

SCOTTISH ENTERPRISE TAYSIDE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

REGISTERED NUMBER SC126821

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SCOTTISH ENTERPRISE TAYSIDE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

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SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS AND ADVISORS

DIRECTORS

Jill Farrell
Charles Stewart

COMPANY SECRETARY

Hugh Cameron Gunn

INDEPENDENT AUDITORS

KPMG LLP
191 West George Street
GLASGOW
G2 2LJ

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

Atrium Court
50 Waterloo Street
GLASGOW
G2 6HQ

SCOTTISH ENTERPRISE TAYSIDE

DIRECTORS' REPORT

The directors present their report and audited financial statements of the company, registered number SC126821, for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

Until 31 March 2008 Scottish Enterprise Tayside's principal activity was to operate as a Local Enterprise Company delivering economic development 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 deficit on all activities for the year, after taxation, amounted to £1,000 (2010: deficit of £221,000).

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. Financial Statements 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 listed on page 2.

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 IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and each director has 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.

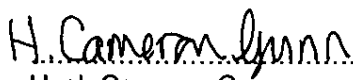
AUDITORS

PricewaterhouseCoopers LLP resigned as auditors and the Directors appointed KPMG LLP to fill the vacancy. A resolution to re-appoint them as auditors will be put to the Annual General Meeting.

SMALL GROUP EXEMPTION

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

By order of the Board


Hugh Cameron Gunn
Secretary

23/6/2011

Registered number: SC126821

SCOTTISH ENTERPRISE TAYSIDE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH ENTERPRISE TAYSIDE

We have audited the financial statements of Scottish Enterprise Tayside for the year ended 31 March 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

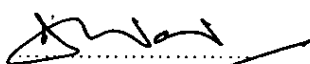
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



DJ Watt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow, G2 2LJ

30 June 2011

SCOTTISH ENTERPRISE TAYSIDE

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2011

	Notes	2011 £000	2010 £000
Operating expenditure		<u>(4)</u>	<u>(236)</u>
Operating deficit	3	<u>(4)</u>	<u>(236)</u>
Adjustment to investments written off		2	14
Bank interest receivable		<u>1</u>	<u>1</u>
		3	15
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1)	(221)
Taxation charge	4	<u>-</u>	<u>-</u>
DEFICIT FOR THE YEAR	8	<u>(1)</u>	<u>(221)</u>

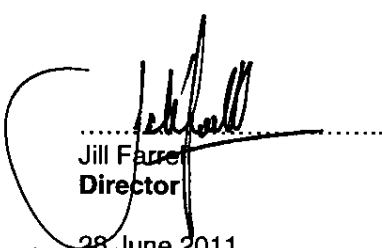
There are no recognised gains or losses other than the deficit for the above two financial years.

SCOTTISH ENTERPRISE TAYSIDE**BALANCE SHEET**
At 31 March 2011

	Notes	2011 £000	2010 £000
FIXED ASSETS			
Investments	5	<u>551</u>	<u>738</u>
		551	738
Asset repayment provision	6	<u>(19)</u>	<u>(208)</u>
		532	530
CURRENT ASSETS			
Cash at bank and in hand		<u>147</u>	<u>148</u>
		147	148
CREDITORS: amounts falling due within one year	7	<u>(550)</u>	<u>(548)</u>
NET CURRENT LIABILITIES		<u>(403)</u>	<u>(400)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>129</u>	<u>130</u>
NET ASSETS		<u>129</u>	<u>130</u>
CAPITAL AND RESERVES	8	<u>129</u>	<u>130</u>

The financial statements are prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 6 to 13 were authorised and approved by the Board of Directors on 28th June 2011 and signed on its behalf by:



.....
Jill Farrer
Director

28 June 2011

Registered number: SC126821

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

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 400 of the Companies Act 2006. 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 company's financial statements which are made up to the same date, 31 March 2011.

(c) Cash flow statement

The company is a wholly owned subsidiary of Scottish Enterprise, which prepares consolidated financial statements including a cash flow statement. Consequently, the company is exempt under the terms of FRS 1 (revised) for publishing a cash flow statement.

(d) Basis of operation

Until 31 March 2008 Scottish Enterprise Tayside's principal activity was to operate as a Local Enterprise Company delivering economic development 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.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

(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. Any reduction in the value of investment is matched through a corresponding reduction in the provision.

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 2011

2. TURNOVER

There was no turnover in the year to 31 March 2011 (2010: nil).

3. OPERATING DEFICIT	2011 £000	2010 £000
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(a) This is stated after charging:

Provision to repay Scottish Enterprise (i)	-	199
Auditors' remuneration - audit	<u>2</u>	<u>2</u>

- (i) Provision has been made to reflect the carrying value of investments funded by Scottish Enterprise in accordance with note 1(d) above.
- (ii) Remuneration paid to the company's auditors for the provision of non audit services totalled £2,000 (2010: £nil).

Directors' Remuneration

The emoluments of the directors are paid through Scottish Enterprise and it is not possible to apportion their time spent in relation to this company.

4. TAXATION CHARGE	2011 £000	2010 £000
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Based on deficit for the year:		
Corporation tax at 28% (2010: 28%)	<u>-</u>	<u>-</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 (2010: lower than) as the standard rate of corporation tax in the UK of 28%. The differences are reconciled below:

	2011 £000	2010 £000
Deficit on ordinary activities before taxation	<u>1</u>	<u>(221)</u>
Deficit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2010: 28%)	-	(62)
Effect of expenses not deductible for tax purposes and non taxable income	<u>-</u>	<u>62</u>
Total current tax	<u>-</u>	<u>-</u>

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

5. INVESTMENTS

	Equity £000	Loans £000	Loans to Subsidiaries £000	Total £000
Cost:				
At 1 April 2010	224	426	834	1,484
Repayments	-	-	-	-
Written off	(25)	(90)	-	(115)
At 31 March 2011	<u>199</u>	<u>336</u>	<u>834</u>	<u>1,369</u>
Diminution in value:				
At 1 April 2010	25	426	295	746
Written off	(25)	(90)	-	(115)
Provided for	<u>189</u>	<u>-</u>	<u>(2)</u>	<u>187</u>
At 31 March 2011	<u>189</u>	<u>336</u>	<u>293</u>	<u>818</u>
Net book value				
At 31 March 2011	<u>10</u>	<u>-</u>	<u>541</u>	<u>551</u>
Net book value				
At 31 March 2010	<u>199</u>	<u>-</u>	<u>539</u>	<u>738</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
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
Small Business Finance (Dundee) Limited	Investment	A Company limited by guarantee

All of the above companies are registered in Great Britain.

During the year, SE Tayside deemed that their investments in Tristar Oilfield Services Limited and The Perthshire Business Shop Investment Fund Limited were no longer recoverable and their investments were written off.

SCOTTISH ENTERPRISE TAYSIDE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

6. ASSET REPAYMENT PROVISION

	Investments £000	Total £000
Balance at 1 April 2010	208	208
Repayments	-	-
Write off equity investment	(25)	(25)
Movement in equity provision	<u>(164)</u>	<u>(164)</u>
At 31 March 2011	<u>19</u>	<u>19</u>

7. CREDITORS: amounts falling due within one year

	2011 £000	2010 £000
Amounts due to parent company	550	548
Corporation tax	<u>-</u>	<u>-</u>
	<u>550</u>	<u>548</u>

8. STATEMENT ON MOVEMENT IN RESERVES

	2011 £000	2010 £000
At 1 April	130	351
Deficit	<u>(1)</u>	<u>(221)</u>
At 31 March	<u>129</u>	<u>130</u>

9. 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 2011 the company had 1 member (2010: 1).

10. OTHER FINANCIAL COMMITMENTS

The company has a number of continuing commitments under the terms of its operating contract with Scottish Enterprise. The cost of meeting these commitments is to be fully funded by Scottish Enterprise.

11. 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 2011

12. 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 Group. 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.

13. ULTIMATE PARENT UNDERTAKING

By virtue of the control exercised, the directors regard Scottish Enterprise, whose principal place of business is Atrium Court, 50 Waterloo Street, Glasgow G2 6HQ, as the company's ultimate parent undertaking.

The accounts of Scottish Enterprise Tayside and its subsidiaries are consolidated within the financial statements of Scottish Enterprise. A copy of the consolidated accounts can be obtained from the above address.