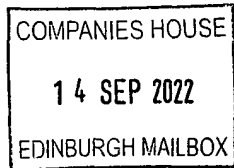


Company registration number: SC100000



**Scottish Financial Enterprise
Company Limited By Guarantee**

**Financial Statements
For the Year Ended
31 December 2021**



**Scottish Financial Enterprise
Company Limited By Guarantee**

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**Scottish Financial Enterprise
Company Limited By Guarantee**

Directors And Other Information

Directors	Philip Grant Alexander Begbie CBE Malcolm Buchanan Susan Dawe Colin Halpin Louisa Knox John McGuigan Anthony Rafferty Vida Rudkin Michael Tumilty
Secretary	Dentons Secretaries Limited
Company number	SC100000
Registered office	24 Melville Street Edinburgh EH3 7NS
Business address	24 Melville Street Edinburgh EH3 7NS
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE
Solicitors	Dentons UKMEA LLP Quartermile One 156 Lauriston Place Edinburgh EH3 9EP

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Directors' Report
Year ended 31 December 2021**

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 loss for the year, after taxation, amounted to £13,674 (2020 : profit £13,122).

Directors

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

Philip Grant	
Alexander Begbie CBE	
Malcolm Buchanan	
Wendy Colquhoun	(Resigned 18 February 2021)
Susan Dawe	
Colin Halpin	
Louisa Knox	(Appointed 14 October 2021)
Gary Marshall	(Resigned 17 June 2021)
John McGuigan	
Anthony Rafferty	
Vida Rudkin	
Michael Tumilty	(Appointed 18 June 2021)

In accordance with the articles of association, the directors to retire by rotation at the annual general meeting are Susan Dawe, Colin Halpin and John McGuigan. Being eligible, Susan Dawe shall stand for re-election. Colin Halpin and John McGuigan are in their sixth year of serving as director and each has intimated his willingness to continue to serve. In accordance with the articles of association, a special resolution will be put before the annual general meeting for each of Colin Halpin and John McGuigan to seek authorisation to allow them to continue to serve as directors.

Louisa Knox and Michael Tumilty will stand to have their appointments as directors ratified by the annual general meeting.

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Directors' Report (Continued)
Year ended 31 December 2021**

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will remain 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 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.

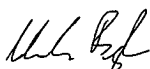
Auditor

Johnston Carmichael LLP was re-appointed auditor of the company in accordance with section 487 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 2022 and signed on behalf of the board on 18 May 2022 by:



**Alexander Begbie CBE
Director**

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Independent auditor's report to the members of
Scottish Financial Enterprise
Year ended 31 December 2021**

Opinion

We have audited the financial statements of Scottish Financial Enterprise (the 'company') for the year ended 31 December 2021 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

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 contained within the annual report. 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. 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 course of our audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatement, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 2021**

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.

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 set out on page 3, 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.

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Independent auditor's report to the members of
Scottish Financial Enterprise (continued)
Year ended 31 December 2021**

Extend to which the audit was considered capable of detecting irregularities, including fraud

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:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS 102;
- Companies Act 2006;
- VAT legislation.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of submitted returns, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Independent auditor's report to the members of
Scottish Financial Enterprise (continued)
Year ended 31 December 2021**

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.

DS Holmes

David Holmes (Senior Statutory Auditor)

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

19 / 05 / 2022
Date:.....

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Statement Of Income And Retained Earnings
Year ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	5	741,919	638,687
Cost of sales		(117,330)	(7,663)
Gross profit		<u>624,589</u>	<u>631,024</u>
Administrative expenses		(646,059)	(624,266)
Other operating income	6	4,200	8,400
Operating (loss)/profit		<u>(17,270)</u>	<u>15,158</u>
Other interest receivable and similar income		997	1,504
(Loss)/profit before taxation		<u>(16,273)</u>	<u>16,662</u>
Tax on (loss)/profit	10	2,599	(3,540)
(Loss)/profit for the financial year and total comprehensive income		<u><u>(13,674)</u></u>	<u><u>13,122</u></u>
Retained earnings at the start of the year		<u>344,445</u>	<u>331,323</u>
Retained earnings at the end of the year		<u><u>330,771</u></u>	<u><u>344,445</u></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

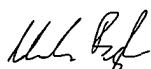
**Scottish Financial Enterprise
Company Limited By Guarantee**

**Statement Of Financial Position
As at 31 December 2021**

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	11,286		14,634	
			11,286		14,634
Current assets					
Debtors	12	94,580		116,993	
Investments	13	150,294		354,227	
Cash at bank and in hand		444,577		289,645	
		689,451		760,865	
Creditors: amounts falling due within one year	14	(367,756)		(428,690)	
Net current assets			321,695		332,175
Total assets less current liabilities			332,981		346,809
Provisions for liabilities	15		(2,210)		(2,364)
Net assets			330,771		344,445
Capital and reserves					
Profit and loss account			330,771		344,445
Members funds			330,771		344,445

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 22 April 2022 and are signed on behalf of the board on 18 May 2022 by:



Alexander Begbie CBE
Director

Company registration number: SC100000

The notes on pages 10 to 15 form part of these financial statements.

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Notes To The Financial Statements
Year ended 31 December 2021**

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. Membership fees are recognised in the financial statements on an accruals basis. 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. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered 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 2021**

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in accordance with the accruals model. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

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.

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)
Year ended 31 December 2021**

5. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom. Turnover is recognised in the financial statements on an accruals basis.

6. Other operating income

	2021	2020
	£	£
Rental income	4,200	8,400
	<u>4,200</u>	<u>8,400</u>

7. Auditors remuneration

	2021	2020
	£	£
Fees payable to Johnston Carmichael LLP		
Fees payable for the audit of the financial statements	7,000	6,100
	<u>7,000</u>	<u>6,100</u>

8. Staff costs

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	433,001	399,968
Social security costs	45,035	42,477
Other pension costs	9,696	6,425
	<u>487,732</u>	<u>448,870</u>

9. Employee numbers

The average number of people employed by the company during the year was 8 (2020: 6).

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)
Year ended 31 December 2021**

10. Tax on loss/profit

	2021	2020
	£	£
Current tax:		
UK current tax expense	-	3,673
Adjustments in respect of previous periods	(2,445)	-
Total UK current tax	<u>(2,445)</u>	<u>3,673</u>
Deferred tax:		
Origination and reversal of timing differences	(154)	(133)
Tax on loss/profit	<u>(2,599)</u>	<u>3,540</u>

11. Tangible assets

	Long leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2021	17,800	130,995	148,795
Additions	-	4,561	4,561
Disposals	-	(88,677)	(88,677)
At 31 December 2021	<u>17,800</u>	<u>46,879</u>	<u>64,679</u>
Depreciation			
At 1 January 2021	17,800	116,361	134,161
Charge for the year	-	7,909	7,909
Disposals	-	(88,677)	(88,677)
At 31 December 2021	<u>17,800</u>	<u>35,593</u>	<u>53,393</u>
Carrying amount			
At 31 December 2021	<u>-</u>	<u>11,286</u>	<u>11,286</u>
At 31 December 2020	<u>-</u>	<u>14,634</u>	<u>14,634</u>

12. Debtors

	2021	2020
	£	£
Trade debtors	69,050	96,576
Other debtors	25,530	20,417
	<u>94,580</u>	<u>116,993</u>

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)
Year ended 31 December 2021**

13. Investments

	2021	2020
	£	£
Other investments	150,294	354,227

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

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,879	12,030
Corporation tax	-	3,673
Social security and other taxes	51,091	81,474
Other creditors	310,786	331,513
	<u>367,756</u>	<u>428,690</u>

15. Provisions

	Deferred tax (note 16)	Total
	£	£
At 1 January 2021	2,364	2,364
Movement for year	(154)	(154)
At 31 December 2021	<u>2,210</u>	<u>2,210</u>

16. Deferred tax

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

	2021	2020
	£	£
Included in provisions (note 15)	2,210	2,364

The movement on deferred tax comprises the effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	(798)	(379)
Short-term timing differences	(104)	(3)
Change in tax rate applicable	748	249
	<u>(154)</u>	<u>(133)</u>

**Scottish Financial Enterprise
Company Limited By Guarantee**

**Notes To The Financial Statements (Continued)
Year ended 31 December 2021**

17. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £9,696 (2020: £6,425).

At the year-end date, pension contributions of £1,944 (2020 : £964) for the month of December remained to be paid to the scheme provider.

18. Operating leases

The company as lessee

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

	2021	2020
	£	£
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	2,750	36,000
	<u>169,000</u>	<u>202,250</u>

19. 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.

20. Controlling party

The company is controlled by its members.