

**Scottish Intellectual Asset Management
Limited**

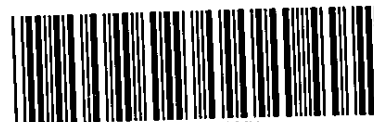
Directors' Report and Financial Statements

Year Ended

31 March 2013

SC254745

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Scottish Intellectual Asset Management Limited

Annual report and financial statements for the year ended 31 March 2013

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Directors

C.C.G. Davidson
J. Houston
M.J. Cannon

Secretary

S.A. Clarke

Registered office

4th Floor, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ

Company number

SC254745

Auditors

KPMG LLP, 191 West George Street, Glasgow, Glasgow G2 2LJ

Bankers

Bank of Scotland, Gordon Street, Glasgow, G1 3RS

Solicitors

Maclay Murray and Spens LLP, George Square, Glasgow, G2 1AL

Scottish Intellectual Asset Management Limited

Directors' report for the year ended 31 March 2013

The directors present their report together with the audited financial statements of the Company, registered number SC254745, for the year ended 31 March 2013. On 29 March 2012 the activities of the Company were transferred to Scottish Enterprise. The directors have no plans to continue trading and accordingly, the financial statements are not prepared on a going concern basis. A small number of transactions may continue to be entered into in order to realise assets or settle liabilities retained by the company on 29 March 2012. Financial statements will continue to be prepared until all these assets have been realised and liabilities settled.

Principal activities

Scottish Intellectual Asset Management Limited is limited by guarantee and there is no issued share capital. At 31 March 2013 the Company had two members. The Company operated under the title of the Intellectual Assets Centre which, along with the associated device, is a trademark registered to the Company.

The principal activity of the Intellectual Assets Centre was to "assist Scottish businesses to maximise the economic potential of their intellectual assets (IA)" but these activities are now carried out directly by Scottish Enterprise.

Directors

The directors who held office at any time during the year were:

C.C.G. Davidson		L. Smith-Higgins	(resigned 30 April 2012)
Dr G. McConnachie	(resigned 30 April 2012)	C.M. Grant	(resigned 30 April 2012)
J. Houston		R.J. Marchant	(resigned 30 April 2012)
D.C. Watt	(resigned 30 April 2012)	M.J. Cannon	
M.J. Symonds	(resigned 30 April 2012)		

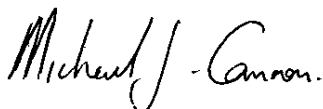
Disclosure Statement as to the Disclosure of Information to Auditor

The directors confirm that, so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Furthermore, the directors confirm that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP were appointed as auditor during the year and have expressed their willingness to continue in office. A resolution to re-appoint KPMG LLP will be proposed at the annual general meeting.

On behalf of the board



Michael Cannon
Director

24th June 2013

Scottish Intellectual Asset Management Limited

Directors' report for the year ended 31 March 2013 (*Continued*)

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Scottish Intellectual Asset Management Limited

Independent auditor's report to the members of Scottish Intellectual Asset Management Limited

We have audited the financial statements of Scottish Intellectual Asset Management Limited for the year ended 31 March 2013 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' Responsibilities Statement, set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Scottish Intellectual Asset Management Limited

Independent auditor's report to the members of Scottish Intellectual Asset Management Limited
(Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Watt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LL
26 June 2013

Scottish Intellectual Asset Management Limited

Income and expenditure account for the year ended 31 March 2013

	Note	2013 £	2012 £
Income	2	9,675	983,691
Operating expenditure		-	(211,477)
Gross surplus		<u>9,675</u>	<u>772,214</u>
Administration expenditure		(54,651)	(789,385)
Operating deficit	3	(44,976)	(17,171)
Other interest receivable and similar income	6	165	486
Deficit on ordinary activities before taxation for the financial year	12	(44,811)	(16,685)
Tax on deficit on ordinary activities	7	-	-
Deficit on ordinary activities after taxation for the financial year		<u>(44,811)</u>	<u>(16,685)</u>

All recognised gains and losses in the current and prior year are included in the income and expenditure account.

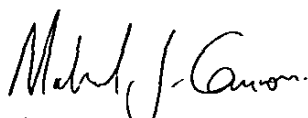
Scottish Intellectual Asset Management Limited

Balance sheet at 31 March 2013

Company number SC254745

	Note	2013 £	2013 £	2012 £	2012 £
Current assets					
Debtors	8	3,375		992	
Cash at bank and in hand		4,452		92,099	
		<u>7,827</u>		<u>93,091</u>	
Creditors: amounts falling due within one year	9	<u>(41,898)</u>		<u>(82,351)</u>	
Net current (liabilities)/assets			<u>(34,071)</u>		<u>10,740</u>
Total assets less current liabilities			<u>(34,071)</u>		<u>10,740</u>
Deferred capital grant	10		<u>-</u>		<u>-</u>
			<u>(34,071)</u>		<u>10,740</u>
Capital and reserves					
Income and expenditure account	12		<u>(34,071)</u>		<u>10,740</u>

The financial statements were approved by the board of directors and authorised for issue on June 2013.



Michael Cannon
Director

24th June.....2013

Scottish Intellectual Asset Management Limited

Notes forming part of the financial statements for the year ended 31 March 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Basis of preparation

During the year to 31 March 2012, the Company decided to transfer its remaining assets to Scottish Enterprise and so the financial statements have not been prepared on a going concern basis.

Cash flow statement and related party disclosure

The Company is fully consolidated in to the financial statements of Scottish Enterprise that are publicly available at the address detailed in note 16. Consequently the Company is exempt under the terms of FRS 1 (revised) from publishing a cashflow statement. The Company is also exempt, under the terms of FRS 8, from disclosing related party transactions with entities that are part of the Scottish Enterprise Group.

Income

Income is represented by the contribution received from Scottish Enterprise to fund expenditure incurred by Scottish Intellectual Asset Management Limited.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the income and expenditure account.

Scottish Intellectual Asset Management Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (*Continued*)

2 Income

Following closure of the Company's trading activity income is wholly attributable to funding provided by Scottish Enterprise.

3 Operating deficit

	2013 £	2012 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	-	71,816
Impairment of tangible fixed assets	-	44,963
Profit on disposal of tangible fixed assets	-	(825)
Operating lease rentals - land and buildings	-	56,207
Auditors remuneration:		
- audit of these financial statements	6,000	8,000
Release of deferred capital grants	-	(116,779)
	<u> </u>	<u> </u>

Scottish Intellectual Asset Management Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

4 Employees

Staff costs (including directors) consist of:

	2013	2012
	£	£
Wages and salaries	-	339,037
Social security costs	-	33,572
Other pension costs	-	37,010
	<hr/>	<hr/>
	-	409,619
	<hr/>	<hr/>

In the financial statements, these costs have been allocated as follows:

Direct staff costs	-	322,403
Support staff costs	-	73,571
Corporate services	-	13,645
	<hr/>	<hr/>
	-	409,619
	<hr/>	<hr/>

The average number of employees (excluding non-executive directors) during the year was as follows:

	2013	2012
	Number	Number
Direct staff and support staff team	-	7
	<hr/>	<hr/>

5 Directors' remuneration

	2013	2012
	£	£
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	-	57,000
Company contributions to Company group personal pension plan	-	4,333
	<hr/>	<hr/>

There were no remunerated directors in the year (2012 - three).

There were no directors in the group personal pension plan during the year (2012 - one).

Scottish Intellectual Asset Management Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

6 Other interest receivable and similar income

	2013	2012
	£	£
Bank deposits	165	486
	<u> </u>	<u> </u>

7 Taxation on (deficit)/surplus on ordinary activities

	2013	2012
	£	£
Corporation tax payable - current year	-	-
	<u> </u>	<u> </u>

Factors affecting the tax charge for the year

The current tax charge is lower (2012: lower) than the standard rate of corporation tax for small companies in the UK (20%, 2012: 20%). The differences are explained below:

	2013	2012
	£	£
(Deficit)/surplus on ordinary activities before tax	(44,976)	(16,685)
	<u> </u>	<u> </u>
(Deficit)/surplus on ordinary activities multiplied by small companies' rate of corporation tax in the UK of 20 % (2012: 20%)	(8,995)	(3,337)
Non-taxable income	8,995	3,337
	<u> </u>	<u> </u>
Corporation tax charge	-	-
	<u> </u>	<u> </u>

8 Debtors

	2013	2012
	£	£
Other debtors	75	992
Prepayments and accrued income	3,300	-
	<u> </u>	<u> </u>
	3,375	992
	<u> </u>	<u> </u>

Scottish Intellectual Asset Management Limited

Notes forming part of the financial statements for the year ended 31 March 2013 (Continued)

9 Creditors: amounts falling due within one year

	2013	2012
	£	£
Other creditors	599	24,979
Accruals and deferred income	41,299	57,372
	<hr/>	<hr/>
	41,898	82,351
	<hr/>	<hr/>

10 Deferred capital grant

	2013	2012
	£	£
At 1 April	-	116,779
Grants received in year	-	-
Released to income and expenditure in year	-	(116,779)
	<hr/>	<hr/>
At 31 March	-	-
	<hr/>	<hr/>

11 Share capital

The Company is limited by guarantee and does not have a share capital. The liability of members is limited to £1 each. At 31 March 2013, the Company had two members, Scottish Enterprise and Highlands and Islands Enterprise.

12 Reserves

	Income and expenditure account £
At 1 April 2012	10,740
Deficit for year	(44,811)
	<hr/>
At 31 March 2013	(34,071)
	<hr/>

13 Related party disclosures

All related party transactions entered in to with directors during the year were in the normal course of business at normal market prices.

Related party transactions - expenditure

A non-executive director, James Houston, received £20,900 (2012 - £38,383) in respect of management consultancy fees charged to the Company.

There were no other transactions with any of the other non-executive directors who served at any time during the year.

14 Contingent Liability

Discussions are taking place between the Company and the Scottish Government's Structural Funds division regarding the eligibility of claims made under a number of European funded projects. These discussions are on-going and it has not yet been determined that any sums will have to be repaid to the European Commission. In the event that a claim for recovery of funds is made against the Company, the directors and the members of the Company will jointly agree how any such claim is to be met. It is not possible at this time to quantify the extent of a potential claim against the Company.

15 Controlling party

The Company has two members, namely Scottish Enterprise and Highlands and Islands Enterprise. The Board is controlled by these two entities.

The results of the Company are included in the consolidated accounts of Scottish Enterprise. The consolidated financial statements of Scottish Enterprise are available to the public and may be obtained from The Secretary, Scottish Enterprise, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ.

No other group financial statements include the results of the Company and Scottish Enterprise are regarded as the ultimate parent entity of the Company.