

**Company registration number: SC100000**

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Financial Statements  
For the Year Ended  
31 December 2019**



**Scottish Financial Enterprise  
Company Limited By Guarantee**

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**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Directors And Other Information**

<b>Directors</b>	Philip Grant Malcolm Buchanan Wendy Colquhoun Susan Dawe Colin Halpin Graeme Jones Gary Marshall John McGuigan Anthony Rafferty Vida Rudkin David Skinn
<b>Secretary</b>	Dentons Secretaries Limited
<b>Company number</b>	SC100000
<b>Registered office</b>	24 Melville Street Edinburgh EH3 7NS
<b>Business address</b>	24 Melville Street Edinburgh EH3 7NS
<b>Auditor</b>	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
<b>Solicitors</b>	Dentons UKMEA LLP Quartermile One 156 Lauriston Place Edinburgh EH3 9EP

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Directors' Report  
Year Ended 31 December 2019**

**Principal activity and review of the business**

Scottish Financial Enterprise is the independent organisation, formed in 1986, that supports and represents the interests of Scotland's financial services industry.

**Results for the year**

The profit for the year, after taxation, amounted to £92,163 (2018 : £37,370).

**Directors**

The directors who served the company during the year and to the date of this report were as follows:

Philip Grant	(Appointed 12 June 2019)
James Pettigrew	(Resigned 12 June 2019)
Stephanie Bruce	(Resigned 2 May 2019)
Malcolm Buchanan	(Appointed 5 December 2019)
Robert Bulloch	(Resigned 29 February 2020)
Wendy Colquhoun	
Susan Dawe	(Appointed 2 May 2019)
Colin Halpin	
Graeme Jones	
Gary Marshall	
Jamie Matheson	(Resigned 2 May 2019)
John McGuigan	
Barry Muir	(Resigned 2 May 2019)
Anthony Rafferty	(Appointed 26 September 2019)
Vida Rudkin	(Appointed 26 September 2019)
David Skinn	
Louise Smith	(Resigned 28 June 2019)

In accordance with the articles of association, the directors to retire by rotation at the annual general meeting are Colin Halpin and John McGuigan. Being eligible, they both shall stand for re-election.

Malcolm Buchanan, Susan Dawe, Anthony Rafferty and Vida Rudkin will stand to have their appointments as directors ratified by the annual general meeting.

**Events after the end of the reporting period**

At the time of approval of the financial statements, the United Kingdom is suffering the impact of Covid-19. Whilst it is not possible to foresee the ultimate outcome, the directors have considered the potential impact on the company based on current information in the public domain. The company will continue to serve its membership to the best of its ability given the constraints in force. It is expected that the company's members will continue to support the company through this difficult period. It is not expected that the company will be compromised to such a degree that its ability to continue as a going concern will be put at risk.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Directors' Report (Continued)  
Year Ended 31 December 2019**

**Statement of directors' responsibilities in respect of the directors' report and 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 the directors have elected to prepare the financial statements in accordance with applicable law and section 1A of FRS102 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 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 judgments and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to the concern; and
- use the going concern basis of accounting unless either they intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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.

**Disclosure of information to auditor**

Each director holding office at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

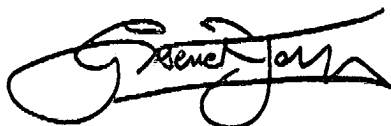
**Auditor**

Johnston Carmichael LLP was appointed auditor of the company in accordance with section 485 of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 section 1A - small entities.

This report was approved by the board of directors on 22 April 2020 and signed on behalf of the board by:



**Graeme Jones**

**Director**

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Independent auditor's report to the members of  
Scottish Financial Enterprise  
Year Ended 31 December 2019**

**Opinion**

We have audited the financial statements of Scottish Financial Enterprise (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, including a summary of significant accounting policies. 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 December 2019 and of its profit 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Independent auditor's report to the members of  
Scottish Financial Enterprise (Continued)  
Year Ended 31 December 2019**

**Opinions on other matters prescribed by the Companies Act 2006**

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

**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 the 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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**Independent auditor's report to the members of  
Scottish Financial Enterprise (Continued)  
Year Ended 31 December 2019**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 auditors 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.

*Johnston Carmichael LLP*

David Holmes (Senior Statutory Auditor)

For and on behalf of  
Johnston Carmichael LLP  
Chartered Accountants  
7-11 Melville Street  
Edinburgh  
EH3 7PE

3 June 2020



**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Statement Of Income And Retained Earnings  
Year Ended 31 December 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	<b>5</b>	760,508	683,125
Cost of sales		(114,282)	(92,691)
<b>Gross profit</b>		<u>646,226</u>	<u>590,434</u>
Administrative expenses		(543,846)	(563,013)
Other operating income	<b>6</b>	8,400	8,400
<b>Operating profit</b>		<u>110,780</u>	<u>35,821</u>
Other interest receivable and similar income		3,199	2,212
<b>Profit before taxation</b>		<u>113,979</u>	<u>38,033</u>
Tax on profit	<b>10</b>	(21,816)	(663)
<b>Profit for the financial year and total comprehensive income</b>		<u>92,163</u>	<u>37,370</u>
<b>Retained earnings at the start of the year</b>		<u>239,160</u>	<u>201,790</u>
<b>Retained earnings at the end of the year</b>		<u>331,323</u>	<u>239,160</u>

All the activities of the company are from continuing operations.

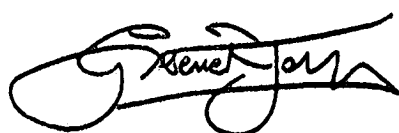
**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Statement Of Financial Position  
At 31 December 2019**

		2019		2018	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	17,231		20,449	
			17,231		20,449
<b>Current assets</b>					
Debtors	12	114,891		90,914	
Investments	13	403,330		300,536	
Cash at bank and in hand		134,959		89,936	
			653,180		481,386
<b>Creditors: amounts falling due within one year</b>	14	(336,591)		(262,012)	
<b>Net current assets</b>			316,589		219,374
<b>Total assets less current liabilities</b>			333,820		239,823
<b>Provisions for liabilities</b>	15		(2,497)		(663)
<b>Net assets</b>			331,323		239,160
<b>Capital and reserves</b>					
Profit and loss account			331,323		239,160
<b>Members funds</b>			331,323		239,160

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 section 1A - small entities.

These financial statements were approved by the board of directors and authorised for issue on 22 April 2020, and are signed on behalf of the board by:



**Graeme Jones**

**Director**

Company registration number: SC100000

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Notes To The Financial Statements  
Year Ended 31 December 2019**

**1. General information**

The company is a private company limited by guarantee, registered in Scotland. The address of the registered office is 24 Melville Street, Edinburgh, EH3 7NS.

**2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102 section 1A - small entities.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling, which is the functional currency of the company.

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

**Turnover**

Turnover represents the total value of membership fees and other sales, excluding value added tax, attributable to the year and derives from the provision of services falling within the company's ordinary activities. Where a period of membership extends beyond the year-end date, the appropriate portion of that membership fee is taken into the following year.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)  
Year Ended 31 December 2019**

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- Straight line over the term of the lease
Fittings fixtures and equipment	- Between 20% and 33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

**Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Pensions costs**

The company operates a defined contribution pension scheme for the benefit of its employees. The company's contributions to the scheme are recognised in the statement of income as they fall due.

**4. Limited by guarantee**

The company is limited by the guarantee of its members. Under paragraph VI of the memorandum of association, each member, but not including associate members, undertakes to contribute £100 towards the liabilities of the company in the event of it being wound up.

**5. Turnover**

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)  
Year Ended 31 December 2019**

**6. Other operating income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rental income	8,400	8,400
	<hr/>	<hr/>

**7. Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to Johnston Carmichael LLP</b>		
Fees payable for the audit of the financial statements	5,940	5,750
	<hr/>	<hr/>

**8. Staff costs**

The aggregate payroll costs incurred during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	355,481	348,669
Social security costs	24,495	23,281
Other pension costs	6,784	6,263
	<hr/>	<hr/>
	386,760	378,213
	<hr/>	<hr/>

**9. Employee numbers**

The average number of persons employed by the company during the year amounted to 6 (2018: 6).

**10. Tax on profit**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	19,982	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,834	663
	<hr/>	<hr/>
<b>Tax on profit</b>	21,816	663
	<hr/>	<hr/>

**Scottish Financial Enterprise  
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**Notes To The Financial Statements (Continued)  
Year Ended 31 December 2019**

**11. Tangible assets**

	Leasehold property	Fixtures, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	17,800	123,567	141,367
Additions	-	2,997	2,997
<b>At 31 December 2019</b>	<b>17,800</b>	<b>126,564</b>	<b>144,364</b>
<b>Depreciation</b>			
At 1 January 2019	17,800	103,118	120,918
Charge for the year	-	6,215	6,215
<b>At 31 December 2019</b>	<b>17,800</b>	<b>109,333</b>	<b>127,133</b>
<b>Carrying amount</b>			
<b>At 31 December 2019</b>	<b>-</b>	<b>17,231</b>	<b>17,231</b>
At 31 December 2018	-	20,449	20,449

**12. Debtors**

	2019 £	2018 £
Trade debtors	93,632	67,296
Other debtors	21,259	23,618
	<b>114,891</b>	<b>90,914</b>

**13. Investments**

	2019 £	2018 £
Other investments	403,330	300,536

Other investments comprises funds placed on short-term deposit with banks.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)  
Year Ended 31 December 2019**

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

	2019 £	2018 £
Trade creditors	4,988	3,027
Corporation tax	19,982	-
Social security and other taxes	33,449	25,821
Other creditors	278,172	233,164
	<u>336,591</u>	<u>262,012</u>

**15. Provisions**

	Deferred tax (note 16) £	Total £
At 1 January 2019	663	663
Additions	1,834	1,834
	<u>2,497</u>	<u>2,497</u>
<b>At 31 December 2019</b>	<u>2,497</u>	<u>2,497</u>

**16. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in provisions (note 15)	2,497	663
	<u>2,497</u>	<u>663</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Accelerated capital allowances	(471)	3,055
Unused tax losses	2,309	(2,309)
Short-term timing differences	(4)	(83)
	<u>1,834</u>	<u>663</u>

**17. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £6,784 (2018: £6,263).

At the year-end date, pension contributions of £870 (2018 : £881) for the month of December remained to be paid to the scheme provider.

**Scottish Financial Enterprise  
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)  
Year Ended 31 December 2019**

**18. Financial instruments**

In terms of the requirements of FRS 102, at the year-end date, the company had financial assets of £631,921 (2018 : £457,768) and financial liabilities of £4,988 (2018 : £3,027).

**19. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	33,250	33,250
Later than 1 year and not later than 5 years	133,000	133,000
Later than 5 years	69,250	102,500
	<hr/> 235,500	<hr/> 268,750

**20. Related party transactions**

The board of directors is drawn from partner level members of Scottish Financial Enterprise, each of which pays an annual subscription at partner level to the company.

Scottish Financial Enterprise enjoys the support of its members in its commitment to support and represent the financial services industry in Scotland. On an ad hoc basis, members contribute by providing, without charge, committee members to drive forward initiatives, technical and administrative support on initiatives and accommodation for meetings. The company is grateful of this essential support.

**21. Controlling party**

The company is controlled by its members.