management Groups:	Draft minutes of meeting circulated to group members within two weeks of meeting and included with the agenda of the next Board meeting All ROG members receive draft minutes of Board meetings within two weeks
Regional Officers Group:	Draft minutes of meeting circulated to group members within two weeks of meeting and included with the agenda of the next Regional Management Group meeting

The notes of all Business Loans Scotland meetings will be prepared using the fund's standard template and should clearly show actions, nominated persons and due dates.

5.3 Management Team

A management team structure comprising eight full-time posts, as shown in the diagram below, has been identified as the ideal delivery mechanism for Business Loans Scotland Ltd.



Initially the fund management team will operate with a reduced complement with a decision being taken on whether to fill the Solicitor and additional Clerical Assistant posts once loan activity reaches sufficient levels.

Fund Manager

The Fund Manager is responsible for the day to day operations of the Fund and the main duties include:

- Delivering the business plan and strategy as set by the Board
- Reporting to the board, external stakeholders and corporate working group
- Responsible for management of staff

Senior Loan Fund Officer

In addition to carrying out the duties of a regional Loan Fund Officer (see below), the Senior Loan Fund Officer will be responsible for:

- Line management of the Loan Fund Officers and Solicitor

Loan Fund Officers (x2)

Each of the three regional areas will have a dedicated Loan Fund Officer with the Senior Loan Fund Officer performing the role for one region. Their primary duties include:

- assisting member authorities to undertake loan appraisals and carry out compliance checks on loans making observations / recommendations on any skills deficits and required actions
- providing support to member authorities in the areas of monitoring, investigation, network building, development of appropriate training courses, research and statistics and business improvement
- Maintaining databases which track borrowers' credit ratings and material issues as a potential early warning against future bad debts.

Solicitor (Optional)

Once the fund is operational consideration will be given to recruiting a dedicated full-time fund Solicitor. Their primary duties would include:

- providing of specialist legal advice
- executing all legal documentation relating to loans
- Debt management and recovery for BLS, WSLF, ESIF, South of Scotland Loan Scheme and Start Up Loans
- contributing to the development, design and continuous improvement of the fund's legal documentation and processes

Loan Administrator

The Fund Administrator is responsible for the loan administration, accounting and financial reporting functions for the Fund and its member authorities and is responsible for;

- day to day operational management of the loan management and reporting systems including data input and maintenance of the systems
- maintaining and implementing effective controls and reconciliation procedures to maintain the integrity of the data held in the system
- ensuring all transactions are processed using the accounting software package timeously and accurately recording all financial transactions of the Fund

Clerical Assistant (Structure includes optional second Clerical Assistant post)

The primary duties of the Clerical Assistant include:

- providing clerical and administrative support
- responding to general enquiries and handle general correspondence
- maintaining and updating filing systems, databases and other management information systems
- contributing to the effective maintenance and use of any relevant computer systems.

Business Loans Scotland Ltd is committed to the Scottish Local Government Living Wage.

5.4 Corporate Governance

The Fund's auditors, Wylie & Bisset LLP will be engaged to provide regular 'corporate governance' reports to the board to ensure a high level of governance and transparency is achieved given the substantial resources in the fund.

5.5 Bribery Act 2010

Compliance with the Bribery Act 2010 is built into the fund's processes and these will be reviewed periodically to ensure that the fund continues to meet its obligations under the Act.

5.6 Financial, IT and management systems

The Fund Manager and Fund Administrator are responsible for the financial transactions of the company and production of quarterly management accounts using SAGE. One other system critical to the successful management of the fund is the Loan Management System used to manage the portfolio of loans and the collection and reconciliation of monthly loan repayments.

5.7 Operations Manual

Each officer involved in the loan fund is required to adhere to the policies and procedures within the operations manual in delivering a consistent loan product and level of service to the applicant business.

5.8 Monitoring of investments

It is a condition of every loan awarded that there shall be continuous monitoring of each business during the life time of its loan. A visit to each business by either a member of their local authority or their duly appointed agent will be made at no less than annual intervals. On production of the company's annual financial accounts prescribed information on the business will be submitted to ensure the Fund complies with its ERDF funding.

5.9 Compliance checking

One of the conditions of ERDF funding, and an essential part of the day-to-day management of our systems, will be to ensure all loans are compliance checked to ensure we meet not only our laid down appraisal processes but also that we seek to maintain best standards and follow a culture of continuous improvement.

5.10 Training

Training requirements are assessed at regular intervals with any gaps in skills and knowledge identified at the earliest opportunity. Appropriate training and support is provided and a register of training will be maintained (Appendix 3).

5.11 Loan decisions

Applications to the loan fund will be appraised by a nominated officer usually from the member authority in which the applicant business is based. Member Authorities will be responsible for ensuring there is no conflict of interest between advising, appraising and deciding on the outcome of the loan application. The appraisal process and appraisal form require the officer to make a recommendation to approve or refuse the application. This decision will be based on the

professional skills and experience of the officer following the written down lending criteria of the Fund. Applications recommended for approval will be duly considered by the member authority under their scheme of delegated authority. Thereafter, the decision is conveyed to the applicant with the 'legal' offer being sent to successful applicants.

In line with the Fund's Articles of Association and Members Agreement, final decisions for loans between £50k and £100k are the responsibility of the Regional Investment Panels. A procedural note will be developed detailing the process and timescales for assessing these higher value applications.

The target timescale for completion of the appraisal process, legal documentation and release the loan funds should be a maximum of 13 weeks from receipt of the completed application. Where complex applications and / or securities are involved the process may take longer.

5.12 Customer Survey

Businesses that have received a loan will be asked to go online and complete a short survey of their experience in applying for funding from BLS. The survey takes less than 4 minutes to complete and provides valuable feedback on the level of customer satisfaction and service received by the applicant.

A response rate of 40% is expected with the findings presented to the board annually.

5.13 State Aid

The Fund is fully aware of the State Aid rules and of the EU reference rate at which a loan is deemed to be a state aid. The interest rate for all loans is fixed at 6% for the term of the loan. Currently, BLS loans fall out with State Aid however the situation will be continually monitored to ensure state aid regulations are complied with.

5.14 Debt Management

The Fund will implement a debt management policy to ensure a pro-active approach is taken in managing any arrears, bouncers, defaulters and bad debts etc. The aim will be to act swiftly to safeguard the interests of the fund.

In terms of protecting the investments, the Fund will look to take security where ever it is appropriate and prudent to do so. Security will be taken in the form of standard security, bond & floating charge and personal guarantee. Each of the loan documents will be registered for "Preservation and execution" at the Registrar of Companies thereby allowing the 'contract' to be established from the outset with immediate legal action able to be taken to address arrears and defaulters much more speedily. Whilst the operating model for the Fund can tolerate a bad debt ratio of up to 30%, the debt management policy will obviously target a much lower rate.

5.15 Scottish Government

Close liaison will be maintained with the Scottish Government and quarterly reports will be submitted by the end of the month following the quarter end detailing the funds progress against targets. An annual report will be produced after the financial year end to review the year and identify the key challenges ahead.

5.16 Online Loan Application System

The Fund will use a web based Online Loan Application system (OLA) allowing loan applications, appraisals, compliance checking, approval, drawdown, customer care and monitoring to be undertaken online.

5.17 Future Developments

The sustainability and longevity of the Fund is of paramount importance and the Corporate Governance Working Group is tasked with looking at future development including:

- Additional contributions from the Member Authorities
- Potential for the fund to offer additional support products, e.g. Microfinance

6. Summary Financials

6.1 Profit & Loss Statement

	31/03/2016	31/03/2017	31/03/2018	31/03/2019	30/03/2020
	£	£	£	£	£
WSLF/ESIF interest received	288,000	288,000	288,000	288,000	-
BLS Interest received	150,500	390,467	572,867	547,167	374,400
INTEREST RECEIVED	438,500	678,467	860,867	835,167	374,400
COST OF SALES					
WSLF/ESIF bad debts	408,000	408,000	408,000	109,333	-
BLS bad debts	75,000	310,000	550,000	715,000	715,000
ERDF Grant release	(2,400,000)	(2,400,000)	(2,400,000)	-	-
	(1,917,000)	(1,682,000)	(1,442,000)	824,333	715,000
GROSS PROFIT	2,355,500	2,360,467	2,302,867	10,833	(340,600)
ADMINISTRATIVE EXPENSES					
Overheads	540,000	540,000	540,000	540,000	540,000
Management fee	(150,000)	(150,000)	(150,000)	-	-
Depreciation	3,333	3,333	3,333	-	-
	393,333	393,333	393,333	540,000	540,000
FINANCIAL OVERHEADS					
Bank Term Loan Interest	111,375	95,625	68,625	41,625	14,625
Bank interest received	(23,384)	(24,119)	(26,314)	(33,850)	(49,116)
Hire Purchase Interest	-	-	-	-	-
	87,991	71,506	42,311	7,775	(34,491)
NET PRE TAX PROFIT	1,874,176	1,895,628	1,867,223	(536,942)	(846,109)
Provision for corporation tax	-	-	-	-	-
NET PROFIT AFTER TAX	1,874,176	1,895,628	1,867,223	(536,942)	(846,109)
Dividends	-	-	-	-	-
NET PROFIT	1,874,176	1,895,628	1,867,223	(536,942)	(846,109)

6.2 Balance Sheet

	31/03/2016	31/03/2017	31/03/2018	31/03/2019	30/03/2020
	£	£	£	£	£
Fixed assets	6,667	3,334	1	1	1
	6,667	3,334	1	1	1
Current assets					
BLS loan book	5,625,000	10,075,000	13,325,000	9,750,000	6,175,000
WSLF & ESIF loan book	5,552,000	3,104,000	656,000	(0)	-
Other debtors	-	-	-	-	-
Prepayments	-	-	-	-	-
Special Interest Bearing Account	4,590,000	3,510,000	2,430,000	1,350,000	270,000
Cash at bank	4,300,509	4,677,470	4,786,026	8,480,085	11,208,976
	20,067,509	21,366,470	21,197,026	19,580,085	17,653,976
Liabilities					
Bank overdraft	-	-	-	-	-
Trade creditors	-	-	-	-	-
Corporation tax	-	-	-	-	-
PAYE & NIC	-	-	-	-	-
ERDF creditor	480,000	-	-	-	-
Bank loan accounts	4,320,000	3,240,000	2,160,000	1,080,000	-
Accruals	(1)	(2)	(2)	(2)	(2)
	4,799,999	3,239,998	2,159,998	1,079,998	(2)
	15,267,510	18,126,472	19,037,028	18,500,087	17,653,978
Total assets less liabilities	15,274,177	18,129,806	19,037,029	18,500,088	17,653,979
	15,274,177	18,129,806	19,037,029	18,500,088	17,653,979
CAPITAL & RESERVES					
Capital introduced	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
WSLF/ESIF investment	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Profit & loss account	1,874,177	3,769,806	5,637,029	5,100,087	4,253,978
	15,274,177	17,169,806	19,037,029	18,500,088	17,653,978

6.3 Financial Model Assumptions

Value of Fund	£18,000,000
Annual Lend Rate	£6,000,000
Loans Out Interest	6.0%
Interest Only Period	3 months
Bad Debt Rate	20%
Overhead Cost	3% of fund value annually (£540,000)
Bank Loan Value	£5,400,000
Bank Loan Term	5 years
Bank Loan Interest	2.50%
Bank Interest Received	0.50%
Depreciation Rate	33%

7. Overheads (Business Loans Scotland only)

The central overheads associated with the management and running of the company and loan fund are detailed in Appendix 1.

8. Start Up Finance Scotland

WSLF Management Services holds a contract for delivery of Start Up Loans, a UK Government funded scheme that helps people who have a viable business idea get the funding they need to start their own business. This is delivered under the brand Start Up Finance Scotland.

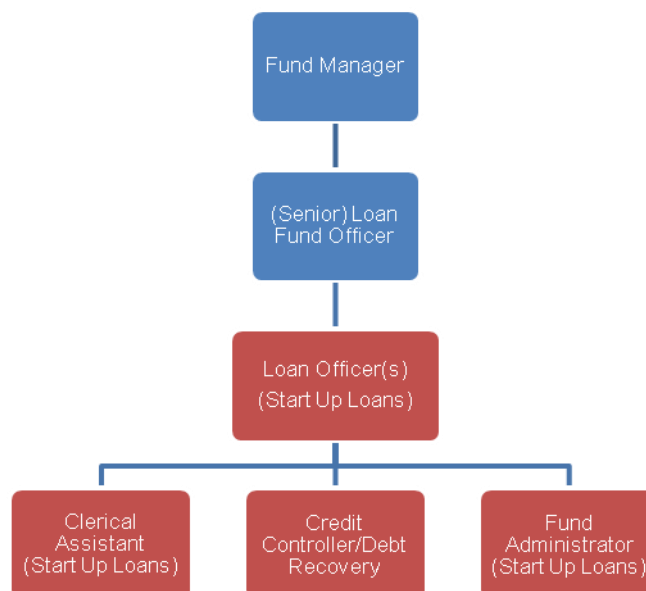
The delivery of Start Up Finance Scotland will form part of the principle business of WSLF Management Services and governance will be provided by the board of that company.

8.1 Resourcing of Start Up Finance Scotland

Although the BLS Fund Manager will have some line management responsibilities in relation to Start Up Finance Scotland, the dedicated Start Up Loans staff (shown in red in the diagram at 8.2) will be funded under that scheme.

Start Up Loans	Minimum Requirement	Desirable
Loan Officer	Y	Y
Loan Officer		Y
Fund Administrator		Y
Credit Controller / Debt Recovery	Y	Y
Clerical Assistant	Y	Y
Total No. of Staff	3	5
Total Employment costs	75,083	144,094

8.2 Start Up Finance Scotland Staffing Structure



APPENDIX 1 – Start-up Costs and 3 Year Budget

	START UP COSTS	Annual Budget YEAR 1	Annual Budget YEAR 2	Annual Budget YEAR 3	TOTAL BUDGET
BANK LOAN TERM CHARGES					
Cost of £5.4 million Loan @ 1% differential		48,600	37,800	27,000	113,400
TOTAL COST OF INTEREST	0	48,600	37,800	27,000	113,400
FINANCE					
Bank Charges		1,250	1,250	1,250	3,750
Accountis - Web Enterprise Licence		575	575	575	1,725
RBS - Service User Number		200			200
RBS - AUDDIS Compliance Fee		200			200
Sector Treasury Management		0	0	0	0
TOTAL FINANCE	0	2,225	1,825	1,825	5,875
INSURANCES					
Directors and Officers Liability		5,500	5,500	5,500	16,500
Combined Liabilities		800	800	800	2,400
TOTAL INSURANCES	0	6,300	6,300	6,300	18,900
ACCOUNTING					
Annual Audit		8,500	8,500	8,500	25,500
Monthly Governance		7,500	7,500	7,500	22,500
P11D		175	175	175	525
Payroll		875	875	875	2,625
Preparation of Financial Model	1,800				1,800
TOTAL ACCOUNTING	1,800	17,050	17,050	17,050	52,950
LEGAL					
Incorporation of SLABLF	3,600				3,600
Preparation of Legal Agreements	3,600				3,600
General Legal Fees		5,000	5,000	5,000	15,000
TOTAL LEGAL	7,200	5,000	5,000	5,000	22,200
MARKETING					
Fully responsive website		4,200			4,200
Creative Agency Agreement		15,200	15,200	15,200	45,600
Advertising & Marketing Budget		30,600	34,800	34,800	100,200
TOTAL MARKETING	0	50,000	50,000	50,000	150,000
IT					
Development of OLA V2					0
Development of OLA (Pan Scotland)		6,000			6,000
Annual Licence, Hosting and Support		18,000	18,000	18,000	54,000
Target Dashboard		1,450	1,450	1,450	4,350
Other IT		2,000	2,000	2,000	6,000
PC's - Desktop / Laptops * 6		10,000	0	0	10,000
TOTAL IT	0	37,450	21,450	21,450	80,350

LICENCES					
Anchor Loan Management System		10,000	10,000	10,000	30,000
Consumer Credit Licence		2,000			2,000
Data Protection		35			35
Experian		5,400	5,400	5,400	16,200
TOTAL LICENCES	0	17,435	15,400	15,400	48,235
TRAINING					
Investment Appraisal		6,000	4,800	4,800	15,600
Legal		6,000	4,800	4,800	15,600
Operations		6,000	4,800	4,800	15,600
General Training including Staff		3,000	3,000	3,000	9,000
TOTAL TRAINING	0	21,000	17,400	17,400	55,800
TRAVEL & SUBSISTENCE					
Fund Manager		3,000	3,000	3,000	9,000
Loan Officer - West		2,000	2,000	2,000	6,000
Loan Officer - East (Paid by WSLF MS)		2,000	2,000	2,000	6,000
Loan Officer - Highlands & Islands		2,000	2,000	2,000	6,000
Other Staff		500	500	500	1,500
TOTAL TRAVEL & SUBSISTENCE		9,500	9,500	9,500	28,500
ACCOMMODATION					
Office Rent - HQ x 4 Staff (Minimum)		14,400	14,400	14,400	43,200
Office Rent - East x 1 Staff (Paid by WSLF MS)		3,600	3,600	3,600	10,800
Office Rent - H&I x 1 Staff		3,600	3,600	3,600	10,800
Meeting Rooms (Optional)		0	0	0	0
Catering		1,000	1,000	1,000	3,000
Sundries (Consumables)		5,000	5,000	5,000	15,000
TOTAL ACCOMMODATION	0	22,600	22,600	22,600	67,800
STAFFING - MINIMUM STAFF COMPLEMENT					
Fund Manager					
Loan Officer - West					
Loan Officer - East (* Employee of WSLF MS)					
Loan Officer - Highlands & Islands					
Loan Administrator					
Clerical Assistant / (ESIF FA)					
Clerical Assistant (Vacancy)					
Total Salaries					
Cost of Living Increase					
Employers NI					
Pension					
	0	282,162	282,162	282,162	846,486
TOTAL OVERHEAD COSTS (at current staffing levels)	9,000	519,322	486,487	475,687	1,490,496

STAFFING - BASED ON DESIRABLE COMPLEMENT					
Fund Manager					
Senior Loan Officer - West					
Loan Officer - East					
Loan Officer - Highlands & Islands					
Loan Administrator					
Clerical Assistant / (ESIF FA)					
Clerical Assistant					
Solicitor					
Total Salaries					
Cost of Living Increase					
Employers NI					
Pension					
	0	345,122	345,122	345,122	1,035,366
TOTAL OVERHEAD COSTS (inc. Desirable Staffing levels)	9,000	582,282	549,447	538,647	1,679,376

APPENDIX 2 - Number of registered enterprises in Scotland and their total Scottish employment and turnover by Member Authority at March 2014

Local Authority	Total			0 - 49 employees			50 - 249 employees			250+ employees		
	Number	Total Scottish employment	Turnover (£ millions)	Number	Total Scottish employment	Turnover (£ millions)	Number	Total Scottish employment	Turnover (£ millions)	Number	Total Scottish employment	Turnover (£ millions)
Aberdeen City	9,985	149,040	57,883	8,760	36,320	8,119	485	24,850	6,575	740	87,860	43,189
Aberdeenshire	14,235	92,530	15,267	13,720	48,830	5,161	250	13,430	2,166	265	30,270	7,939
Angus	4,025	28,770	3,157	3,760	15,840	1,417	100	4,000	491	165	8,930	1,249
Argyll & Bute	4,105	27,450	2,544	3,870	15,720	990	95	4,070	344	140	7,670	1,210
Clackmannanshire	1,220	11,090	1,145	1,080	4,660	315	35	1,240	118	105	5,190	712
Dumfries & Galloway	6,770	48,150	5,335	6,325	27,140	2,096	140	6,270	857	305	14,740	2,382
Dundee City	3,610	50,380	4,916	3,035	15,430	1,090	180	7,970	785	390	26,980	3,040
East Ayrshire	3,255	27,430	2,695	2,955	12,670	985	90	4,260	491	210	10,500	1,220
East Dunbartonshire	2,940	20,760	1,866	2,725	10,000	707	50	2,180	163	170	8,580	996
East Lothian	3,095	22,540	2,306	2,885	11,950	992	70	2,790	270	140	7,790	1,044
East Renfrewshire	2,575	14,620	1,167	2,415	8,130	589	50	2,240	147	110	4,250	431
Edinburgh, City of	17,850	246,730	22,626	16,145	66,640	6,514	730	27,970	2,957	975	152,110	13,155
Eilean Siar	1,190	6,880	774	1,120	4,370	291	25	950	71	50	1,570	411
Falkirk	4,000	43,490	12,781	3,505	14,420	1,361	170	7,130	1,994	325	21,940	9,426
Fife	9,290	96,770	11,647	8,635	37,510	2,778	245	12,320	1,377	410	46,940	7,492
Glasgow City	17,655	299,570	31,663	15,730	74,980	6,540	840	36,420	4,337	1,080	188,170	20,786
Highland	11,225	82,210	8,613	10,490	41,480	2,925	285	12,350	1,499	455	28,380	4,190
Inverclyde	1,765	20,540	2,025	1,545	6,250	480	50	3,180	237	170	11,110	1,308
Midlothian	2,325	21,180	2,075	2,095	9,860	774	75	2,640	385	155	8,670	916
Moray	3,370	27,470	2,997	3,055	13,090	968	105	3,680	464	210	10,690	1,566
North Ayrshire	3,360	29,970	3,692	3,035	13,180	1,007	95	4,630	476	230	12,160	2,209
North Lanarkshire	7,365	92,520	15,022	6,555	28,930	2,526	310	13,590	1,587	495	50,010	10,909
Orkney Islands	1,550	7,840	885	1,475	5,620	361	30	1,170	110	45	1,040	414
Perth and Kinross	6,375	53,020	10,847	5,855	24,640	1,862	185	7,270	969	330	21,110	8,015
Renfrewshire	4,770	64,710	8,252	4,175	18,550	1,607	195	8,640	1,383	395	37,520	5,262
Scottish Borders, The	5,320	34,480	3,085	5,025	20,220	1,523	115	5,860	679	185	8,410	882
Shetland Islands	1,450	9,090	1,973	1,365	5,370	438	45	2,060	385	45	1,660	1,151
South Ayrshire	3,730	35,260	4,644	3,295	14,470	1,044	120	5,440	543	315	15,350	3,057
South Lanarkshire	8,815	86,680	12,313	8,115	33,900	2,782	265	11,720	1,907	435	41,060	7,624
Stirling	4,120	36,350	3,676	3,665	14,600	1,314	130	4,000	797	330	17,750	1,565
West Dunbartonshire	1,915	19,190	2,499	1,665	7,720	674	70	2,700	462	185	8,760	1,363
West Lothian	4,745	58,450	7,045	4,095	17,810	1,491	215	9,230	1,466	435	31,410	4,089
Scotland Total⁵	166,525	1,865,130	267,415	160,450	680,300	61,718	3,780	256,260	36,494	2,295	928,560	169,203

Note: This data only refers to the registered enterprises. Unregistered are sole traders and partnerships who are not registered for PAYE or VAT.

Source: Scottish Government, ONS (IDBR)

APPENDIX 3 – Training Register

Training Register

Member Authority	Name	Legal -1	Legal - CCA	Investment Appraisal	Operations	Experian	GRID	NFR	LISA	Basic A/C's	Bribery Act