

Company Registration No. SC024724 (Scotland)



**THE SCOTTISH COUNCIL FOR DEVELOPMENT
AND INDUSTRY**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021**

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THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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). 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 profit or loss 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;
- 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 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.

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4		28,054		42,059
Tangible assets	5		7,124		11,090
Investments	6		23,631		498,515
			<u>58,809</u>		<u>551,664</u>
Current assets					
Debtors	7	283,974		129,875	
Cash at bank and in hand		15,560		215,008	
		<u>299,534</u>		<u>344,883</u>	
Creditors: amounts falling due within one year	8	(593,874)		(508,342)	
Net current liabilities			<u>(294,340)</u>		<u>(163,459)</u>
Total assets less current liabilities			<u>(235,531)</u>		<u>388,205</u>
Creditors: amounts falling due after more than one year	9		(727,669)		(46,667)
Provisions for liabilities	10		-		(36,153)
Net assets excluding pension liability			<u>(963,200)</u>		<u>305,385</u>
Defined benefit pension liability			-		(1,409,000)
Net liabilities			<u>(963,200)</u>		<u>(1,103,615)</u>
Capital and reserves					
Revaluation reserve	14		112		10,778
Profit and loss reserves			<u>(963,312)</u>		<u>(1,114,393)</u>
Total equity			<u>(963,200)</u>		<u>(1,103,615)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 25 August 2022 and are signed on its behalf by:

Joanna Boag-Thomson

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Joanna Boag-Thomson
Director

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Scottish Council for Development and Industry is a private company limited by guarantee and is registered and incorporated in Scotland. The registered office is Brunswick House, 51 Wilson Street, Glasgow, G1 1UZ.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

Having considered the Company's financial position, prospects and available financial resources for the period of twelve months from the date of approval of these financial statements, and given the further financial surety provided by the CVA which was completed in September 2021, the directors have developed a reasonable expectation that the Company will continue to operate as a going concern over the next 12 months. Accordingly, the financial statements continue to be prepared under the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable from subscriptions and project income, and is shown net of VAT and other sales related taxes.

Subscriptions are received throughout the financial year and are credited to the Profit and Loss account when received.

Project Activities are accounted for when the activities are completed.

Investment Income comprises interest and dividends on listed and unlisted investments received and receivable.

Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website/CRM Costs	10% - 20% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% - 15% straight line
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THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Fixed Asset Investments are included at market value. Unrealised gains and losses and movements are recognised each year through the Statement of Comprehensive Income and Revaluation Reserve.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made for liabilities arising in respect of expected dilapidation claims on premises leased by the company.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	19	24

3 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	93,788	88,524

4 Intangible fixed assets

	Other £
Cost	
At 1 October 2020 and 30 September 2021	70,026
Amortisation and impairment	
At 1 October 2020	27,967
Amortisation charged for the year	14,005
At 30 September 2021	41,972
Carrying amount	
At 30 September 2021	28,054
At 30 September 2020	42,059

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 October 2020	96,498
Additions	6,478
At 30 September 2021	102,976
Depreciation and impairment	
At 1 October 2020	85,408
Depreciation charged in the year	10,444
At 30 September 2021	95,852
Carrying amount	
At 30 September 2021	7,124
At 30 September 2020	11,090

6 Fixed asset investments

	2021 £	2020 £	
Listed investments	23,631	498,515	
Movements in fixed asset investments			
	UK listed investments £	Cash £	Total £
Cost or valuation			
At 1 October 2020	479,657	18,858	498,515
Disposals	(456,026)	(18,858)	(474,884)
At 30 September 2021	23,631	-	23,631
Carrying amount			
At 30 September 2021	23,631	-	23,631
At 30 September 2020	479,657	18,858	498,515

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	72,923	11,078
Other debtors	211,051	118,797
	<u>283,974</u>	<u>129,875</u>

Other Debtors includes expenditure in respect of current Trade and Membership related projects of £32,023 (2020 - £57,708). The eventual surplus on these projects will be transferred to the Income and Expenditure account when the activities are completed.

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	10,000	3,333
Trade creditors	101,836	70,840
Taxation and social security	172,995	129,824
Other creditors	309,043	304,345
	<u>593,874</u>	<u>508,342</u>

Other creditors represent advance income received in respect of Trade and Membership related projects of £241,558 (2020 - £272,638). The eventual surplus on these projects will be transferred to the Income and Expenditure account when the activities are completed.

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	36,667	46,667
Other creditors	691,002	-
	<u>727,669</u>	<u>46,667</u>

Creditors due after one year include £36,667 (2020 - £46,667) relating to a Bounce Back Loan received from the Government relating to the Covid-19 pandemic and £691,002 (2020 - £nil) relating to the Trustees of the Pension Fund Loan Notes following the CVA.

Creditors which fall due after five years are as follows:

	2021	2020
	£	£
Payable by instalments	<u>407,638</u>	<u>-</u>

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Provisions for liabilities

	2021 £	2020 £
Building Maintenance Provision	-	36,153

11 Revaluation reserve

	2021 £	2020 £
At the beginning of the year	10,778	68,965
Fair value adjustment to investments	(10,666)	(58,187)
At the end of the year	112	10,778

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	5,855	42,852
Between one and five years	-	5,855
	5,855	48,707

13 Capital commitments

The company had no capital commitments at 30 September 2021 (2020 - £nil).

14 Company Voluntary Arrangement

On 03 March 2021, the company entered a Company Voluntary Arrangement (CVA) regarding its outstanding pension liability and other creditors. As a result of this and subsequent meeting with its creditors, a £343,802 payment was made to the Trustees of the Pension Fund and a payment of £3,189 was made to the landlord in full settlement of dilapidations. The remaining balance of £691,022 relating to the pension valuation was taken out as loan notes with repayments to the Trustees of the Pension Fund starting from October 2023.

As a result of the above, the company exited the CVA on 22 September 2021, with the pension liability of £1,337,257 and dilapidation provision of £36,153 both eliminated from the balance sheet and a gain of £285,000 through the profit and loss and £717,000 actuarial gain through other comprehensive income.

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Chris Docherty.
The auditor was RSM UK Audit LLP.