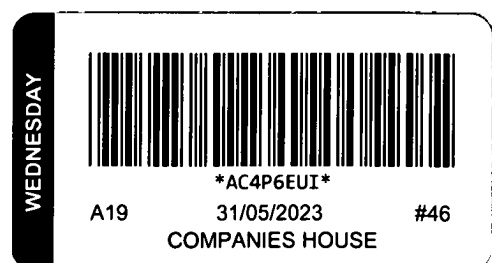


**FORTH SECTOR DEVELOPMENT LIMITED**

**Company registration number: SC372526**

**Annual report and financial statements**

**For the year to 31 August 2022**



## FORTH SECTOR DEVELOPMENT LIMITED

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**FORTH SECTOR DEVELOPMENT LIMITED**

**Directors, officers and advisers**

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<b>Directors</b>	S N King S M Miller
<b>Company secretary</b>	C A McKinley
<b>Registered office</b>	Duddingston Yards Duddingston Park South Edinburgh EH15 3NT
<b>Registered number</b>	SC372526
<b>Independent Auditors'</b>	Crowe U.K. LLP 2 <sup>nd</sup> Floor 55 Ludgate Hill London EC4M 7JW
<b>Bankers</b>	The Co-operative Bank 55 George Street Edinburgh EH2 2HT
<b>Solicitors</b>	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL

## **FORTH SECTOR DEVELOPMENT LIMITED**

### **Directors' report**

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The directors present their report and the audited financial statements of Forth Sector Development Limited (the "Company") for the year to 31 August 2022.

#### **Principal activities**

The principal activity of the Company is in supporting organisations to change and grow through providing professional business development and support services.

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

S N King

J Oughton (resigned 29<sup>th</sup> September 2022)

S M Miller (appointed 29<sup>th</sup> September 2022)

#### **Result for the year**

The results for the Company show a profit on ordinary activities of £113,213 for the year (2021: profit £160,828) on turnover of £178,826 (2021: £278,616).

#### **Company Secretary**

C A McKinley

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

## **FORTH SECTOR DEVELOPMENT LIMITED**

### **Directors' report**

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#### **Statement of directors' responsibilities in respect of the financial statements (Continued)**

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and 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 auditors are aware of that information.

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The ultimate parent and controlling Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

#### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

This report was approved by the board on 18 May 2023 and signed on its behalf by:



**S N King**  
Director

## Opinion

We have audited the financial statements of Forth Sector Developments Limited for the year ended 31 August 2022 which comprise the Statement of Comprehensive Income, Balance Sheet Statement of changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 director's 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 are authorised for issue.

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

## Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, 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.

## **Opinion on other matter 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 have 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 directors' report.

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

- adequate accounting records have not been kept by the company, 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; 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 exemption 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 2, 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.

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 within which the company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH SECTOR DEVELOPMENT LIMITED

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these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year to agree to supporting documentation and testing revenue cut-off to ensure that it has been recognised in the correct period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter (Senior Statutory Auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

55 Ludgate Hill

London EC4M 7JW

Date: 30<sup>th</sup> May 2023



**FORTH SECTOR DEVELOPMENT LIMITED**  
**Statement of income and retained earnings**  
**For the year to 31 August 2022**

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	Note	Year to 31 August 2022 £	Year to 31 August 2021 £
<b>Income</b>		<b>178,826</b>	278,616
Cost of sales		<b>(65,613)</b>	(117,788)
<b>Gross Profit</b>		<b>113,213</b>	160,828
<b>Profit before taxation</b>	6	<b>113,213</b>	160,828
Taxation	6	-	-
<b>Profit for the financial year after taxation</b>		<b>113,213</b>	160,828
Retained Earnings at 1 September		<b>418,332</b>	257,504
Gift Aid distribution		<b>(160,828)</b>	-
<b>Retained Earnings at 31 August</b>		<b>370,717</b>	418,332

There was no other comprehensive income during either year.

The notes on pages 10 to 12 form part of these financial statements

**FORTH SECTOR DEVELOPMENT LIMITED**

**Balance Sheet**  
**For the year to 31 August 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors	7	134,135	253,574
Cash at bank and in hand		271,019	196,149
		<u>405,154</u>	<u>449,723</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	8	<u>(34,337)</u>	<u>(31,291)</u>
<b>Net current assets</b>		<u>370,817</u>	<u>418,432</u>
<b>Net assets</b>		<u><u>370,817</u></u>	<u><u>418,432</u></u>
<b>Capital and reserves</b>			
Share capital		100	100
Profit and loss account		<u>370,717</u>	<u>418,332</u>
<b>Total shareholders' funds</b>		<u><u>370,817</u></u>	<u><u>418,432</u></u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the Board of Directors on 18 May 2023 and were signed on their behalf by:



**S N King**  
Director

**Company Registration No: SC372526**

The notes on pages 10 to 12 form part of these financial statements

**FORTH SECTOR DEVELOPMENT LIMITED**

**Statement of changes in equity for the year to 31 August 2022**

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 September 2020	100	257,504	257,604
Profit for the financial year	-	160,828	160,828
Gift aid donation	-	-	-
At 31 August 2021	<u>100</u>	<u>418,332</u>	<u>418,332</u>
Profit for the financial year	-	113,213	113,213
Gift aid donation	-	(160,828)	(160,828)
At 31 August 2022	<u><u>100</u></u>	<u><u>370,717</u></u>	<u><u>370,717</u></u>

**FORTH SECTOR DEVELOPMENT LIMITED**  
**Notes to the Financial Statements (continued)**

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**1 Company information**

Forth Sector Development Limited (the "Company" operates from Duddingston Yards, Duddingston Park South, Edinburgh EH15 3NT. The principal activity is set out in the Directors' report.

The Company is a private Company limited by shares and is incorporated in Scotland.

**2 Basis of preparation**

These financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006.

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources, given the brought forward reserves, to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

**3 Significant judgements and estimates**

The preparation of financial statements in compliance requires management to use certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The directors do not consider there to be any significant accounting judgements on estimates required in preparing these financial statements. The directors are satisfied that accounting policies are appropriate and applied consistently.

**4 Principal accounting policies**

**Turnover**

Turnover represents the value of goods and services supplied by the Company, is measured as the fair value of the consideration receivable excluding discounts and value added tax. Turnover is recognised to the extent that the economic benefit will flow to the Company and the revenue can be reliably measured.

All turnover was associated with the principal activity of the Company, which is supporting organisations to change and grow through providing professional business development and support services.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from third parties.

**Taxation**

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

**FORTH SECTOR DEVELOPMENT LIMITED**  
**Notes to the Financial Statements (continued)**

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Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**5 Employees**

The average monthly number of employees during the year was 0 (2021 – 0).

The operating Directors were remunerated for their services by the ultimate parent company The Shaw Trust Limited for the group as a whole.

**6 Tax on profit on ordinary activities**

The tax assessed for the year is the same rate (2021: same rate) as the standard rate of corporation tax in the United Kingdom at 19%. (2021: 19%) The differences are explained as follows:

	Year to 31 August 2022 £	Year to 31 August 2021 £
Profit before taxation	<u>113,213</u>	<u>160,828</u>
Loss before taxation multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	<u>21,510</u>	<u>30,557</u>
Qualifying charitable donations	<u>(21,510)</u>	<u>(30,557)</u>
Tax on profit	<u>-</u>	<u>-</u>

The company makes a gift aid payment comprising its total taxable profit to its parent charity, consequently, no tax liability will arise.

**7 Debtors**

	2022 £	2021 £
Trade debtors	20,073	24,591
Amounts owed by group undertakings	108,199	195,543
Other debtors	673	673
Prepayments and accrued income	<u>5,190</u>	<u>32,767</u>
	<u>134,135</u>	<u>253,574</u>

**FORTH SECTOR DEVELOPMENT LIMITED**  
**Notes to the Financial Statements (continued)**

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**8 Creditors: amounts falling due within one year**

	<b>2022</b>	2021
	£	£
Taxation and social security	<b>9,272</b>	8,157
Other Creditors	<b>10,322</b>	9,450
Accruals and deferred income	<b>14,743</b>	13,684
	<b>34,337</b>	31,291

The assets of the Company are secured by a floating charge in favour of Unity Trust Bank.

**9 Related parties**

The Company has taken advantage of the exemption under FRS102 paragraph 1AC.35 from the requirement to disclose the transactions with entities which are part of the group on the basis that the consolidated group financial statements are prepared by the Shaw Trust Limited, the Ultimate Parent Company.

**10 Forth Sector Development Limited as lessor**

Forth Sector Developments Limited act as a lessor for renting out parts of the building at Duddingston Yard. The rental and service charge income received in 2021-22 was £94,134 (2020-20: £94,252).

The rental agreements are renewed on an annual basis and therefore income receivable from operating leases is only known for one year.

**11 Ultimate Parent Company**

The parent Company is Forth Sector, a charitable Company registered in Scotland (No. SC124791).

The ultimate parent and controlling Company is The Shaw Trust Limited, a Company registered in United Kingdom (number 1744121). The Shaw Trust Limited is the largest and smallest group of undertakings for which group financial statements have been drawn up and copies can be obtained from Black Country House, Rounds Green Road, Oldbury, England, B69 2DG