

Ayrshire Development Fund Limited

Annual report and financial statements

For the year ended 31 March 2021

Registered number: SC126942

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Company Information

Directors

Douglas Colquhoun
Stuart Clarke

Secretary

Jackie Edwards

Independent auditor

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Registered office

Atrium Court
50 Waterloo Street
Glasgow
G2 6HQ

Ayrshire Development Fund Limited
Annual report and financial statements
31 March 2021

Directors' report

The directors present their report and audited financial statements of the Company, registered number SC126942, for the year ended 31 March 2021.

Principal activity and review of the business

Investment activity has now ceased and the Company is in the process of being wound down. The directors no longer consider the Company to be operating as a going concern. Any assets will be realised in the normal course of business and no amendment has been made to the balances in the financial statements.

The profit and loss account for the year is set out on page 9.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

Douglas Colquhoun
Stuart Clarke

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Directors' statement as to disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

On 1 April 2020 Wylie & Bisset (Audit) Limited became the auditor of Ayrshire Development Fund Limited due to the transfer of the audit registration license from Wylie & Bisset LLP. Wylie & Bisset LLP was appointed as auditor to the company from March 2018, for a maximum period of 4 years, following a competitive tender process undertaken by Scottish Enterprise, the Company's ultimate parent undertaking. A new competitive tender process will be undertaken by Scottish Enterprise to appoint auditors for future accounting periods.

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Directors' report (continued)

Small Company Exemption

This report has been prepared in accordance with the special provisions of Chapter 5 of Part 15 of the Companies Act 2006.

The company has also taken advantage of the exemptions contained within section 414(b) of the Companies Act 2006 from preparing a strategic report as the company is considered to be small under the small companies regime.

By order of the board



Douglas Colquhoun
Director

23 June 2021

Registered office:
50 Waterloo Street,
Glasgow,
G2 6HQ

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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 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 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. As explained in note 1, the directors do not believe that it is appropriate to prepare the financial statements on a going concern basis.

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.

Independent auditor's report to the members of Ayrshire Development Fund Limited

Opinion

We have audited the financial statements of Ayrshire Development Fund Limited (the 'company') for the year ended 31 March 2021 set out on pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Ayrshire Development Fund Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, responding appropriately to fraud or suspected fraud identified during the audit process. This includes obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The primary responsibility however for the prevention and detection of fraud rests with those charged with governance and executive management of the entity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- We obtained an understanding of the legal and regulatory framework applicable to the Group and individual component entity. We determined the most significant are those relating to the financial reporting framework (namely the Companies Act 2006, UK GAAP and the application of FRS102), HMRC tax compliance in the UK and EU General Data Protection Regulation.

Independent auditor's report to the members of Ayrshire Development Fund Limited (continued)

- We developed an understanding of how Ayrshire Development Fund Ltd is complying with those frameworks by making enquiries of those charged with governance and executive management. We corroborated our enquiries through correspondence with third party entities where relevant and available.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, at the planning stage of the audit by meeting with executive management and those charged with governance to understanding where they considered there to be fraud risk and susceptibility. We also reviewed budgeted projections and actual outturn against prior year budget to determine if there were any anomalies. Where we considered audit risk to be higher we undertook tests to mitigate each identified risk.
- We assessed the internal control environment established to mitigate risks of fraud or non-compliance with laws and regulations. In addition to this we evaluated compliance with laws and regulations and made enquiries of any non-compliance.
- With regards to detecting and responding to fraud we made enquiries of those charged with governance and executive management as to whether there was any knowledge of actual, suspected or alleged fraud.
- We undertook discussions amongst the audit engagement team with respect to how and where fraud might occur in the financial statements and what the likely indicators would be.

As a result of the procedures noted above we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in the following areas;

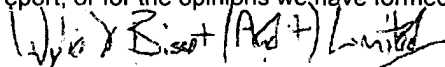
- timing of recognition of income;
- posting of unusual journals; and
- management override on internal controls.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.


Scott Gillon BA(Hons) FCCA, CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset (Audit) Limited

23 June 2021

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Ayrshire Development Fund Limited
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31 March 2021

Profit and loss account
for the year ended 31 March 2021

		2021	2020
	Notes	£	£
Operating expenditure		(1,500)	(1,500)
Operating loss	2	(1,500)	(1,500)
Interest receivable and similar income		-	-
Loss on ordinary activities before taxation		(1,500)	(1,500)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year	8	(1,500)	(1,500)

The notes on pages 11 to 14 form part of these financial statements.

There were no recognised gains or losses other than as shown in the profit and loss account above in the current and previous year.

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Balance sheet
As at 31 March 2021

		2021	2020
	Notes	£	£
Fixed assets – investments	4	-	-
		-	-
Current assets			
Debtors	5	201,807	203,307
		201,807	203,307
Creditors: amounts falling due within one year	6	(1,500)	(1,500)
Net current assets		200,307	201,807
Total assets less current liabilities		200,307	201,807
Net assets		200,307	201,807
Capital and reserves			
Called up share capital	7	40,000	40,000
Share premium account	9	2,460,000	2,460,000
Profit and loss account	9	(2,299,693)	(2,298,193)
Equity shareholder's funds	8	200,307	201,807

The notes on pages 11 to 14 form part of these financial statements.

The financial statements on pages 9 to 14 were authorised and approved by the Board of Directors on 23 June 2021 and were signed on its behalf by:



Douglas Colquhoun
Director

23 June 2021

Registered Number: SC126942

Notes to the financial statements

As at 31 March 2021

1. Accounting policies

Ayrshire Development Fund Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with the Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, Scottish Enterprise, includes the Company in its consolidated financial statements. The consolidated financial statements of Scottish Enterprise are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Company Secretary, Scottish Enterprise, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Related party disclosures

The accounting policies set out here below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Going concern

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 no amendment has been made to the balances in the financial statements.

1.2 Valuation of investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.3 Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Notes to the financial statements (continued)

As at 31 March 2021

2. Operating loss

This is stated after charging:

	2021	2020
	£	£
Auditor's remuneration – audit of these financial statements	900	900

(i) Directors' emoluments

No directors who held office during the year received any emoluments from any sources for their services to the company.

3. Taxation on loss on ordinary activities

	2021	2020
	£	£
UK corporation tax		
Total current tax	-	-

There is no charge to taxation in the year (2020: £nil). There are no factors affecting the current tax charge, which necessitate a reconciliation table being disclosed.

4. Fixed assets - investments

	Unlisted equity investment
Cost	£
Cost at 1 April 2020 and 31 March 2021	100,000
Provisions	
Provisions at 1 April 2020 and 31 March 2021	100,000
Net book value at 31 March 2021	-
Net book value at 31 March 2020	-

Notes to the financial statements (continued)

As at 31 March 2021

5. Debtors

	2021	2020
	£	£
Scottish Enterprise – intercompany account	201,807	203,307
	<u>201,807</u>	<u>203,307</u>

The company bank account was closed on 31 July 2018 and the funds were transferred to the parent company, Scottish Enterprise, to be held on behalf of the company.

Future cash transactions of the company will be accounted for through the intercompany account before the company is ultimately wound down.

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

7. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid 40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

8. Reconciliation of shareholder's funds

	2021	2020
	£	£
Shareholder's funds at 1 April 2020	201,807	203,307
Loss for the financial year	<u>(1,500)</u>	<u>(1,500)</u>
At 31 March 2021	<u>200,307</u>	<u>201,807</u>

Notes to the financial statements (continued)

As at 31 March 2021

9. Reserves

	Profit and loss account	Share premium
	£	£
As at 31 March 2020	(2,298,193)	2,460,000
Loss for the financial year	(1,500)	-
At 31 March 2021	<u>(2,299,693)</u>	<u>2,460,000</u>

10. Events after the reporting period

On 15 June 2021, the board agreed to transfer the unlisted equity investment from Ayrshire Development Fund Limited to the parent company, Scottish Enterprise. The net book value of the unlisted equity investment at the time of transfer was £nil.