

Company No : 96181

EAST DUNBARTONSHIRE ENTERPRISE TRUST LIMITED

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REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 1999

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McEWEN & COMPANY  
CHARTERED ACCOUNTANTS  
KIRKINTILLOCH

## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their Report and Financial Statements for the year ended March 31, 1999.

### Principal Activities

The main objective of the company is to assist in the regeneration of the local economy, to protect existing employment and to promote the creation of new employment in East Dunbartonshire.

The principal activity of the Enterprise Trust continues to be the provision of advice, guidance, training and start-up premises to prospective and existing small businesses.

### Guarantors

The liability of each of the Guarantors in the event of a winding up is limited to £1. At March 31, 1999, there were 13 Guarantors in the register of members.

### Directors

The Directors of the Company during the year ended March 31, 1999, were:

|              |                              |
|--------------|------------------------------|
| C Mallon     | (resigned January 27, 1999)  |
| T Rae        | (resigned May 6, 1999)       |
| J Neill      |                              |
| K O'Sullivan |                              |
| J Dempsey    |                              |
| G H Thom     |                              |
| R W Robinson |                              |
| A Croall     |                              |
| C Ferguson   |                              |
| J McAloon    |                              |
| M Cocozza    | (appointed January 27, 1999) |
| D Slowman    | (appointed August 26, 1998)  |
| C Woodford   | (appointed August 26, 1998)  |
| B Syme       | (appointed August 26, 1998)  |
| F Reid       | (appointed April 28, 1999)   |

### Auditors/

**REPORT OF THE DIRECTORS - continued**

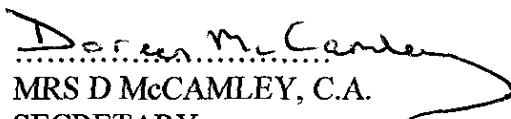
**Auditors**

Messrs McEwen & Company, Chartered Accountants, have intimated that they will not be seeking re-appointment as auditors at the Annual General Meeting.

The directors will fill the casual vacancy.

This report has been prepared taking advantage of the exemptions conferred by Part VII of the Companies Act 1985, on the grounds that, in the opinion of the directors, the company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD

  
MRS D McCAMLEY, C.A.  
SECRETARY

July 16, 1999

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REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1999

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**DIRECTORS' RESPONSIBILITIES FOR  
FINANCIAL STATEMENTS PREPARATION**

The Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the results of the company for the year to that date. The financial statements must be prepared in compliance with the Companies Act 1985.

The Directors are also required:

- to select suitable accounting policies and apply them consistently;
- to ensure that the accounting policies are supported by reasonable and prudent judgements and estimates;
- to ensure that all applicable standards are followed.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are also responsible for maintaining adequate accounting records to enable them to ensure that the financial statements comply with the Companies Act 1985, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

ON BEHALF OF THE BOARD



.....  
K O'SULLIVAN, C.A.  
DIRECTOR

July 16, 1999



## AUDITORS' REPORT TO THE MEMBERS OF EAST DUNBARTONSHIRE ENTERPRISE TRUST LIMITED

4.

We have audited the financial statements on pages 5 to 12, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, effective March 1999, under the historical cost convention and the accounting policies set out on pages 7 and 8.

### Respective Responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 assurances that the financial statements are free from material mis-statement, 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 of the state of the company's affairs as at March 31, 1999, and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
KIRKINTILLOCH

July 16, 1999

INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 1999

|  | <u>Notes</u> | <u>1999</u><br>£ | <u>1998</u><br>£ |
|--|--------------|------------------|------------------|
| Income (see note below)  | 2            | 834,319          | 692,797          |
| Administrative Expenses  |              | <u>839,272</u>   | <u>726,085</u>   |
| Operating Deficit  | 3            | (4,953)          | (33,288)         |
| Interest   | 4            | <u>(1,934)</u>   | <u>(6,670)</u>   |
| Deficit on Ordinary Activities<br>Before Taxation                  |              | (3,019)          | (26,618)         |
| Tax on Deficit on Ordinary Activities                              | 5            | <u>717</u>       | <u>1,627</u>     |
| Deficit on Ordinary Activities<br>After Taxation                   |              | (3,736)          | (28,245)         |
| Retained Surplus for the Financial Year                            |              | <u>112,162</u>   | <u>140,407</u>   |
| Surplus for the Financial Year<br>After Taxation – Carried Forward |              | <u>108,426</u>   | <u>112,162</u>   |

The only recognised deficit for the year was from continuing operations and was the deficit for the financial year of £(3,736) ( 1998:£(28,245) ).

Note : Included in the above are contributions in kind, to the value of £Nil (1998:£4,860).

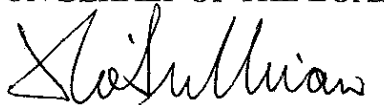
The annexed notes form part of these financial statements.

BALANCE SHEET AS  
AT MARCH 31, 1999

|  | Notes | £              | <u>1999</u><br>£ | <u>1998</u><br>£ |
|--|-------|----------------|------------------|------------------|
| Fixed Assets:                                      |       |                |                  |                  |
| Tangible Assets                                    | 6     |                | 29,358           | 27,978           |
| Investments  | 7     |                | <u>300</u>       | <u>300</u>       |
|  |       |                | 29,658           | 28,278           |
| Current Assets:                                    |       |                |                  |                  |
| Debtors  | 8     | 341,231        |                  | 179,341          |
| Cash at Bank and on Hand                           |       | <u>2,292</u>   |                  | <u>54,233</u>    |
|  |       | 343,523        |                  | 233,574          |
| Creditors : Amounts Falling Due<br>Within One Year | 9     | <u>264,755</u> |                  | <u>149,690</u>   |
| Net Current Assets                                 |       |                | 78,768           | 83,884           |
| Total Assets Less Current Liabilities              |       |                | <u>108,426</u>   | <u>112,162</u>   |

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities and the financial statements have been prepared accordingly.

ON BEHALF OF THE BOARD



K O'SULLIVAN, C.A.

DIRECTOR

July 16, 1999

|                     |  |  |                |                |
|---------------------|--|--|----------------|----------------|
| Capital & Reserves: |  |  |                |                |
| Retained Surplus    |  |  | <u>108,426</u> | <u>112,162</u> |

The annexed notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

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**COMPLIANCE WITH ACCOUNTING STANDARDS**

The financial statements have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts.

**Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended March 31, 1999, which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at March 31, 1999, and of the results for the year ended on that date.

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

|                        |                |
|------------------------|----------------|
| Fixtures & Fittings    | - over 3 years |
| Leasehold Improvements | - in 1 year    |

Only expenditure on items in excess of £750 (1998:£750) is capitalised in fixed assets.

The lease involved was for 6 months.

The company receives grants towards the cost of equipment and these are credited to deferred income and released to profit and loss account in line with the depreciation charge for the related assets.

**Deferred Taxation**

Deferred taxation is provided on the liability method on all short term timing differences.

**Pension Costs**

The company operates pension schemes for the benefit of participating employees. The funds of the schemes are operated by outside pension companies. The schemes are money purchase schemes and the company's costs are charged to the Profit & Loss Account as they accrue.

**Foreign Exchange/**



NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

(continued)

**Foreign Exchange**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange at the date of the transaction.

Any balances at the year end denominated in a foreign currency will be translated into sterling at the rate of exchange ruling at the Balance Sheet date.

**Leasing**

Rentals payable under operating leases are charged to the Profit & Loss Account on a straight line basis over the period of the lease.

**2. INCOME**

Income represents all monies received and receivable in donations and grants and all amounts invoiced, net of value added tax, for services provided. Income is comprised as follows:

|   | <u>1999</u>    | <u>1998</u>    |
|---|----------------|----------------|
|   | £              | £              |
| Income from Dunbartonshire Enterprise Company | 479,388        | 397,028        |
| Private Donations                             | 9,616          | 13,550         |
| Private Donations – in Kind                   | -              | 4,860          |
| Public Sector Donations                       | 45,000         | 56,220         |
| Public Sector Donations – in Kind             | -              | 540            |
| European Grants                               | 91,837         | 73,106         |
| DTI Grant                                     | 55,579         | -              |
| Training Income                               | 8,415          | 5,290          |
| Licence Fee Income                            | 45,915         | 33,043         |
| Other Income                                  | <u>98,569</u>  | <u>109,160</u> |
|   | <u>834,319</u> | <u>692,797</u> |

**3. OPERATING DEFICIT**

|   | £            | £            |
|---|--------------|--------------|
| This is stated after charging or (crediting): |              |              |
| Auditors' - Remuneration                      | 2,728        | 2,009        |
| - Other Services                              | -            | -            |
| Depreciation                                  | 31,495       | 21,667       |
| Operating Lease                               | <u>5,619</u> | <u>5,619</u> |

**4. INTEREST/**

NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

(continued)

4. INTEREST

|                        | <u>1999</u>    | <u>1998</u>    |
|------------------------|----------------|----------------|
|                        | £              | £              |
| Bank Interest Received | (1,956)        | (6,670)        |
| Bank Interest Paid     | <u>22</u>      | <u>-</u>       |
|                        | <u>(1,934)</u> | <u>(6,670)</u> |

5. TAX ON DEFICIT ON ORDINARY ACTIVITIES

|                                    | £          | £            |
|------------------------------------|------------|--------------|
| Based on the Results for the Year: |            |              |
| Corporation Tax at 21% (1998:21%)  | 720        | 1,700        |
| (Over)provided in previous year:   |            |              |
| Corporation Tax                    | <u>(3)</u> | <u>(73)</u>  |
|                                    | <u>717</u> | <u>1,627</u> |

6. TANGIBLE ASSETS

|                   | <u>Leasehold</u>    | <u>Fixtures &amp;</u> | <u>Total</u>   |
|-------------------|---------------------|-----------------------|----------------|
|                   | <u>Improvements</u> | <u>Fittings</u>       |                |
|                   | £                   | £                     | £              |
| Cost:             |                     |                       |                |
| At April 1, 1998  | -                   | 106,136               | 106,136        |
| Additions         | 3,599               | 29,276                | 32,875         |
| Disposals         | <u>-</u>            | <u>-</u>              | <u>-</u>       |
| At March 31, 1999 | <u>3,599</u>        | <u>135,412</u>        | <u>139,011</u> |
| Depreciation:     |                     |                       |                |
| At April 1, 1998  | -                   | 78,158                | 78,158         |
| Disposals         | <u>-</u>            | <u>-</u>              | <u>-</u>       |
| Charge for Year   | 3,599               | 27,896                | 31,495         |
| At March 31, 1999 | <u>3,599</u>        | <u>106,054</u>        | <u>109,653</u> |
| Net Book Value    |                     |                       |                |
| At March 31, 1999 | <u>-</u>            | <u>29,358</u>         | <u>29,358</u>  |
| Net Book Value    |                     |                       |                |
| At March 31, 1998 | -                   | 27,978                | 27,978         |

7. INVESTMENTS/

NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

(continued)

7. INVESTMENTS

|                           | £          |
|---------------------------|------------|
| Balance at April 1, 1998  | 300        |
| Additions During Year     | <u>-</u>   |
| Balance at March 31, 1999 | <u>300</u> |

The company owns 36.1% of the issued ordinary share capital of Strathkelvin Development Company Limited, a company registered in Scotland.

The Directors are taking advantage of S248 of the Companies Act 1985 as a small sized group and are not producing group accounts. The company's interests required to be disclosed in respect of the related company are:

|   | <u>1999</u>   | <u>1998</u>   |
|---|---------------|---------------|
|   | £             | £             |
| Share of Capital and Reserves at March 31, 1999 | <u>85,479</u> | <u>48,039</u> |
| Share of Gain for the Year                      | <u>37,380</u> | <u>34,779</u> |

The loan creditors of Strathkelvin Development Company Limited have agreed that if there is ever a sale of Southbank Phase I, any shortfall or surplus between the proceeds of the sale and the amounts due to the loan creditors, shall be shared by them on a pro-rata basis in proportion to their respective loans then due to be paid.

8. DEBTORS

|                                | £              | £              |
|--------------------------------|----------------|----------------|
| Sundry Debtors                 | 212,918        | 118,288        |
| Prepayments and Accrued Income | <u>128,313</u> | <u>61,053</u>  |
|                                | <u>341,231</u> | <u>179,341</u> |

9. CREDITORS: Amounts Falling Due Within One Year/

NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

(continued)

**9. CREDITORS: Amounts Falling Due Within One Year**

|                                     | <u>1999</u>    | <u>1998</u>    |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Bank Overdraft                      | 39,779         | -              |
| Corporation Tax                     | 720            | 1,700          |
| Other Social Security Costs & Taxes | 38,836         | 20,800         |
| Accruals & Deferred Income          | 53,685         | 12,960         |
| Sundry Creditors                    | <u>131,735</u> | <u>114,230</u> |
|                                     | <u>264,755</u> | <u>149,690</u> |

**10. SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital.

**11. PENSIONS**

The company operates several contributory pension schemes for individual employees. These are defined contribution schemes and contributions are charged in the Profit & Loss Accounts as they accrue. The charge for the year was £12,712 (1998:£9,311). The amount unpaid at March 31, 1999, was £3,490 (1998:£992) and these are included in Sundry Creditors (note 9).

**12. TRANSACTIONS WITH DIRECTORS/RELATED PARTIES**

The company had the following transactions with Strathkelvin Development Company Limited:

|                                 | <u>Management</u> | <u>Accounting</u> |
|---------------------------------|-------------------|-------------------|
|                                 | £                 | £                 |
| Provision of Services Received: |                   |                   |
| Year End March 31, 1999         | 33,014            | 4,400             |
| Year End March 31, 1998         | 36,458            | 4,162             |
| Donation Received:              |                   |                   |
| Year End March 31, 1999         | -                 | -                 |
| Year End March 31, 1998         | 14,500            | -                 |

The company also rented premises from Strathkelvin Development Company and the amounts involved are:

|                         | £      |
|-------------------------|--------|
| Year End March 31, 1999 | 40,000 |
| Year End March 31, 1998 | 40,000 |

**13. LEASING COMMITMENTS/**

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NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 1999

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(continued)

**13. LEASING COMMITMENTS**

The company's commitment under a contract leasing agreement, which is an operational lease, is as follows:

|                     | <u>1999</u>  | <u>1998</u>  |
|---------------------|--------------|--------------|
|                     | £            | £            |
| Due Within One Year | 3,278        | 5,619        |
| Due After One Year  | <u>-</u>     | <u>3,278</u> |
|                     | <u>3,278</u> | <u>8,897</u> |

This is not provided in the financial statements.

**14. OWNERSHIP**

The company is controlled by the Directors shown on page 1. The Memorandum of Association states that on liquidation, any surplus will be transferred to a similar organisation and not distributed to the Members.