

AYRSHIRE DEVELOPMENT FUND LIMITED

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

REGISTERED NUMBER 126942

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AYRSHIRE DEVELOPMENT FUND LIMITED

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

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AYRSHIRE DEVELOPMENT FUND LIMITED

DIRECTORS

Stuart Clarke
John Fallon (Chair)
Iain Scott
James Reid
S Ben Brodie

SECRETARY

Jackie Edwards

AUDITORS

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

BANKERS

Royal Bank of Scotland
96 John Finnie Street
Kilmarnock
KA1 1NY

SOLICITORS

Maclay Murray & Spens
151 St Vincent Street
Glasgow
G2 5NJ

REGISTERED OFFICE

17-19 Hill Street
Kilmarnock
KA3 1HA

AYRSHIRE DEVELOPMENT FUND LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of development finance to companies operating in Ayrshire.

REVIEW OF THE BUSINESS

In compliance with Scottish Enterprise policy, the Ayrshire Development Fund Limited ceased new investment activity on 31 March 2006 and since that date has restricted its activity to managing its existing investments.

Repayments on these investments received during the year totalled £6k. The results for the year are shown on page 8.

DIRECTORS

The Directors during the year were as follows:

John Fallon (Chair)	
J Craig Nimmo	(resigned 22 December 2008)
James G Reid	
Iain Scott	(appointed 19 December 2008)
Stuart Clarke	(appointed 19 December 2008)
S Ben Brodie	

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 loss of the company for that period.

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

- Select suitable accounting policies and apply them consistently;
- Make judgements and 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 confirm that the financial statements for the year ended 31 March 2009 comply with the above requirements.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

AYRSHIRE DEVELOPMENT FUND LIMITED

DIRECTORS' REPORT (continued)

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 steps they ought to have taken as Directors 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 COMPANIES 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



Jackie Edwards
Secretary

21 August 2009

AYRSHIRE DEVELOPMENT FUND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYRSHIRE DEVELOPMENT FUND LIMITED

We have audited the financial statements of Ayrshire Development Fund Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 other information contained in the Directors' Report and Financial Statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the listing of Directors and Advisors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

AYRSHIRE DEVELOPMENT FUND LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYRSHIRE
DEVELOPMENT FUND LIMITED (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss 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 August 2009

AYRSHIRE DEVELOPMENT FUND LIMITED

PROFIT AND LOSS ACCOUNT **For the year ended 31 March 2009**

	<u>Notes</u>	<u>2009</u> £'000s	<u>2008</u> £'000s
Turnover		-	9
Administrative expenditure		<u>(53)</u>	<u>(58)</u>
Operating (loss)	2	(53)	(49)
Interest receivable		46	80
Gain on sale of investment		<u>-</u> (7)	<u>277</u> 357
(Loss)/Profit on ordinary activities before taxation		(7)	308
Taxation	4	<u>(13)</u>	<u>(88)</u>
(Loss)/Profit retained for the year	10	<u>(20)</u>	<u>220</u>

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

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

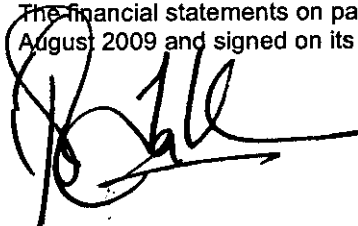
All results derive from continuing operations.

AYRSHIRE DEVELOPMENT FUND LIMITED

BALANCE SHEET **At 31 March 2009**

	<u>Notes</u>	<u>2009</u> £'000s	<u>2008</u> £'000s
FIXED ASSETS			
Investments	5	<u>8</u>	<u>64</u>
CURRENT ASSETS			
Debtors	6	125	127
Cash in bank and in hand		<u>1,699</u>	<u>1,740</u>
		1,824	1,867
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	<u>(14)</u>	<u>(93)</u>
NET CURRENT ASSETS		<u>1,810</u>	<u>1,774</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,818</u>	<u>1,838</u>
CAPITAL AND RESERVES			
Share Capital	8	40	40
Share Premium Account	9	2,460	2,460
Profit and Loss account	10	<u>(682)</u>	<u>(662)</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>1,818</u>	<u>1,838</u>

The financial statements on pages 8 to 14 were approved by the Board of Directors on 11 August 2009 and signed on its behalf by:



John Fallon
Chairman

11 August 2009



James Reid
Director

AYRSHIRE DEVELOPMENT FUND LIMITED

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

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

(b) Cash flow

No cash flow has been prepared as the company is a wholly owned subsidiary of Scottish Enterprise Ayrshire which prepares consolidated financial statements which are made publicly available. Consequently the company is exempt under the terms of FRS 1 (revised) from preparing a cash flow statement.

(c) Investments

Investments are stated in the balance sheet at the lower of cost and net realisable value.

Interest income is recognised on an accruals basis while other investment income is credited to the profit and loss account when it becomes due.

(d) Turnover

Turnover represents income receivable from investments, the company's principal activity wholly undertaken in the UK

2. OPERATING (LOSS) / PROFIT

	<u>2009</u> £'000s	<u>2008</u> £'000s
This is stated after charging:		
Provision for diminution in value of investments	50	57
Write back of investments	-	(2)
Auditors' remuneration	<u>1</u>	<u>1</u>

3. STAFF COSTS

The company has no staff and incurred no staff costs during the year (2008: nil).

Of the five Directors who served during all or part of the year, two were non-executive Directors who received no remuneration for their services and three were employed and remunerated by Scottish Enterprise and it is not possible to apportion their time spent in relation to this company.

AYRSHIRE DEVELOPMENT FUND LIMITED

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

4. TAXATION

	<u>2009</u> £'000s	<u>2008</u> £'000s
UK corporation tax	<u>13</u>	<u>88</u>

Factors affecting the tax charge for the period

The tax assessed on the (loss)/profit on ordinary activities for the period is higher (2008: lower) than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are reconciled below:

	<u>2009</u> £'000s	<u>2008</u> £'000s
(Loss)/Profit on ordinary activities before tax	<u>(7)</u>	<u>308</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 30%)	(2)	92
Adjustments in respect of previous periods	-	(4)
Effect of non-taxable income/expenditure	<u>15</u>	<u>-</u>
Total current tax	<u>13</u>	<u>88</u>

5. INVESTMENTS

Unquoted Investments	Share Capital £000s	Loans £000s	Total £000s
Cost at 1 April 2008	320	43	363
Repayments	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Cost at 31 March 2009	<u>320</u>	<u>37</u>	<u>357</u>
Provisions at 1 April 2008	262	37	299
Provided during year	<u>50</u>	<u>-</u>	<u>50</u>
Provisions at 31 March 2009	<u>312</u>	<u>37</u>	<u>349</u>
Net Book Value at 31 March 2009	<u>8</u>	<u>-</u>	<u>8</u>
Net Book Value at 31 March 2008	<u>58</u>	<u>6</u>	<u>64</u>

AYRSHIRE DEVELOPMENT FUND LIMITED

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

5. INVESTMENTS (CONT)

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows: -

Name of Company	Holding	Proportion Held	Nature of Business
Datum Dynamics Limited	Preference Shares	100%	Design and manufacture of specialised PCB tooling
Serendipity Interactive Limited	Redeemable ordinary shares	100%	Development of an innovative internet management product suite
Sirius Concepts Limited	Preference shares	39%	Software development, maintenance and sale
Wearable Technologies Limited	Ordinary shares	20%	Development of an innovative concept to combine clothing with technology

The company does not exercise voting control or influence in respect of these investments and therefore they have not been accounted for as associated or subsidiary undertakings.

6. DEBTORS: amounts falling due within one year

	<u>2009</u> £'000s	<u>2008</u> £'000s
Amounts owed by parent company	<u>125</u>	<u>127</u>

7. CREDITORS: amounts falling due within one year

	<u>2009</u> £'000s	<u>2008</u> £'000s
Accruals	1	1
Corporation Tax	<u>13</u>	<u>92</u>
	<u>14</u>	<u>93</u>

AYRSHIRE DEVELOPMENT FUND LIMITED

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

8. SHARE CAPITAL

	<u>2009</u> £'000s	<u>2008</u> £'000s
Authorised 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 40,000 ordinary shares of £1 each	<u>40</u>	<u>40</u>

9. SHARE PREMIUM

	£'000s
At 1 April 2008 and 31 March 2009	<u>2,460</u>

10. STATEMENT OF MOVEMENT ON RESERVES

	<u>2009</u> £'000s	<u>2008</u> £'000s
At 1 April 2008	(662)	(882)
Retained (loss)/profit for the year	<u>(20)</u>	<u>220</u>
At 31 March 2009	<u>(682)</u>	<u>(662)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2009</u> £'000s	<u>2008</u> £'000s
(Loss)/profit for the year	(20)	220
Opening shareholders' funds	<u>1,838</u>	<u>1,618</u>
Closing shareholder's funds	<u>1,818</u>	<u>1,838</u>

AYRSHIRE DEVELOPMENT FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

11. RELATED PARTIES

Due to the nature of the company's activities it is inevitable in the normal course of business that transactions will take place with companies and other organisations in which Directors may have an interest. All such transactions are negotiated and entered into on an arms length basis and are in accordance with the operational rules of the company. In relation to such transactions the Director involved takes no part in the decisions made by the company. There were no such transactions during the year.

The company has taken advantage of the exemption from disclosure of transactions with its parent company, available within FRS 8.

12. ULTIMATE PARENT UNDERTAKING

The Directors regard Scottish Enterprise Ayrshire as the company's parent undertaking, and Scottish Enterprise whose principal place of work is 150 Broomielaw, Atlantic Quay, Glasgow G2 8LU as the company's ultimate parent undertaking. A copy of the consolidated accounts can be obtained from the above address.