



In partnership with
RBS
The Royal Bank of Scotland



The RBS SE100 Data Report 2012 *Summary*

Charting the growth and impact of
the UK's top social businesses

Full statistics and analysis at SE100.net



“ Social enterprise is, and should be, the antidote to recession. Many of the high performers on this year’s index were set up to alleviate poverty, help the most disadvantaged skill up and into work, or aim to improve people’s health and happiness but they are not immune to the economic climate. This year’s top 100 haven’t grown as quickly as last year’s – but an average growth of 60% in an economy as tough as ours is an incredible achievement. The staggering 85% increase in turnover of the top 100 growers compared with last year also proves social enterprise is a crucial and dynamic part of the economy.

There has also been a real jump in understanding the business case for measuring and communicating social impact. Most established enterprises have told us that it has increased their competitiveness and won them new business, proving that consumers, purchasers of services and investors are keener than ever to make better choices when they buy or invest.

The RBS SE100 Index is an increasingly important tool for benchmarking key players in the sector and I urge you to sign up again next year. ”



Nick Hurd

Minister for Civil Society



Foreword

Alastair Grier

Chief Operating Officer, Business & Commercial Banking, RBS

Welcome to the third RBS SE100 Data Report. I am delighted we are again supporting this research as it provides invaluable market intelligence to how the top performing businesses in the social enterprise sector work.

This is why the RBS SE100 is a partner to our new Inspiring Enterprise programme which is about to launch the social enterprise section of its website. This programme enables socially driven businesses access to often hard to reach finance - crucial to boosting the success of this market.

And what a successful sector this is proving to be. The RBS SE100 Data Report is telling us that in a tough economic year this is the sector to watch as the top 100 enterprises are still growing at an incredible rate. We believe that this growth is also sustainable and stable, which makes it a vitally important sector for the country, not only financially for the economy but on social and environmental levels too.

Our champions this year are successful businesses, but are also supporting people, whether that is in developing skills and confidence in areas of deep deprivation or putting together activities to keep people healthy – or whether breaking the mould and securing satisfying careers for people with disabilities.

It's no surprise that social enterprises are socially progressive – that leadership teams are on average made up of 45 per cent of women – but I am also pleased that social enterprises are measuring their social and environmental impacts in more sophisticated ways. This is good for us as investors, good for morale in the enterprises themselves, but also good for customers as they can understand that they are buying a better product.

Whether you work in a social enterprise, invest in them, or you are an interested observer, the RBS SE100 Data Report is an important document for you. All key players are here and as the sector develops we will adapt the index to make it even more responsive to this dynamic sector.

Partners of the RBS SE100 Index

The RBS SE100 Index is run by Matter&Co in partnership with RBS Community Banking and RBS Inspiring Enterprise. RBS Inspiring Enterprise is how, over the next three years, RBS will encourage more people in more communities to explore enterprise, build their skills and start up in business.

The Thomson Reuters Foundation has kindly offered to fast track applications to join the TrustLaw Connect pro bono service for all RBS SE100 winners from the past three years. TrustLaw is the Thomson Reuters Foundation's global pro bono marketplace and news and information service on good governance and women's rights.

Buzzacott Chartered Accountants and the SROI Network have also made a valuable contribution to delivering the RBS SE100 Index this year.



Contents

About the SE100 Index 06

The SE100 Index aims to track the success of social businesses across the UK by examining both their growth and the impact that they make

Commentary: A portrait of a sector 07

Tim West introduces this year's key results.

Growth 10

The growth of the top 100 remains impressive, and introducing our Growth Champion.

Impact 12

Successful social enterprises need to be soundly-run businesses but they must also make a positive impact. Here we reveal this year's Impact Champion.

Newcomers 14

Enterprises that have been trading for fewer than three years are entered on to the Newcomers Index. This year's Trailblazing Newcomer is proving its success in a competitive marketplace.

See se100.net for much more analysis, facts and stats

About the SE100 Index

The RBS SE100 Index is now in its third year. Its aim remains the same: to track the success of social businesses across the UK by examining both their growth and the impact that they make.

We've followed the same methodology as previous years and all the data collected is submitted by enterprises via an online or telephone survey. All entrants have had to provide certain basic information such as the region in which they operate, their legal structure and accounts signed off by an accountant. This year we received 365 completed surveys.

After our teams of number crunchers and judges have been to work, the RBS SE100 members are divided into different sections:

- The Main Index is for mature organisations which have more than three years of accounts. There are 268 enterprises on this index this year.
- The Newcomers Index is for start-up organisations. There are 79 newcomers this year.

Importantly, in addition to seeking data about enterprises' financial performance, we are keen to find out about their impact, and how they define, measure and communicate it.

By providing their data to us, there is an understanding that the information should be true and accurate, although we cannot guarantee this. The enterprises shortlisted for awards were asked to provide more detailed information as part of a due diligence process.

A summary of this year's results is presented here, and there's lots more information and analysis online at www.se100.net.

A portrait of a sector

This year's SE100 Index shows that social businesses are finding ways to succeed, build value and create positive change come rain or shine in terms of the economic or political climate, says Tim West

When we began this ambitious project to chart the success of social businesses, we had the belief – but not the proof – that it would be a worthwhile endeavour.

Now, as we publish the third set of annual statistics in the RBS SE100 Index, it is clear that we have a tool that is not only useful, but quite unique in its ability to paint a portrait of the social enterprise sector and its business journey over several years, tracking both the financial and social elements of the sector.

So, what do we know that we didn't know three years ago?

First, and significantly, we know that social businesses are finding ways to succeed, build value and create positive change come rain or shine in terms of the economic or political climate. The growth rate of our top 100 has dipped this year from 90% to 60% – but 60% is still a remarkable achievement.

In total, the enterprises on the index turned over £778m and created £19m of profit between them, with average income from trading (as opposed to grants or fundraising) at 80%.

Our top 100 growers – the SE100 – also achieved a considerably higher combined income this year than the top 100 growers from last year – they posted a

combined turnover of £319.4m, which is £146.7m more than the top 100 growers on the 2011 index.

Second, those social enterprises on the index who filled in the social impact questions are telling us that measuring and demonstrating their impact is helping to make them a better business.

“ All three of this year's winners have achieved remarkable success over the year and are shining examples of how a social mission can be the driving force for successful business. ”

Almost 58% said that being a social business gave them a competitive advantage and 66% said this advantage was stronger this year than the year before. Some 83% made a public statement about their social value, 63% measured their impact, 34% changed the way they did business as a result of measuring their impact and 34% said they had won new business because they had been able to demonstrate their impact.

The efforts made to demonstrate value and impact are also increasing: despite spending on average less money on their impact measurement efforts, 35% of those who filled in the impact questionnaire scored four points or above compared with 9% the previous year on our impact measurement scorecard (where a one point is scored when you answer 'yes', and no points are scored for 'no', in a series of seven questions).

Among the other interesting findings from this year's index, we saw that social businesses continued to give more opportunities to women in senior management or board positions (45%).

Our index entrants also had a clear message to financial institutions – 72% said banks should take a different approach to make finance more accessible for social businesses.

We had fewer entrants to our survey this year than last (365, compared with 409 last year and 350 the year before) but our researchers from Bristol Business School/University of the West of England achieved a greater depth in this survey than in previous years,

with many more questions and much fuller answers. There is much more to learn and draw out than we have been able to express in this summary document – and we will be providing further analysis over the course of the next few months. Our questions on business markets, geographies and legal/governance structures will all bear interesting fruit.

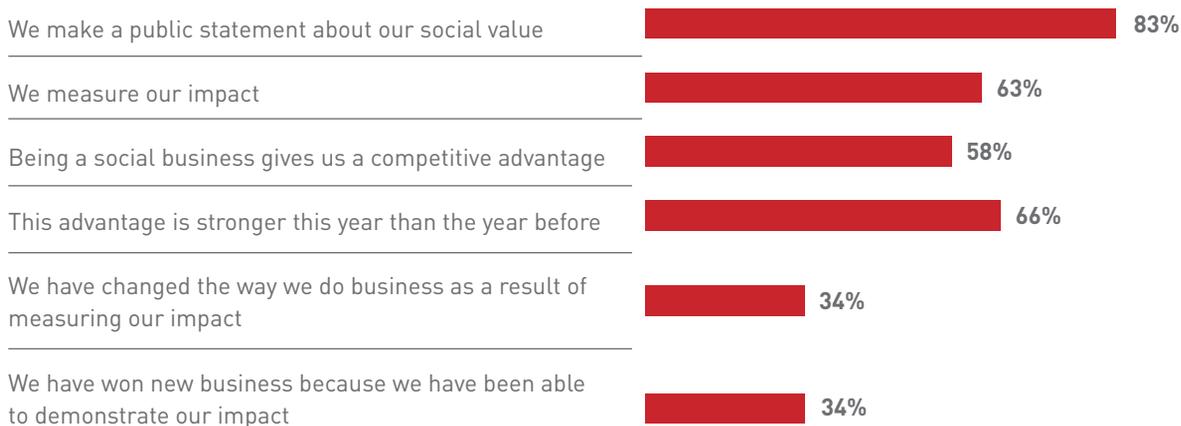
Meanwhile, we congratulate this year's winners: Five Lamps, our Impact Champion; Social adVentures, our Growth Champion, and Argonaut Enterprises, our Trailblazing Newcomer. All three have achieved remarkable success over the year and are shining examples of how a social mission can be the driving force for successful business.

Finally, we look forward to planning next year's Index with our partners, RBS Group and the RBS Inspiring Enterprise programme, and we thank all the team at RBS and our other partners and supporters on the Index; in particular, the SROI Network, Buzzacott accountants and Thomson Reuters. Duncan Sloan and Eric Munro from RBS, Jeremy Nicholls from the SROI Network, and Eddie Finch from Buzzacott deserve particular thanks.

Impact

Percentage of respondents who agreed with the following statements

Source: enterprises that filled in the impact questionnaire



Total Turnover: all enterprises

Source: main index and newcomers index



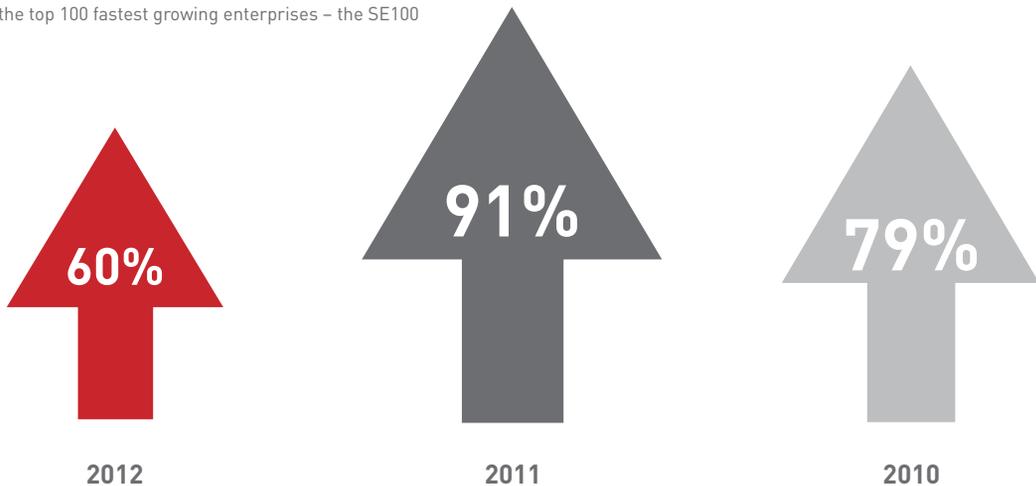
Average Turnover: all enterprises

Source: main index and newcomers index



Average growth: the SE100

Source: the top 100 fastest growing enterprises – the SE100



Growth

The SE100 is a list of the top 100 fastest growing established enterprises – those that have more than three years of accounts and therefore appear on our main index.

The average growth of the top 100 was 60% this year – down from 91% last year, perhaps reflecting the more challenging economic circumstances.

Our growth champion title is not simply awarded to the enterprise that posts the highest annual growth figure, but one that our judges believe has a little bit extra – a combination of sustainability, a robust business model and entrepreneurial flair.

The 10 fastest growers

POSITION THIS YEAR	ENTERPRISE	OPERATING REGION(S)	GROWTH THIS YEAR %
1	The Challenge Network	London, South East, West Midlands, North West	800
2	Dot-art Services CIC	North West	451
3	Enabling Enterprise	UK-wide	429
4	Ox-Fizz	London	306
5	 Social adVentures GROWTH CHAMPION	North West, London	262
6	Social Enterprise Solutions (UK) CIC	North West	163
7	Secret Seed Society	UK-wide	137
8	Spice Innovations Ltd	UK-wide	114
9	Greenstream Flooring CIC	UK-wide	112
10	Bullwood Project	Scotland	108

Growth Champion 2012

Social AdVentures

One of the country's first public sector mutuals with an aim of inspiring people to lead happier and healthier lives, it specialises in public health and social care contract delivery plus running social businesses such as garden centres and community cafes.

GROWTH THIS YEAR: 262%

Scott Darraugh, chief executive, says: "The journey has been tough at times, I have likened it to running a marathon in a gorilla costume. However, I believe it has been worth the effort. My team and I were passionate that we needed to be audacious with our vision to work alongside people to inspire them to lead healthier and happy lives. We have transformed our culture to allow us to be more innovative and entrepreneurial – winning new contracts and even acquiring previously private sector businesses."

OUR JUDGES SAY: "As befits an RBS SE100 growth champion, Social adVentures not only posted a hefty increase in turnover but also demonstrated how social businesses can build success in the public services arena, winning some key contracts, putting their buildings to work as an income generator and using social investment to support their ambitions."



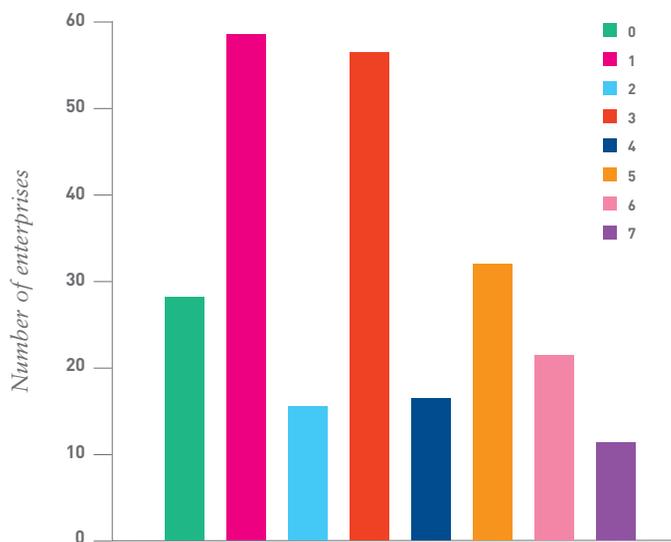
Impact

Successful social enterprises need to be soundly-run businesses, but they must have a social impact too. While it's relatively easy to measure the financial bottom line, measuring social impact is a challenge that social enterprises have been tackling for many years – some more successfully than others.

We judge the Index members' success at impact reporting using a test developed with the SROI Network which gives enterprises a score out of seven (we've added two new questions on top of last year's).

This year's impact champion was chosen by our expert judges after examining their responses to our impact questionnaire as well as their impact reports and accounts.

Spread of impact scores (scores out of 7)



Source: main index and newcomers index

THE TOP IMPACT SCORERS

Connection Crew CIC

Eco Friendly Contract Cleaning Ltd

Fact2006 Ltd

Five Lamps **IMPACT CHAMPION**



FRC Group

Livity

NOW

Pembrokeshire FRAME

Rampworx

Recycling Lives

Shared Interest Society

Source: all enterprises that scored 7/7 in our impact test from the main index and newcomers index

Impact Champion 2012

Five Lamps

Working principally in the most deprived areas in the north east of England, Five Lamps delivers social, economic and financial inclusion services to help people get jobs, start businesses, get out of debt and transform their lives.

IMPACT SCORE: 7/7

Graeme Oram, chief executive, says: "It is great to be recognised for the way that we measure the impact of our increasingly integrated range of services on the lives of our customers, and for the commitment, at every level of our organisation, to use social accounting to drive continuous improvement, design new services and make a compelling case for social investment."

OUR JUDGES SAY: "From their first impact report last year to their second, much more detailed report this year, Five Lamps impressed the judges with the step change they had made in this area and the way they had embraced social accounting as a business tool to win business and sharpen their approach."



Newcomers

Those enterprises that have been trading for fewer than three years are entered on to our Newcomers Index.

This year, the average growth of those on the newcomers index was 161% (down from the phenomenal 5,490% last year) and the average turnover was £1.9m – a much bigger figure than last year’s £378,000.

This year’s trailblazing newcomer is an exciting, fast-growing enterprise that is also giving keen thought to how to demonstrate its impact.

10 fastest growing newcomers

POSITION THIS YEAR	ENTERPRISE	OPERATING REGION(S)	GROWTH THIS YEAR %
1	Third Sector IT	London	1,301
2	Petit Miracle Interiors	London	1,224
3	Argonaut Enterprises TRAILBLAZING NEWCOMER	North-West and others	767
4	Dementia Adventure	East and others	500
5	On Purpose	London	388
6	Aidem Digital CIC	West Midlands	241
7	REDS10	South-East	233
8	Sunnier Days	London	150
9	IncomeMAX CIC	UK-wide	150
10	Armistead	North-West	137

Trailblazing Newcomer 2012

Argonaut Enterprises

Established in 2010, Argonaut Enterprises is a social firm that creates employment opportunities for disabled people providing commercially viable facilities management services including cleaning, plumbing and security. Customers range from individual people to multinational companies.

GROWTH THIS YEAR: 767%

Gill Winstanley, co-director, says: "It's a pleasure to win this award. The publicity that it will give us will be enormous and the impact on the company itself will be huge because we are very keen that deaf and disabled people are seen as mainstream and able to work in commercial areas, rather than being pushed aside."

OUR JUDGES SAY: "A superb story of early stage business growth motivated by a clear social mission: Argonaut Enterprises has spotted an opportunity to link the solution to a business problem with the solution to a pressing social need. Over the past year it has grabbed this opportunity with gusto, but also made a great start in beginning to track and demonstrate their impact."





Published by and copyright of Matter&Co

www.matterandco.com