

FORTH SECTOR DEVELOPMENT LIMITED

Company registration number: SC372526

Annual report and financial statements

For the year to 31 August 2020



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FORTH SECTOR DEVELOPMENT LIMITED

Directors, officers and advisers

Directors	P Holmes J Norman J Oughton
Company secretary	C A McKinley
Registered office	Duddingston Yards Duddingston Park South Edinburgh EH15 3NT
Registered number	SC372526
Independent Auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Temple Quay Bristol BS2 0FR
Bankers	The Co-operative Bank 55 George Street Edinburgh EH2 2HT
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL

FORTH SECTOR DEVELOPMENT LIMITED

Directors' report

The directors present their report and the audited financial statements of Forth Sector Development Limited (the "Company") for the year to 31 August 2020.

Principal activities

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

Profit and dividends

The audited financial statements of the Company for the year to 31 August 2020 are set out on pages 6 to 13. The profit for the year after taxation was £86,751 (year to 31 August 2019: profit £61,605).

No dividend was paid or proposed in respect of the year to 31 August 2020 (year to 31 August 2019: £Nil).

Directors

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

A Hardie (resigned 31 March 2021)
P Holmes
J Norman
J Oughton

Company Secretary

S N King (resigned 26 January 2021)
C A McKinley (appointed 26 January 2021)

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.

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

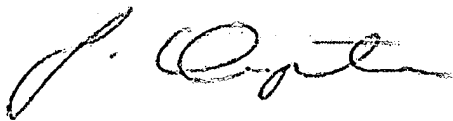
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The ultimate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

Going concern

The ultimate parent and controlling undertaking, The Shaw Trust Limited, has provided a formal commitment to continue to provide cash flow support to the Company to the extent that is required. The directors therefore have a reasonable expectation that the Company has adequate resources 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.

Financial performance during the period of Covid-19 lockdown has been favourable to the Covid-19 scenario planning and the Trust is confident that it has sufficient financial and operational resources to operate through this period of disruption.

This report was approved by the board on 26 May 2021 and signed on its behalf by:



J M Oughton
Director

Independent auditors' report to the members of Forth Sector Development Limited

Report on the audit of the financial statements

Opinion

In our opinion, Forth Sector Development Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its profit for the year then ended;
- have been properly prepared 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" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2020; and the profit and loss account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Forth Sector Development Limited (Continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 August 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26 May 2021

FORTH SECTOR DEVELOPMENT LIMITED
Statement of comprehensive income
For the year to 31 August 2020

	Note	Year to 31 August 2020 £	Year to 31 August 2019 £
Turnover		147,177	136,029
Cost of sales		(60,426)	(74,424)
Gross Profit		86,751	61,605
Profit before taxation	5	86,751	61,605
Tax on profit	7	-	-
Profit for the financial year	13	86,751	61,605

None of the Company's activities were acquired or discontinued during the year.

There were no recognised gains or losses other than those included in the profit and loss account.


FORTH SECTOR DEVELOPMENT LIMITED

Balance sheet at 31 August 2020

	Note	2020 £	2019 £
Current assets			
Debtors	8	331,995	232,044
Cash at bank and in hand	9	44,848	10,072
		<u>376,843</u>	<u>242,116</u>
Current Liabilities			
Creditors: amounts falling due within one year	10	<u>(125,489)</u>	<u>(77,513)</u>
Net current assets		<u>251,354</u>	<u>164,603</u>
Net assets		<u><u>251,354</u></u>	<u><u>164,603</u></u>
Capital and reserves			
Share capital	12	100	100
Profit and loss account	13	<u>251,254</u>	<u>164,503</u>
Total shareholders' funds		<u><u>251,354</u></u>	<u><u>164,603</u></u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were authorised for issue by the board of directors on 26 May 2021 and signed on its behalf by:



J M Oughton
Director

Company Registration No: SC372526

FORTH SECTOR DEVELOPMENT LIMITED

Statement of changes in equity for the year to 31 August 2020

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 September 2018	100	102,898	102,998
Profit for the financial year	-	61,605	61,605
At 31 August 2019	100	164,503	164,603
Profit for the financial year	-	86,751	86,751
At 31 August 2020	100	251,254	251,354

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

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 in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group financial statements, as it is a subsidiary undertaking of The Shaw Trust Limited, a Company registered in the United Kingdom, and is included in the consolidated financial statements of that Company.

The financial statements are presented in Sterling (£).

The Company has adopted the following disclosure exemptions:

- the requirement under section 7 to present a statement of cash flows and related notes
- the requirement under section 11, financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.
- the requirement under section 33 to disclose related party transactions with other wholly owned group companies.

Going concern

The financial statements are prepared on a going concern basis. As at 31 August 2020, the Company had net current assets of £251,354 (2019: £164,603). The directors consider the Company to be a going concern from reviewing future forecast budgets and cash flows and ability to meet their short term commitments as they fall due and formal commitment from The Shaw Trust Limited, the ultimate parent and controlling company, to continue to provide cash flow support to the Company to the extent that is required.

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 accounting judgement required in preparing these financial statements. The directors are satisfied that accounting policies are appropriate and applied consistently.

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

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.

Depreciation of tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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:

Equipment, fixtures and fittings 3 - 10 years straight line

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

5 Profit before taxation

Profit before taxation is stated after charging:

	Year to 31 August 2020	Year to 31 August 2019
	£	£
Auditors' remuneration - audit fee	5,076	6,000

6 Directors' emoluments

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

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

7 Tax on profit

	Year to 31 August 2020 £	Year to 31 August 2019 £
Current tax on profits for the year	-	-
	-	-

Factors affecting tax charge for the year/year-

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	Year to 31 August 2020 £	Year to 31 August 2019 £
Profit before tax	86,751	61,605
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	16,483	11,705
Effects of:		
Qualifying charitable donation	(16,483)	(11,705)
	-	-

8 Debtors

	2020 £	2019 £
Trade debtors	8,492	11,466
Amounts owed by group undertakings	316,003	220,578
Prepayments and accrued income	7,500	-
	331,995	232,044

9 Cash at bank and in hand

	2020 £	2019 £
Cash at bank and in hand	44,848	10,072

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

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	9,840	10,090
Amounts owed to group undertakings	84,674	58,923
Other Creditors	5,339	-
<i>Accruals and deferred income</i>	25,636	8,500
	125,489	77,513

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

11 Financial instruments

	2020	2019
	£	£
Financial assets		
Trade debtors	8,492	11,466
Amounts owed by group undertakings	316,003	220,578
Total financial assets	324,495	232,044
Financial liabilities		
Trade creditors	9,840	10,090
Amounts owed to group undertakings	84,674	58,923
Other creditors	5,339	-
	99,853	69,013
Net financial instruments	224,642	163,031

12 Share Capital

	2020	2019
	£	£
Allotted, called up and fully paid:		
100 (2019: 100) Ordinary shares of £1 each	100	100

13 Profit and Loss Account

Profit and loss account includes all current and prior year retained profits and losses.

14 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.

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

15 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 2019-20 was £55,917 (2018-19: £24,056).

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

16 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. 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