

ESEP LIMITED (LIMITED BY GUARANTEE)

Company registration number SC180138

Abbreviated Financial Statements

For the year ended 31 December 2010

THURSDAY



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15/09/2011
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ESEP LIMITED (Limited by Guarantee)

Abbreviated Financial statements for the year ended 31 December 2010

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ESEP LIMITED (Limited by Guarantee)
Independent auditors' report to ESEP Limited
under section 449 of the Companies Act 2006

We have examined the abbreviated accounts on the balance sheet and related notes, together with the financial statements of ESEP Limited for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with sections 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Emphasis of matter - going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 15 to the financial statements concerning the company's ability to continue as a going concern. The going concern status of the company is dependent upon the extension of the contract with the Scottish Government for a period of 12 months following the date of approval of the financial statements. We highlight this matter but our opinion is not qualified in this respect.



Nick Bennett (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Exchange Place 3
Seample Street
Edinburgh
EH3 8BL

Date: 13 June 2011

ESEP LIMITED (Limited by Guarantee)

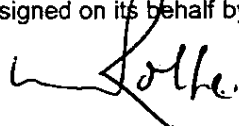
Abbreviated balance sheet as at 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		<u>£</u>	<u>£</u>
Fixed assets			
Tangible assets	2	127,229	114,189
Current assets			
Debtors		532,754	714,053
Cash at bank and in hand		798,810	769,013
		<u>1,331,564</u>	<u>1,483,066</u>
Creditors: amounts falling due within one year		<u>(218,060)</u>	<u>(146,620)</u>
Net current assets		<u>1,113,504</u>	<u>1,336,446</u>
Total assets less current liabilities		<u>1,240,733</u>	<u>1,450,635</u>
Pension liability		<u>(620,000)</u>	<u>(951,000)</u>
Net assets		<u><u>620,733</u></u>	<u><u>499,635</u></u>
Capital and reserves			
Profit and loss account including retirement benefit scheme deficit		265,397	144,299
Special Reserve Brought Forward		355,336	355,336
		<u>620,733</u>	<u>499,635</u>
Total assets		<u><u>620,733</u></u>	<u><u>499,635</u></u>

These abbreviated financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The abbreviated financial statements were authorised for issue by the board of directors on 13 June 2011 and signed on its behalf by:

Mervyn J Rolfe
Director



Company Registration No: SC180138

The notes on pages 3 to 6 form part of these financial statements.

1 Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover is principally attributable to the company's activities of the management and administration of the European Structural Funds Programmes.

Consolidation

The company is exempt from the requirement to prepare group accounts by virtue of section 398 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not its group.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Fixtures and fittings	2 - 5 years
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Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Operating leases

Rentals under operating leases are charged to the profit and loss account as they fall due.

Pension scheme

The company operates a defined benefit pension scheme on behalf of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

In accordance with FRS17 - Retirement Benefits, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the income and expenditure account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between the actual and expected returns on assets during the year, including changes in the actuarial assumptions, are recognised in the statement of total recognised gains and losses.

From October 2010 new employees were eligible to join a personal pension plan managed by professional investment managers. The scheme is of the defined contribution type.

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Notes to the abbreviated financial statements for the year ended 31 December 2010 (continued)

2 Fixed assets

	Tangible fixed assets
	£
Cost	
At 1 January 2010	185,262
Additions	62,839
Disposals	(8,461)
At 31 December 2010	239,640
Depreciation	
At 1 January 2010	71,073
Provision for the year	47,036
Adjustments for disposals	(5,698)
At 31 December 2010	112,411
Net book value	
At 31 December 2010	127,229
At 31 December 2009	114,189

3 Controlling party

The directors consider the ultimate controlling party to be ESEP Group Limited, a company incorporated in Scotland.

4 Related parties

Due to the nature of the company's operations and the composition of its board of directors, being from public sector organisations, it is inevitable that transactions will take place with companies and organisations in which a director of ESEP Limited has an interest. The company works in partnership with many publicly funded bodies with whom transactions have been undertaken during the year on arms length terms. The following directors held official positions in these organisations:

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Notes to the abbreviated financial statements for the year ended 31 December 2010 (continued)

4 Related parties (continued)

Director	Public Body	Position held
Elizabeth Cameron	Scottish Chambers of Commerce Limited	Director
John Burt	Scotland's Colleges	Vice Chair
	The Scottish Further Education Unit	Director
	Colleges Open Learning Exchange Group	Director
	Angus Digital Media Centre Limited	Director
	Angus College	Principal
Mervyn Rolfe	Destination Dundee Limited	Chairman
	Craigowl Communities	Director
	The Unicorn Preservation Society	Vice Chair
	Tayside Council on Alcohol	Director
John Ferguson	Quality Scotland Foundation	Director
	Kilmarnock College	Director
	Spirit Aid Limited	Director
	Quality Scotland Foundation Educational Trust	Director
	Scottish Council for Voluntary Organisations	Director of Development
	C S Performers	Chairman
Nelson Gray	Genomia Managements Limited	Director
	Antoxis Limited	Director
Cllr Jim McCabe	North Lanarkshire CCTV Limited	Director

None of the directors have significant control over the company or the related organisations. On this basis the details and amounts of the transactions have not been disclosed.

During the year, the company entered into transactions amounting to £6,902 (2009: £4,226) with Stone Circle Design, an entity owned by the wife of Gordon McLaren, one of the directors.

ESEP LIMITED (Limited by Guarantee)

Notes to the abbreviated financial statements for the year ended 31 December 2010 (continued)

4 Related parties (continued)

As detailed in Note 7, a provision of £360,049 was made against the amount due from ESEP Global Limited, a subsidiary of ESEP Group Limited.

At the year end there is an amount due to ESEP Group Limited to the company of £77,350 (2009: debtor £2,650). This is included in creditors. The movement during the year relates to the receipt of cash advances.

At the year end the company owed director Kenneth Goodwin £2,545 (2009: £nil).

At the year end the company owed £2,967 (2009: £nil) to Mr J C Noble, a director of ESEP Global Limited, a fellow subsidiary of ESEP Group Limited.

At the year end Angus College Limited, a company in which John Burt has a directorship, owed the company £996 (2009: £nil).

During the year, the company paid consultancy fees to Nelson Gray amounting to £10,000 (2009: £nil).

All of the above transactions were conducted at arms length.