

SCOTTISH ENTERPRISE LANARKSHIRE

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

REGISTERED NUMBER SC124620

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SCOTTISH ENTERPRISE LANARKSHIRE

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

Until 31 March 2008 the principal activity of Scottish Enterprise Lanarkshire was to operate as a Local Enterprise Company delivering economic services in Lanarkshire under an operating contract with Scottish Enterprise. Scottish Enterprise is a public body duly constituted under the terms and provisions of the Enterprise and New Towns (Scotland) Act 1990. Scottish Enterprise Lanarkshire, a company limited by guarantee, is a subsidiary undertaking of Scottish Enterprise.

On 1 April 2008, as a result of restructuring, certain roles and functions, and related commitments, of Scottish Enterprise Lanarkshire were transferred to other public bodies, with the remaining business operations, their related commitments, and certain of the company's assets and liabilities, being assumed by Scottish Enterprise. No new operational commitments were entered into by Scottish Enterprise Lanarkshire after that date.

Other assets and liabilities were retained by the company at that date for practical and operational reasons, the intention being to subsequently realise the assets and settle the liabilities, or when practical arrange for their transfer to Scottish Enterprise. These accounts reflect progress towards achieving that intention.

RESULTS

The surplus on all activities for the year, after taxation, amounted to £13,000 (2008: deficit of £805,000)

FUTURE DEVELOPMENTS

As noted a small number of transactions may continue to be entered into in order to realise assets or settle liabilities retained by the company on 31 March 2008. Annual accounts will continue to be prepared until all these assets have been realised and liabilities settled at which point it is expected that the company will be wound up.

DIRECTORS

The Directors in office at the date of this report are listed on page 3. During the year the following Directors were appointed or retired.

| | |
|--------------|---------------------------|
| E Connolly | |
| M Wright | appointed on 3 April 2008 |
| C Rutherford | resigned on 27 May 2008 |
| G Waddell | resigned on 27 May 2008 |
| M Staley | resigned on 11 April 2008 |

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant post balance sheet events.

SCOTTISH ENTERPRISE LANARKSHIRE

DIRECTORS

Elizabeth Connolly
Mandy Wright

SECRETARY

John Crawford

AUDITORS

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

BANKERS

Bank of Scotland plc
Gordon Street
GLASGOW
G1 3RS

SOLICITORS

Legal Services Department
Scottish Enterprise
Atrium Court
50 Waterloo Street
GLASGOW
G2 6HQ

REGISTERED OFFICE

5 Atlantic Quay
150 Broomielaw
GLASGOW
G2 8LU

SCOTTISH ENTERPRISE LANARKSHIRE

DIRECTORS' REPORT

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SCOTTISH ENTERPRISE LANARKSHIRE

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

The Directors confirm that the financial statements for the year ended 31 March 2009 comply with the above requirements.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 3. Each of these directors confirms that:

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

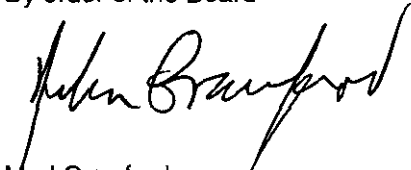
AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP will be put to the Annual General Meeting.

SMALL GROUP EXEMPTION

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By order of the Board



Mr J Crawford
Secretary

25 June 2009

SCOTTISH ENTERPRISE LANARKSHIRE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH ENTERPRISE LANARKSHIRE

We have audited the financial statements of Scottish Enterprise Lanarkshire for the year ended 31 March 2009 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SCOTTISH ENTERPRISE LANARKSHIRE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH ENTERPRISE LANARKSHIRE
(continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow*

25 June 2009

SCOTTISH ENTERPRISE LANARKSHIRE**INCOME AND EXPENDITURE ACCOUNT****For the year ended 31 March 2009**

| | Notes | 2009 £000's | 2008 £000's |
|---|-------|----------------|-----------------|
| Turnover | 2 | - | 35,557 |
| Expenditure | | <u>(2)</u> | <u>(36,538)</u> |
| Operating deficit | 3 | (2) | (981) |
| Other income | | <u>21</u> | <u>232</u> |
| SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 19 | (749) |
| Taxation charge | 5 | <u>(6)</u> | <u>(56)</u> |
| SURPLUS / (DEFICIT) FOR THE YEAR | 12 | <u>13</u> | <u>(805)</u> |

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

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

The directors regard the principal operations of the company as discontinued.

SCOTTISH ENTERPRISE LANARKSHIRE

BALANCE SHEET

At 31 March 2009

| | Notes | 2009 £000 | 2008 £000 |
|---|--------------|----------------------|----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 9,810 | 12,129 |
| Asset repayment provision | 11 | (9,810) | (12,129) |
| Other investments | 7 | 85 | 184 |
| Asset repayment provision | 11 | (24) | (96) |
| | | <u>61</u> | <u>88</u> |
| CURRENT ASSETS | | | |
| Investments | 7 | 23 | 90 |
| Asset repayment provision | 11 | (23) | (79) |
| Debtors | 9 | 5 | 2,049 |
| Cash at bank and in hand | | <u>259</u> | <u>1,000</u> |
| | | 264 | 3,060 |
| CREDITORS: amounts falling due within one year | 10 | <u>(8)</u> | <u>(2,844)</u> |
| NET CURRENT ASSETS | | <u>256</u> | <u>216</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 317 | 304 |
| NET ASSETS | | <u>317</u> | <u>304</u> |
| CAPITAL & RESERVES | | | |
| Income and Expenditure account | 12 | <u>317</u> | <u>304</u> |

The financial statements on pages 8 to 18 were approved by the Board of Directors on June 2009 and signed on its behalf by



Director

2009

25th June '09

SCOTTISH ENTERPRISE LANARKSHIRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below.

(b) Basis of operation

Until 31 March 2008 the principal activity of Scottish Enterprise Lanarkshire was to operate as a Local Enterprise Company delivering economic services within Lanarkshire under an operating contract with Scottish Enterprise. Scottish Enterprise is a public body duly constituted under the terms and provisions of the Enterprise and New Towns (Scotland) Act 1990. Scottish Enterprise Lanarkshire, a company limited by guarantee, is a subsidiary undertaking of Scottish Enterprise.

On 1 April 2008 as a result of restructure certain roles and functions, and related commitments, of Scottish Enterprise Lanarkshire were transferred to other public bodies, and with the remaining business operations, their related commitments, and certain of the company's assets and liabilities, being assumed by Scottish Enterprise. No new operational commitments were entered into by Scottish Enterprise Lanarkshire after that date.

Other assets and liabilities were retained by the company at that date for practical and operational reasons, the intention being to subsequently realise the assets and settle the liabilities, or when practical arrange for their transfer to Scottish Enterprise. These accounts reflect progress towards achieving that intention.

The operational commitments of the company were assumed by either Scottish Enterprise or other public sector entities as at 1 April 2008 and 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 for this reason, the directors believe that no amendment is required to the balances held in the financial statements.

The financial results reported in these financial statements relate wholly to business activities which have been discontinued by Scottish Enterprise Lanarkshire.

SCOTTISH ENTERPRISE LANARKSHIRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

(c) Tangible Fixed Assets

For tangible fixed assets purchased by the company with funds provided by Scottish Enterprise and retained by the Company at 1 April 2008 the risks as well as the rewards of ownership remain with Scottish Enterprise even where the legal title to the assets may be in the name of the company. Scottish Enterprise and the company have agreed that all proceeds upon sale of assets previously funded by Scottish Enterprise must be returned to Scottish Enterprise.

Thus tangible fixed assets funded by Scottish Enterprise to which the company has taken title are capitalised in the balance sheet and an equal amount is set up as a provision recognising the obligation to repay Scottish Enterprise the proceeds upon sale of the asset. This is shown in the financial statements in a linked presentation. Any diminution or appreciation in value of Scottish Enterprise funded assets is recorded against the asset and the associated provision. Accordingly there is no charge against the income and expenditure account.

Depreciation was charged to the provision on these assets, other than freehold land and construction work in progress, at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

| | |
|----------------------|---------------|
| Computer Equipment | - 25% on cost |
| Office Equipment | - 25% on cost |
| Tenants Improvements | - 25% on cost |

(d) Investments

Investments are stated in the balance sheet at the lower of cost and net realisable value and investment income is credited to the income and expenditure account on an accruals.

Where investments have been funded by Scottish Enterprise, other than by way of a repayable loan, the accounting treatment is to capitalise the investment in the balance sheet and set up a provision to reflect the liability to repay the capital proceeds to Scottish Enterprise. Any movement in the valuation of these investments is also recorded against the repayment provision.

Investments not funded by Scottish Enterprise are capitalised and any provisions made in respect of them are charged to the income and expenditure account. The income arising on such investments is credited to the income and expenditure account on an accruals basis.

(e) Exemption from the preparation of consolidated accounts

Scottish Enterprise Lanarkshire claims exemption from preparing consolidated accounts under section 228 of the Companies Act 1985. Exemption is granted on the basis that it is an intermediate parent company which is wholly owned by its parent, Scottish Enterprise. The financial results of Scottish Enterprise Lanarkshire and its subsidiaries will be consolidated in the ultimate parent companies financial statements which are made up to the same date, 31 March 2009.

(f) European Funding

European Funding was credited to the income and expenditure account on the basis of amounts receivable in respect of expenditure incurred to 31 March on approved projects.

SCOTTISH ENTERPRISE LANARKSHIRE

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

2. TURNOVER

The Directors consider that turnover, which is stated net of value added tax, represents funding received and accrued under the Operating Contract with Scottish Enterprise, together with amounts received and due from third parties.

Turnover was attributed to one activity, the delivery of economic development services in Lanarkshire. An analysis by funding sources is as follows:

| | 2009 £000's | 2008 £000's |
|---|----------------|----------------|
| Scottish Enterprise | - | 34,381 |
| European sources | - | 962 |
| Fixed assets transferred to balance sheet | - | (82) |
| Other | <u>-</u> | <u>296</u> |
| Income for year | <u>-</u> | <u>35,557</u> |

3. OPERATING DEFICIT

| | 2009 £000's | 2008 £000's |
|--|----------------|----------------|
|--|----------------|----------------|

This is stated after charging/ (crediting):

| | | |
|------------------------------------|----------|----------|
| Auditors' remuneration - audit | 2 | 12 |
| - non audit | - | 2 |
| Diminution in value of investments | <u>8</u> | <u>8</u> |

Directors' remuneration

No Directors who held office during the year received remuneration for services to the company (2008: Operations Director's total remuneration including taxable benefits, but excluding pension contribution, amounted to £105k, and pension contribution was £22k).

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

SCOTTISH ENTERPRISE LANARKSHIRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

4. STAFF COSTS

Details of staff costs, including charges made for secondees, during the year ended 31 March 2009 are as follows:

| | 2009 £000's | 2008 £000's |
|-----------------------|----------------|----------------|
| Wages and salaries | - | 2,668 |
| Social security costs | - | 230 |
| Other pension costs | - | 590 |
| | <u>-</u> | <u>3,488</u> |

The average weekly number of staff during the year ended 31 March 2009 was zero (2008: 76).

Pensions

Other pension costs during the year ended 31 March 2008 represent the charges made by Scottish Enterprise in respect of seconded employees payments to private pension schemes. Details of the Scottish Enterprise Pension Scheme are included in the accounts of Scottish Enterprise.

5. TAXATION CHARGE

| (a) UK Corporation Tax | 2009 £000 | 2008 £000 |
|---|----------------------|----------------------|
| UK Corporation Tax on surplus / (deficit) | 6 | 32 |
| Share of associate's current tax | - | 24 |
| Tax on surplus / (deficit) on ordinary activities | <u>6</u> | <u>56</u> |

(b) Factors affecting current tax charge

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

| | 2009 £000 | 2008 £000 |
|---|----------------------|----------------------|
| Surplus / (deficit) on ordinary activities before tax | 19 | (749) |
| Standard tax at UK rate of 28% (2008: 30%) | 5 | (225) |
| Effects of Non-taxable income and expenditure | 1 | 281 |
| Adjustments in respect of previous periods | - | - |
| TOTAL CURRENT TAX | <u>6</u> | <u>56</u> |

(c) Factors that may affect future tax charge

At the balance sheet date there are no factors which will significantly affect the future tax charge for the group and/or company. Tax arises mainly on net interest receivable.

SCOTTISH ENTERPRISE LANARKSHIRE

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

6. TANGIBLE FIXED ASSETS

| | Land | Plant & Equipment | Furniture & Fittings | IT Equipment | Totals |
|--------------------------|---------------|-------------------|----------------------|--------------|---------------|
| COST OR VALUATION | £000 | £000 | £000 | £000 | £000 |
| As at 1 April 2008 | 12,125 | 201 | 226 | 44 | 12,596 |
| Disposals | (575) | (201) | (226) | (44) | (1,046) |
| Revaluations | (1,740) | - | - | - | (1,740) |
| As at 31 March 2009 | <u>9,810</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,810</u> |
| DEPRECIATION | | | | | |
| As at 1 April 2008 | - | 200 | 223 | 44 | 467 |
| Disposals | - | (200) | (223) | (44) | (467) |
| As at 31 March 2009 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET BOOK VALUES | | | | | |
| As at 31 March 2009 | <u>9,810</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,810</u> |
| As at 31 March 2008 | <u>12,125</u> | <u>1</u> | <u>3</u> | <u>0</u> | <u>12,129</u> |

Under the terms of the operating contract the company has granted a floating charge over all of its assets to Scottish Enterprise.

All land is subject to a standard security in favour of Scottish Enterprise and each area of land project is valued at the balance sheet date by James Barr on the instruction of Scottish Enterprise. The valuation is on an 'open market value' basis as defined by the guidance notes on the valuation of assets issued by the Royal Institution of Chartered Surveyors and provision is made where this value is lower than cost. Historical cost of revalued land at 31 March 2009 is £12,635,000 (2008: £13,210,000)

SCOTTISH ENTERPRISE LANARKSHIRE

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

7. INVESTMENTS

| | 2009 | 2008 |
|-------------------------------|-------------|--------------|
| | £000 | £000 |
| Associate(s) | - | 840 |
| Other Fixed Asset Investments | 108 | 274 |
| | <u>108</u> | <u>1,114</u> |

Associate(s)

| | | |
|---|----------|------------|
| Share of surplus retained by associate(s) | - | 173 |
| Share of capital reserve | - | 667 |
| | <u>-</u> | <u>840</u> |

Other Fixed Asset Investments

| | Loans | Equity | Total |
|--------------------------|--------------|---------------|--------------|
| | £000 | £000 | £000 |
| COST OR VALUATION | | | |
| As at 1 April 2008 | 320 | 462 | 782 |
| Repayments | (92) | (65) | (157) |
| As at 31 March 2009 | <u>228</u> | <u>397</u> | <u>625</u> |

PROVISION FOR DIMINUTION IN VALUE

| | | | |
|---------------------|------------|------------|------------|
| As at 1 April 2008 | 222 | 286 | 508 |
| Movement in year | (17) | 26 | 9 |
| As at 31 March 2009 | <u>205</u> | <u>312</u> | <u>517</u> |

NET BOOK VALUES

| | | | |
|---------------------|-----------|------------|------------|
| As at 31 March 2009 | <u>23</u> | <u>85</u> | <u>108</u> |
| As at 31 March 2008 | <u>98</u> | <u>176</u> | <u>274</u> |

Classification of Other Fixed Asset Investments

| | 2009 | 2008 |
|-------------------------|-------------|-------------|
| | £000 | £000 |
| Current Investments | 23 | 90 |
| Non-Current Investments | 85 | 184 |
| | <u>108</u> | <u>274</u> |

SCOTTISH ENTERPRISE LANARKSHIRE

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

8. DETAILS OF SUBSIDIARY COMPANIES AND JOINT VENTURES

Details of the investments in which the group and company (unless indicated) holds 20% or more of the nominal value of any class of share capital or voting rights are as follows;

| Name of Company | Holding | % voting rights/shares | Nature of Business |
|--------------------------------|------------------|------------------------|--------------------------|
| <i>Subsidiary Undertakings</i> | | | |
| Calder Park Management | Ltd by guarantee | 100% | Site management services |
| <i>Associates</i> | | | |
| Mossend Developments Ltd | Ordinary Shares | 25% | Property development |

Scottish Enterprise Lanarkshire is the sole member of Calder Park (Management) Limited. The company is limited by guarantee, operating on behalf of the proprietors and occupiers of the site and is therefore a non-profit making entity.

The company owns 25% of the issued ordinary share capital of Mossend Developments Limited, the principal activity of which is property development. Scottish Enterprise Lanarkshire does not participate in profit distribution of Mossend and in the event of the company winding up no accrued profits would fall to Scottish Enterprise Lanarkshire. For this reason the company carries its investment at cost.

9. DEBTORS

| | 2009 £000's | 2008 £000's |
|---------------------|----------------|----------------|
| Scottish Enterprise | 1 | 1,892 |
| VAT | <u>4</u> | <u>157</u> |
| | <u>5</u> | <u>2,049</u> |

SCOTTISH ENTERPRISE LANARKSHIRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

10. CREDITORS: amounts falling due within one year

| | 2009 £000's | 2008 £000's |
|------------------------------|----------------|----------------|
| Scottish Enterprise | 2 | 2,827 |
| Trade creditors | - | - |
| Accruals and deferred income | - | - |
| Corporation tax | 6 | 17 |
| | <u>8</u> | <u>2,844</u> |

11. ASSET REPAYMENT PROVISION

| | Other Tangible Assets £000 | Land £000 | Investments £000 | Total £000 |
|----------------------------|-------------------------------|--------------|---------------------|---------------|
| As at 1 April 2008 | 4 | 12,125 | 175 | 12,304 |
| Additions to provision | - | - | (10) | (10) |
| Disposals / repayments | (4) | (375) | (118) | (497) |
| Provisions / revaluation | - | (1,940) | - | (1,940) |
| As at 31 March 2009 | <u>-</u> | <u>9,810</u> | <u>47</u> | <u>9,857</u> |

| Classification of Asset Repayment Provision | £000 |
|---|-----------|
| Non-current investments | 24 |
| Current investments | <u>23</u> |
| | <u>47</u> |

SCOTTISH ENTERPRISE LANARKSHIRE

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

12. STATEMENT ON MOVEMENT IN RESERVES

| | 2009 £000's | 2008 £000's |
|----------------------------|----------------|----------------|
| As at 1 April 2008 | 304 | 1,108 |
| Surplus/(deficit) for year | <u>13</u> | <u>(805)</u> |
| As at 31 March 2009 | <u>317</u> | <u>304</u> |

13. SHARE CAPITAL

The company does not have a share capital and is limited by guarantee. The liability of members is limited to £1 each. At 31 March 2009 the company had 1 member (2008: 1).

14. RELATED PARTY TRANSACTIONS

As provided by FRS 8, exemption has been taken from disclosing transactions and balances with other members of the Scottish Enterprise Network and subsidiaries.

15. OTHER FINANCIAL COMMITMENTS

The company has no other financial commitments.

16. CONTINGENT LIABILITIES

Until 31 March 2008 a floating charge existed over the assets of the company. As part of the restructuring the majority of assets transferred to Scottish Enterprise and so in respect of these assets this liability is extinguished. In respect of the remaining assets a liability still remains to Scottish Enterprise until such time as the assets are sold or transferred at which point the liability will be extinguished.

17. ULTIMATE PARENT UNDERTAKING

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