

# **ITI Scotland Limited**

## **Annual report and financial statements**

**For the year ended 31 March 2021**

**Registered number: SC251900**



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## **Company Information**

### **Directors**

N. Francis  
V. Carmichael

### **Secretary**

J. McRoberts

### **Independent auditor**

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

### **Registered office**

Atrium Court  
50 Waterloo Street  
Glasgow  
G2 6HQ

## **Directors' report**

The directors present their report and audited financial statements of the Company, registered number SC251900, for the year ended 31 March 2021.

### **Principal activity and review of the business**

ITI Scotland Limited is a company limited by guarantee and does not have share capital. The liability of each member is limited to the sum of £1.

At 31 March 2021 the Company had 1 member.

Until 31 March 2010 the Company's principal activity was the identification of global market opportunities within and across the areas of Energy, Life Sciences and Communications and Digital Media that would fit well with the existing Scottish research programmes with the aim of delivering economic benefit to Scotland. These programmes were designed to deliver new platform technologies upon which companies could develop their own products and services and new spin out companies could be launched.

No new operational commitments were entered into after that date and the Company's principal activity during this year was to work towards delivering programmes already commissioned, licensing assets already created and monetisation of unlicensed assets.

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:

N. Francis  
V. Carmichael

### **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 ITI Scotland 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.

**ITI Scotland Limited**  
**Annual report and financial statements**  
**31 March 2021**

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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



N. Francis  
**Director**  
23 June 2021

Registered office:  
50 Waterloo Street,  
Glasgow  
G2 6HQ

**Statement of directors' responsibilities in respect of the annual 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.

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 ITI Scotland Limited**

## **Opinion**

We have audited the financial statements of ITI Scotland Limited (the 'company') for the year ended 31 March 2021 set out on pages 9 to 15. 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 result 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.

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# **Independent auditor's report to the members of ITI Scotland Limited**

## **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.

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## Independent auditor's report to the members of ITI Scotland Limited

- We developed an understanding of how ITI Scotland 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 understand 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;

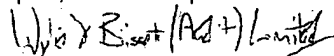
- timing of recognition of income;
- posting of unusual journals; and
- management override on internal controls.

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

**ITI Scotland Limited**

## Annual report and financial statements

31 March 2021

**Profit and loss account  
for the year ended 31 March 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover	<b>1</b>	61,130	20,992
Other operating income	<b>1</b>	114,816	150,336
		<u>175,946</u>	<u>171,328</u>
Programme expenses		(171,614)	(167,217)
Administrative expenses		(4,360)	(4,367)
		<u>(175,974)</u>	<u>(171,584)</u>
<b>Operating loss</b>	<b>2</b>	(28)	(256)
Interest receivable and similar income		28	256
		<u>-</u>	<u>-</u>
<b>Result on ordinary activities before taxation</b>		-	-
Tax on result on ordinary activities	<b>3</b>	-	-
		<u>-</u>	<u>-</u>
<b>Result for the financial year</b>	<b>9</b>	<u>-</u>	<u>-</u>

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

The notes on pages 11 to 15 form part of these financial statements.

**ITI Scotland Limited**

## Annual report and financial statements

31 March 2021

**Balance sheet****As at 31 March 2021**

		2021	2020
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	4	-	-
Investments	5	-	-
		<u>-</u>	<u>-</u>
<b>Intangible assets</b>	6	-	-
<b>Current assets</b>			
Debtors	7	83,451	246,826
Cash at bank and in hand		49,940	18,976
		<u>133,391</u>	<u>265,802</u>
<b>Creditors: amounts falling due within one year</b>	8	(133,391)	(265,802)
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Profit and loss account	9	<u>-</u>	<u>-</u>

The notes on pages 11 to 15 form part of these financial statements.

The financial statements on pages 9 to 15 were authorised and approved by the Board of Directors on 23 June 2021 and were signed on its behalf by:



N. Francis  
**Director**

23 June 2021

Registered Number: SC251900

## **Notes to the financial statements**

**As at 31 March 2021**

### **1. Accounting policies**

ITI Scotland Limited (the "Company") is a company limited by guarantee 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 financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with applicable accounting standards. The validity of this assumption is dependent on the Company continuing to receive financial support from its ultimate parent company, Scottish Enterprise, which has indicated its willingness to continue to support the Company.

#### **1.2 Turnover**

Turnover represents the amounts invoiced to third parties in respect of services provided and licence income, excluding value added tax.

Licence income is generated from licensing Intellectual Property (IP). It is credited to the profit and loss account on an accruals basis based on royalty periods completed in the financial year.

#### **1.3 Other operating income**

Other operating income represents revenue grant funding receivable from Scottish Enterprise.

#### **1.4 Government grants**

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

## **Notes to the financial statements (continued)**

As at 31 March 2021

### **1.5 Programme expenditure**

The company invested significant sums in research programmes in conjunction with universities and other research providers. Each programme was entered into in the expectation of creating new platform technologies which would result in the creation of new intellectual property assets capable of commercial exploitation. Research and development expenditure is written off in the year which it is incurred. The majority of programmes are now complete and the expenditure now comprises the cost of maintaining and protecting existing IP and completion of on-going research in one programme.

### **1.6 Fixed assets**

All fixed assets are recorded at cost.

### **1.7 Depreciation**

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

IT Equipment - over 3 years

### **1.8 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.

### **1.9 Intangible assets**

The cost of acquired intellectual property is recorded at cost and amortised at rates calculated to write off the cost, less estimated residual value over its expected useful life.

### **1.10 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.

### **1.11 Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

**ITI Scotland Limited**

Annual report and financial statements

31 March 2021

**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	3,130	3,130
Provision for bad debts	-	-

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

**3. Taxation on result on ordinary activities**

	2021	2020
UK corporation tax for the period	-	-

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. Tangible fixed assets**

	IT Equipment
<b>Cost</b>	£
Cost at 1 April 2020 and 31 March 2021	278,787
<b>Depreciation</b>	
Depreciation at 1 April 2020 and 31 March 2021	278,787
<b>Net book value at 31 March 2021</b>	-
Net book value at 31 March 2020	-

**ITI Scotland Limited**

Annual report and financial statements

31 March 2021

**Notes to the financial statements (continued)**

As at 31 March 2021

**5. Fixed assets - investments**

	Unlisted equity investment
<b>Cost</b>	£
Cost at 1 April 2020	-
Additions	22
<b>Cost at 31 March 2021</b>	<u>22</u>
<b>Provisions</b>	
Provisions at 1 April 2020	-
Provided during year	22
<b>Provisions at 31 March 2021</b>	<u>22</u>
<b>Net book value at 31 March 2021</b>	<u>-</u>
Net book value at 31 March 2020	<u>-</u>

**6. Intangible assets**

	Intellectual Property
<b>Cost</b>	£
Cost at 1 April 2020 and 31 March 2021	<u>62,050</u>
<b>Depreciation</b>	
Depreciation at 1 April 2020 and 31 March 2021	<u>62,050</u>
<b>Net book value at 31 March 2021</b>	<u>-</u>
Net book value at 31 March 2020	<u>-</u>

**ITI Scotland Limited**

Annual report and financial statements

31 March 2021

**Notes to the financial statements (continued)**

As at 31 March 2021

**7. Debtors**

	2021	2020
	£	£
Trade debtors (i)	1,070	214,395
VAT	334	1,439
Accrued income	82,047	30,992
	<u>83,451</u>	<u>246,826</u>

(i) A long term debt due of £129,100 has been provided for in full.

**8. Creditors: amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	-	-
Accrued charges	10,215	27,810
Amounts owed to Scottish Enterprise	123,176	237,992
	<u>133,391</u>	<u>265,802</u>

All sums due under the funding contract dated 17 July 2003 between ITI Scotland Limited and Scottish Enterprise are secured by a floating charge over all the assets of the Company in favour of Scottish Enterprise.

**9. Movement in reserves**

	2021	2020
	£	£
Balance as at 1 April 2020	-	-
Result / (loss) for the financial year	-	-
At 31 March 2021	<u>-</u>	<u>-</u>

**10. Share capital**

The company does not have share capital and is limited by guarantee. The liability of members is limited to £1 each. At 31 March 2021 the Company had one member (2020: one member), Scottish Enterprise.