

SCOTTISH ENTERPRISE TAYSIDE

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

REGISTERED NUMBER SC126821

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SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS

Jill Farrell
Charles Stewart

SECRETARY

Hugh Cameron Gunn

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Kintyre House
209 West George Street
GLASGOW
G2 2LW

BANKERS

Bank of Scotland plc
Gordon Street
GLASGOW
G1 3RS

SOLICITORS

Legal Services Department
Scottish Enterprise
Atrium Court
50 Waterloo Street
GLASGOW
G2 6HQ

REGISTERED OFFICE

5 Atlantic Quay
150 Broomielaw
GLASGOW
G2 8LU

SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITY

Until 31 March 2008 Scottish Enterprise Tayside's principal activity was to operate as a Local Enterprise Company delivering economic services in Tayside under an operating contract with Scottish Enterprise. Scottish Enterprise is a public body duly constituted under the terms and provisions of the Enterprise and New Towns (Scotland) Act 1990. Scottish Enterprise Tayside, a company limited by guarantee, is a subsidiary undertaking of Scottish Enterprise.

On 1 April 2008, as a result of restructuring, certain roles and functions, and related commitments, of Scottish Enterprise Tayside were transferred to other public bodies, with the remaining business operations, their related commitments, and certain of the company's assets and liabilities, being assumed by Scottish Enterprise. No new operational commitments were entered into by Scottish Enterprise Tayside after that date.

Other assets and liabilities were retained by the company at that date for practical and operational reasons, the intention being to subsequently realise the assets and settle the liabilities, or when practical arrange for their transfer to Scottish Enterprise. These accounts reflect progress towards achieving that intention.

RESULTS

The surplus on all activities for the year, after taxation, amounted to £188,566 (2008: (£891)).

FUTURE DEVELOPMENTS

As noted a small number of transactions may continue to be entered into in order to realise assets or settle liabilities retained by the company on 31 March 2008. Annual accounts will continue to be prepared until all these assets have been realised and liabilities settled at which point it is expected that the company will be wound up.

DIRECTORS

The Directors in office at the date of this report and at any point during the year are as follows:

Jill Farrell	
Charles Stewart	(appointed on 30 May 2008)
Jim McPhillimy	(resigned on 17 June 2008)
Malcolm Horner	(resigned on 17 June 2008)

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant post balance sheet events.

SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 3. Each of these directors confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP will be put to the Annual General Meeting.

SMALL GROUP EXEMPTION

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By order of the Board

H. Cameron Gunn

Cameron Gunn
Secretary

26th June 2009

SCOTTISH ENTERPRISE TAYSIDE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH ENTERPRISE TAYSIDE

We have audited the financial statements of Scottish Enterprise Tayside for the year ended 31 March 2009 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow

26 June 2009

SCOTTISH ENTERPRISE TAYSIDE**INCOME AND EXPENDITURE ACCOUNT****For the year ended 31 March 2009**

	Notes	2009 £000's	2008 £000's
Income from operations	2	-	19,218
Expenditure		<u>(35)</u>	<u>(20,173)</u>
Operating (deficit)	3	<u>(35)</u>	<u>(955)</u>
Adjustment to investments written off		215	32
Bank interest receivable	4	<u>13</u>	<u>45</u>
		228	77
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		193	(878)
Taxation charge	6	<u>(4)</u>	<u>(13)</u>
SURPLUS / (DEFICIT) FOR THE YEAR	7	<u>189</u>	<u>(891)</u>

There are no recognised gains or losses other than the surplus / (deficit) for the above two financial years.

There is no difference between the results on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

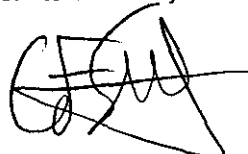
The directors regard the principal operations of the company as discontinued.

SCOTTISH ENTERPRISE TAYSIDE

COMPANY BALANCE SHEET At 31 March 2009

	Notes	2009 £000's	2008 £000's
FIXED ASSETS			
Tangible assets		-	53
Investments	9	<u>730</u>	<u>511</u>
		730	564
Asset repayment provision	10	<u>(15)</u>	<u>(35)</u>
		<u>715</u>	<u>529</u>
CURRENT ASSETS			
Debtors	11	128	307
Investments		-	5
Cash at bank and in hand		<u>120</u>	<u>718</u>
		248	1,030
CREDITORS: amounts falling due within one year	12	<u>(612)</u>	<u>(1,397)</u>
NET CURRENT ASSETS		<u>(364)</u>	<u>(367)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>351</u>	<u>162</u>
NET ASSETS		<u>351</u>	<u>162</u>
CAPITAL AND RESERVES	7	<u>351</u>	<u>162</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 26th June 2009 and signed on its behalf by:



Charles Stewart
Director

26th June 2009

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the applicable accounting standards, all of which have been applied consistently throughout the year and the previous year.

(b) Exemption from the preparation of consolidated accounts

Scottish Enterprise Tayside claims exemption from preparing consolidated accounts under section 228 of the Companies Act 1985. Exemption is granted on the basis that it is an intermediate parent company which is wholly owned by its parent, Scottish Enterprise. The financial results of Scottish Enterprise Tayside and its subsidiaries will be consolidated in the Ultimate Parent companies financial statements which are made up to the same date, 31 March 2009.

(c) Basis of operation

Until 31 March 2008 Scottish Enterprise Tayside's principal activity was to operate as a Local Enterprise Company delivering economic services within Tayside under an operating contract with Scottish Enterprise. Scottish Enterprise is a public body duly constituted under the terms and provisions of the Enterprise and New Towns (Scotland) Act 1990. Scottish Enterprise Tayside, a company limited by guarantee, is a subsidiary undertaking of Scottish Enterprise.

On 1 April 2008, as a result of restructuring, certain roles and functions, and related commitments, of Scottish Enterprise Tayside were transferred to other public bodies, with the remaining business operations, their related commitments, and certain of the company's assets and liabilities, being assumed by Scottish Enterprise. No new operational commitments were entered into by Scottish Enterprise Tayside after that date.

Other assets and liabilities were retained by the company at that date for practical and operational reasons, the intention being to subsequently realise the assets and settle the liabilities, or when practical arrange for their transfer to Scottish Enterprise. These accounts reflect progress towards achieving that intention.

The operational commitments of the company were assumed by either Scottish Enterprise or other public sector entities as at 1 April 2008 and the directors no longer consider the company to be operating as a going concern. Any assets remaining will be realised within the normal course of business and for this reason, the directors believe that no amendment is required to the balances held in the financial statements

The financial results reported in these financial statements relate wholly to business activities which have been discontinued by Scottish Enterprise Tayside.

(d) Tangible Fixed Assets

For tangible fixed assets purchased by the company with funds provided by Scottish Enterprise and retained by the Company at 1 April 2008 the risks as well as the rewards of ownership remain with Scottish Enterprise even where the legal title to the assets may be in the name of the company. Scottish Enterprise and the company have agreed that all proceeds upon sale of assets previously funded by Scottish Enterprise must be returned to Scottish Enterprise.

Thus tangible fixed assets funded by Scottish Enterprise to which the company has taken title are capitalised in the balance sheet and an equal amount is set up as a provision recognising the obligation to repay Scottish Enterprise the proceeds upon sale of the asset. Any diminution or appreciation in value of Scottish Enterprise funded assets is recorded against the asset and the associated provision.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets purchased out of the Company's own resources are capitalised and depreciation is provided on these, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life as follows:

Computers and office equipment	– over 3 -5 years.
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As part of the restructuring of Scottish Enterprise the majority of computers, office equipment and fixtures and fittings held in the company were transferred to Scottish Enterprise at net book value before 31 March 2008.

(e) Investments

Investments are stated in the balance sheet at the lower of cost and net realisable value. In accordance with group policy repayable grants are not capitalised. Where investments have been funded by loans from Scottish Enterprise, provisions to reduce the value of the investment to below cost are charged to the Income and Expenditure Account in the year the reduction arises.

Where investments have been funded by Scottish Enterprise, other than by way of a repayable loan, the accounting treatment is to capitalise the investment in the balance sheet and set up a provision to reflect the liability to repay the capital proceeds to Scottish Enterprise. All income generated from these investments is repayable to Scottish Enterprise.

Interest income is recognised on an accrued basis. Income from unlisted investments is credited to the Income and Expenditure Account when it becomes due.

(f) Taxation

Corporation tax payable is provided at the current rate.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

2. INCOME

Income, which is stated net of value added tax, represents all funding received and accrued under the Operating Contract with Scottish Enterprise, together with amounts received and due from third parties.

Turnover is attributed to one activity, the delivery of economic development services in Tayside. An analysis by funding sources is as follows:

	2009 £000's	2008 £000's
Scottish Enterprise	-	18,959
European Funding	-	127
Contributions	-	<u>132</u>
Income for year	-	<u>19,218</u>

3. OPERATING DEFICIT

2009 £000's	2008 £000's
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(a) This is stated after charging/ (crediting):

Depreciation	-	85
Auditors' remuneration - audit	2	9
- services in relation to corporate finance transactions	-	12
Diminution in value of investments	-	<u>(14)</u>

(b) Directors' Remuneration

Emoluments	-	66
Pension Contributions	-	15
Relocation Allowance	-	<u>14</u>
	-	<u>95</u>

	2009 <u>No</u>	2008 <u>No</u>
Members of Defined Benefit Schemes Accruing Benefits	-	<u>1</u>

No directors who held office during the year received remuneration. In 2008, the Operations Director, Jill Farrell, received remuneration during the year. This emolument was for managerial services as Operations Director and was paid by Scottish Enterprise and recharged to the company.

4. INTEREST RECEIVABLE

	2009 £000's	2008 £000's
Bank Interest	<u>13</u>	<u>45</u>
Income for year	<u>13</u>	<u>45</u>

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2009

5. STAFF COSTS

Details of staff costs, including charges made for secondees, during the year are as follows:

	2009 £000's	2008 £000's
Wages and salaries	-	2,043
Social security costs	-	175
Other pension costs	-	457
	<u>-</u>	<u>2,675</u>

The average weekly number of staff during the year was nil (2008: 61).

Pensions

Other pension costs during the year ended 31 March 2008 represent the charges made by Scottish Enterprise in respect of seconded employees payments to private pension schemes. Details of the Scottish Enterprise Pension Scheme are included in the accounts of Scottish Enterprise.

6. TAXATION CHARGE

	2009 £000's	2008 £000's
Based on surplus for the year:		
Corporation tax at 28% (2008: 30%)	<u>4</u>	<u>13</u>

At the balance sheet date there are no factors which will significantly affect the future tax charge either for the group or the company. Tax arises primarily on net interest receivable.

The tax assessed on the deficit on ordinary activities for the period is the same (2008: higher) as the standard rate of corporation tax in the UK of 28%. The differences are reconciled below:

	2009 £000's	2008 £000's
Surplus / (deficit) on ordinary activities before tax	<u>13</u>	(878)
Surplus / (deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 30%)	4	(263)
Expenses not deductible for tax purposes and non taxable income	<u>-</u>	<u>276</u>
Total current tax	<u>4</u>	<u>13</u>

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

7. INCOME AND EXPENDITURE ACCOUNT

	2009 £000's	2008 £000's
At 1 April 2008	162	1,053
Surplus / (Deficit)	<u>189</u>	<u>(891)</u>
At 31 March 2009	<u>351</u>	<u>162</u>

8. TANGIBLE FIXED ASSETS

	Computers and Office Equipment £000's	Total £000's
Cost		
At 1 April 2008	289	289
Transferred to Scottish Enterprise	<u>(289)</u>	<u>(289)</u>
At 31 March 2009	<u>-</u>	<u>-</u>
Depreciation		
At 1 April 2008	236	236
Transferred to Scottish Enterprise	<u>(236)</u>	<u>(236)</u>
At 31 March 2009	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2009	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2008	<u>53</u>	<u>53</u>

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2009

9. INVESTMENTS

	Equity £000's	Loans £000's	Loans to Subsidiaries £000's	Total £000's
Cost:				
At 1 April 2008	224	492	834	1,550
Repayments	-	(7)	-	(7)
At 31 March 2009	<u>224</u>	<u>485</u>	<u>834</u>	<u>1,543</u>
Diminution in value:				
At 1 April 2008	224	485	325	1,034
Provided for	(188)	(6)	(27)	(221)
At 31 March 2009	<u>36</u>	<u>479</u>	<u>298</u>	<u>813</u>
Net book value				
At 31 March 2009	<u>188</u>	<u>6</u>	<u>536</u>	<u>730</u>
Net book value				
At 31 March 2008	<u>-</u>	<u>7</u>	<u>509</u>	<u>516</u>

Details of the investments in which the Company held more than 20% of the nominal value of any class of share capital during the year were as follows:

Subsidiary Company	Activity	Shareholding
SET Development Fund Limited	Economic Development	A Charitable Company limited by guarantee £1
Tay Euro Fund Limited	Provision of Seed Capital	100% Ordinary Shares
Associated Company	Activity	Shareholding
AMCET Limited	Research	26% Ordinary Shares
Angus Loan Fund Limited	Investment	A Company limited by guarantee £1
The Perthshire Business Shop Investment Fund Limited	Investment	A Company limited by guarantee
Small Business Finance (Dundee) Limited	Investment	A Company limited by guarantee

Details of the other investments are as follows:

Other investments	Activity	Shareholding
Tristar Oilfield Services Limited	Provision of Services to the Petroleum Industry	25,000 £1 Preference Shares

All of the above companies are registered in Great Britain. The results of SET Development Fund Limited, Tay Euro Fund Limited, AMCET Limited, Angus Loan Fund Limited, The Perthshire Business Shop Investment Fund Limited and Small Business Finance (Dundee) Limited are included in the parent company consolidated accounts.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

10. ASSET REPAYMENT PROVISION

	Tangible Assets £000's	Investments £000's	Total £000's
Balance at 1 April 2008	19	16	35
Repayments	-	(7)	(7)
Diminution in value	-	6	6
Transferred to Scottish Enterprise	<u>(19)</u>	<u>-</u>	<u>(19)</u>
At 31 March 2009	<u>-</u>	<u>15</u>	<u>15</u>

11. DEBTORS

	2009 £000's	2008 £000's
Value Added Tax	-	177
Scottish Enterprise	12	-
Prepayments and Accrued Income	<u>116</u>	<u>130</u>
	<u>128</u>	<u>307</u>

12. CREDITORS: amounts falling due within one year

	2009 £000's	2008 £000's
Scottish Enterprise	568	1,350
Other Creditors and Accruals	41	41
Corporation tax	<u>4</u>	<u>6</u>
	<u>612</u>	<u>1,397</u>

13. SHARE CAPITAL

The company does not have a share capital and is limited by guarantee. The liability of members is limited to £5 each. At 31 March 2009 the company had 1 member (2008: 1).

14. OTHER FINANCIAL COMMITMENTS

The group currently rents premises from Scottish Enterprise. There is no formal agreement of this rental and as such no commitment is included.

15. CONTINGENT LIABILITIES

Until 31 March 2008 a floating charge existed over the assets of the company. As part of the restructuring the majority of assets transferred to Scottish Enterprise and so in respect of these assets this liability is extinguished. In respect of the remaining assets a liability still remains to Scottish Enterprise until such time as the assets are sold or transferred at which point the liability will be extinguished.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2009**

16. RELATED PARTY TRANSACTIONS

As provided by FRS 8, the Company has taken exemption from disclosing transactions and balances with other members of the Scottish Enterprise Network. Although Scottish Enterprise does not hold any share capital of the Company, it does produce group consolidated financial statements incorporating the financial statements of the Company. As a consequence, the Company is exempt from the requirement to disclose further information with regard to related party transactions which are eliminated on that consolidation.

The company has also taken exemption under FRS 8 from disclosing transactions between subsidiaries and any directors' related companies when they are not considered to be material to either party.

17. ULTIMATE PARENT ORGANISATION

By virtue of the control exercised, Scottish Enterprise is the ultimate parent organisation of Scottish Enterprise Tayside.

The accounts of Scottish Enterprise Tayside and its subsidiaries are consolidated within the financial statements of Scottish Enterprise.