

**THE SCOTTISH COUNCIL FOR DEVELOPMENT  
AND INDUSTRY**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2020**

**COMPANY INFORMATION**

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**Directors**

Joanna Boag-Thomson  
Stewart Carruth  
Jane Cumming  
Robbie Drummond  
Anna Fowlie  
Jane Grant  
David Green  
Caroline Innes  
Wendy Pring  
Andrew Ritchie  
Ian Ritchie  
Malcolm Roughead  
Alastair Sim  
Sara Thiam  
Ian Wall  
Rozanne Foyer  
Sally-Ann Loudon  
Graeme Sheils

**Company number** SC024724

**Registered office**

1 Cadogan Square  
Cadogan Street  
Glasgow  
G2 7HF

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

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**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors present their annual report and financial statements for the year ended 30 September 2020.

**Principal activities**

The Company continues to be principally engaged in making representations to Government and others regarding matters of public policy.

**Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid (2019 - £nil) and the directors do not recommend payment of a final dividend.

**Financial Commentary**

The year saw a decrease in turnover to £1,438,361 (2019 - £1,828,676) and a resultant operating loss of £21,044 (2019 - operating profit of £43,713). Investments had a satisfactory performance during the year, with a gain of £34,148 being realised.

Despite the positive result for the year the balance sheet shows a decrease of £503,887, with net liabilities of £1,103,615, at 30 September 2020, reflecting an increase in the calculated FRS102 pension fund deficit of £384,000 to £1,409,000. This follows a significant fall in corporate bond yields in the year to 30 September 2020, leading to a considerably higher valuation of the Fund's liabilities. Despite making enhanced pension contributions over the years the Directors foresaw a situation where these obligations would compromise the solvency of SCDI and its ability to continue to operate as a going concern. Accordingly, in March 2021, subsequent to the balance sheet date, a Company Voluntary Arrangement ("CVA") was confirmed with creditors as discussed below in the Post Balance Sheet Event commentary (see note 18 of the financial statements).

The parallels between the current economic crisis and the Great Depression of the 1930s, which led to SCDI's creation, were a timely reminder of the continued need for organisations across the public, private and third-sector to align behind a common goal and shared values. SCDI's unique ability to unite all three to help deliver an economy, which enables people and nature to flourish has never been more important.

Our thought leadership activity continued with the publication of influential skills and clean growth reports, which shaped government and industry thinking. Our focus was on identifying the opportunities to grow prosperity from the challenges digital transformation and climate change present. Our engagement with UK and Scottish Governments informed interventions designed to maximise people's health, our society and our economy; support to members to minimise the adverse impacts of the UK's exit from the EU was also a priority.

As meeting in person became impossible, we pivoted quickly, moving our events online, adopting new platforms to enhance members' experience and continuing to serve their needs. Our first online event was held 3 weeks post lock-down.

In common with organisations who rely on events income and discretionary contributions, SCDI experienced a reduction in income during the pandemic.

Events are a major part of the SCDI offering with sponsorship and income from live, face-to-face events representing around 25% of SCDI's total revenue in a normal year. A drop in income was inevitable without a radical reshaping of our business model. In order to continue to deliver value to our members throughout this challenging year we reshaped and bolstered our team and now have a smaller team. Some staff were furloughed briefly and others agreed to reduce their working hours in return for a 20% reduction in salary.

Membership of SCDI is discretionary and inevitably faced with economic uncertainty some members let their renewal lapse to achieve savings within their own operations. A focus on our value proposition to demonstrate the ROI of getting involved was vital to minimise the loss of existing and recruitment of new members which accounts for around 50% of our revenue. We continue to review our systems and processes to streamline the membership journey.

# THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Joanna Boag-Thomson	
Stewart Carruth	
Jane Cumming	
Robbie Drummond	(Appointed 9 April 2020)
Anna Fowlie	(Appointed 9 April 2020)
Jane Grant	
David Green	
Caroline Innes	
Wendy Pring	
Andrew Ritchie	(Appointed 16 January 2020)
Ian Ritchie	
Malcolm Roughead	
Alastair Sim	(Appointed 31 March 2020)
Sara Thiam	
Ian Wall	
David Cameron	(Resigned 28 August 2020)
Andrew Dunlop	(Resigned 14 November 2019)
James Fowlie	(Resigned 3 March 2020)
Trevor Garlick	(Resigned 16 January 2020)
William Maltman	(Resigned 9 April 2020)
Grahame Smith	(Resigned 3 March 2020)
Rozanne Foyer	(Appointed 4 February 2021)
Sally-Ann Loudon	(Appointed 19 May 2021)
Graeme Sheils	

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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On behalf of the board

.....

Ian Wall  
**Director**

Date: .....

# THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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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). 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 profit or loss 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTTISH  
COUNCIL FOR DEVELOPMENT AND INDUSTRY**

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**Opinion**

We have audited the financial statements of The Scottish Council for Development and Industry (the 'company') for the year ended 30 September 2020 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2020 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**

We have nothing to report in respect of the following matters in relation to which the 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.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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 has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY (CONTINUED)

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### 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 the 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, 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 from the requirement to prepare a strategic report or in preparing the directors' report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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.

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>		1,438,361	1,828,675
Administrative expenses		(1,513,818)	(1,785,002)
Other operating income		54,413	39
<b>Operating (loss)/profit</b>		(21,044)	43,712
Interest receivable and similar income	5	25,196	14,359
Interest payable and similar expenses		(18,000)	(16,000)
Other gains and losses		34,148	7,005
<b>Profit before taxation</b>		20,300	49,076
Tax on profit		-	-
<b>Profit for the financial year</b>		20,300	49,076
<b>Other comprehensive income net of taxation</b>			
Actuarial loss on defined benefit pension schemes		(466,000)	(917,000)
Adjustments to the fair value of financial assets		(58,187)	(5,232)
<b>Total comprehensive income for the year</b>		(503,887)	(873,156)

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	6	42,059		56,064	
Tangible assets	7	11,090		21,941	
Investments	8	498,515		603,211	
			<u>551,664</u>		<u>681,216</u>
<b>Current assets</b>					
Debtors	9	129,875		97,542	
Cash at bank and in hand		215,008		86,560	
			<u>344,883</u>		<u>184,102</u>
<b>Creditors: amounts falling due within one year</b>	10	(508,342)		(409,920)	
<b>Net current liabilities</b>			<u>(163,459)</u>		<u>(225,818)</u>
<b>Total assets less current liabilities</b>			<u>388,205</u>		<u>455,398</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(46,667)		-	
<b>Provisions for liabilities</b>	12	(36,153)		(30,128)	
<b>Net assets excluding pension liability</b>			<u>305,385</u>		<u>425,270</u>
<b>Defined benefit pension liability</b>	13	(1,409,000)		(1,025,000)	
<b>Net liabilities</b>			<u>(1,103,615)</u>		<u>(599,730)</u>
<b>Capital and reserves</b>					
Revaluation reserve	14	10,778		68,965	
Profit and loss reserves		(1,114,393)		(668,695)	
<b>Total equity</b>			<u>(1,103,615)</u>		<u>(599,730)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

.....  
Ian Wall  
**Director**

# THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

#### Company information

Scottish Council for Development and Industry is a private company limited by guarantee and is registered and incorporated in Scotland. The registered office is 1 Cadogan Square, Cadogan Street, Glasgow, G2 7HF.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### Going concern

Having considered the Company's financial position, prospects and available financial resources for the period of twelve months from the date of approval of these financial statements, and given the further financial surety provided by the CVA post the balance sheet date, the directors have developed a reasonable expectation that the Company will continue to operate as a going concern over the next 12 months. Accordingly, the financial statements continue to be prepared under the going concern basis.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable from subscriptions and project income, and is shown net of VAT and other sales related taxes.

Subscriptions are received throughout the financial year and are credited to the Profit and Loss account when received.

Project Activities are accounted for when the activities are completed.

Investment Income comprises interest and dividends on listed and unlisted investments received and receivable.

#### Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website/CRM Costs	10% - 20% straight line
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#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% - 15% straight line
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 Accounting policies (Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**Fixed asset investments**

Fixed Asset Investments are included at market value. Unrealised gains and losses and movements are recognised each year through the Statement of Comprehensive Income and Revaluation Reserve.

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand.

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 Accounting policies (Continued)**

**Taxation**

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

**Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made for liabilities arising in respect of expected dilapidation claims on premises leased by the company.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****1 Accounting policies (Continued)****Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**Government grants**

Government grants relate to income received under the UK Government's Coronavirus Job Retention Scheme.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2 Judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

**Critical accounting estimates:***Pension Liabilities*

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependant on circumstances at the date of valuation. Since the year end there has been volatility in market assumptions given the COVID19 pandemic and, in particular, discount rates have fallen which would increase scheme liabilities. However, stock market performance has improved which would help to offset any increase in liabilities.

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Total	24	23
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020****4 Directors' remuneration**

2020	2019
£	£

Remuneration paid to directors	88,524	29,309
	<u>          </u>	<u>          </u>

**5 Interest receivable and similar income**

2020	2019
£	£

Interest receivable and similar income includes the following:

Income from other fixed asset investments	25,196	14,359
	<u>          </u>	<u>          </u>

**6 Intangible fixed assets**

Other
£

**Cost**

At 1 October 2019 and 30 September 2020	70,026
	<u>          </u>

**Amortisation and impairment**

At 1 October 2019	13,962
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Amortisation charged for the year	14,005
	<u>          </u>

At 30 September 2020	27,967
	<u>          </u>

**Carrying amount**

At 30 September 2020	42,059
	<u>          </u>

At 30 September 2019	56,064
	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****7 Tangible fixed assets**

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 October 2019	96,984
Additions	1,641
Disposals	(2,127)
	<hr/>
At 30 September 2020	96,498
	<hr/>
<b>Depreciation and impairment</b>	
At 1 October 2019	75,043
Depreciation charged in the year	12,492
Eliminated in respect of disposals	(2,127)
	<hr/>
At 30 September 2020	85,408
	<hr/>
<b>Carrying amount</b>	
At 30 September 2020	11,090
	<hr/> <hr/>
At 30 September 2019	21,941
	<hr/> <hr/>

**8 Fixed asset investments**

	<b>2020 £</b>	<b>2019 £</b>	
Listed investments	498,515	603,211	
	<hr/> <hr/>	<hr/> <hr/>	
<b>Movements in fixed asset investments</b>			
	<b>UK listed investments £</b>	<b>Cash £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2019	595,658	7,553	603,211
Additions	145,474	-	145,474
Valuation changes	(58,187)	-	(58,187)
Cash inflow	-	11,305	11,305
Disposals	(203,288)	-	(203,288)
	<hr/>	<hr/>	<hr/>
At 30 September 2020	479,657	18,858	498,515
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 30 September 2020	479,657	18,858	498,515
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 September 2019	595,658	7,553	603,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****9 Debtors**

	<b>2020</b>	<b>2019</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	11,078	39,966
Other debtors	118,797	57,576
	<u>129,875</u>	<u>97,542</u>

Other Debtors includes expenditure in respect of current Trade and Membership related projects of £57,708 (2019 - £25,500). The ultimate surplus on these projects will be transferred to the Income and Expenditure account when the activities are completed.

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

	<b>2020</b>	<b>2019</b>
	£	£
Bank loans	3,333	-
Trade creditors	70,840	62,566
Taxation and social security	129,824	25,191
Other creditors	304,345	322,163
	<u>508,342</u>	<u>409,920</u>

Other creditors represent advance income received in respect of Trade and Membership related projects of £272,638 (2019 - £288,552). The ultimate surplus on these projects will be transferred to the Income and Expenditure account when the activities are completed.

**11 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	£	£
Bank loans and overdrafts	46,667	-
	<u>46,667</u>	<u>-</u>

Creditors due after one year include £46,667 (2019 - £nil) relating to a Bounce Back Loan received from the Government relating to the Covid-19 pandemic.

**12 Provisions for liabilities**

	<b>2020</b>	<b>2019</b>
	£	£
Building Maintenance Provision	36,153	30,128
	<u>36,153</u>	<u>30,128</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****13 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	111,445	108,409
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Defined benefit schemes**

The Company sponsors the fund which is a defined benefit pension plan. It is a separate trustee administered entity holding assets to meet long term pension liabilities. The last formal actuarial valuation of the Fund was carried out as at 30 September 2019 by a qualified independent actuary.

The results of the triennial valuation as at 30 September 2019 showed a deficit of £3,419,000. The next triennial valuation results relate to the period to 30 September 2022. The Company has agreed with the Trustees to target removal of this deficit over a period of 23 years and 2 months from 1 October 2016 by payment of regular contributions of £117,650 per annum from October 2016 increasing in line with the Consumer Price Index (CPI) each year.

<i>Key assumptions</i>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Discount rate	1.55% p.a.	1.80% p.a.
Expected rate of increase of pensions in payment	2.15% p.a.	2.15% p.a.
Expected rate of salary increases	2.05% p.a.	2.05% p.a.
Retail price inflation	2.85% p.a.	3.15% p.a.
Consumer price inflation	2.15% p.a.	2.15% p.a.
Cash commutation	100%	100%
	commute 25% of pension	commute 25% of pension
	<u>          </u>	<u>          </u>

<i>Mortality assumptions</i>	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
Assumed life expectations on retirement at age 65:		
Post retirement mortality		
- Males	90% S2PMA CMI_2019 [0.5%] projections	90% S2PMA CMI_2018 [0.5%] projections
- Females	100% S2PFA CMI_2019 [0.5%] projections	100% S2PFA CMI_2018 [0.5%] projections
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****13 Retirement benefit schemes (Continued)**

	<b>2020</b>	<b>2019</b>
	£	£
<i>Amounts recognised in the income statement</i>		
Current service cost	32,000	32,000
Net interest on net defined benefit liability/(asset)	18,000	5,000
Other costs and income	-	11,000
	<u>50,000</u>	<u>48,000</u>

	<b>2020</b>	<b>2019</b>
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(89,000)	(482,000)
Less: calculated interest element	128,000	196,000
	<u>39,000</u>	<u>(286,000)</u>
Return on scheme assets excluding interest income	39,000	(286,000)
Actuarial changes related to obligations	427,000	1,203,000
	<u>466,000</u>	<u>917,000</u>

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Present value of defined benefit obligations	8,563,000	8,203,000
Fair value of plan assets	(7,154,000)	(7,178,000)
	<u>1,409,000</u>	<u>1,025,000</u>

	<b>2020</b>
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 October 2019	8,203,000
Current service cost	32,000
Benefits paid	(245,000)
Actuarial gains and losses	427,000
Interest cost	146,000
	<u>8,563,000</u>
At 30 September 2020	<u>8,563,000</u>

**2020**  
8,563,000

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020****13 Retirement benefit schemes (Continued)**

	<b>2020</b>
	<b>£</b>
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 October 2019	7,178,000
Interest income	128,000
Return on plan assets (excluding amounts included in net interest)	(39,000)
Benefits paid	(245,000)
Contributions by the employer	132,000
	<hr/>
At 30 September 2020	7,154,000
	<hr/> <hr/>

The actual return on plan assets was £89,000 (2019 - £482,000).

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Equity instruments	1,359,000	1,362,000
Debt instruments	4,743,000	4,761,000
Property	422,000	422,000
Cash & Other	630,000	633,000
	<hr/>	<hr/>
	7,154,000	7,178,000
	<hr/> <hr/>	<hr/> <hr/>

None of the Fund assets include any direct investment in the Company's own financial instruments or any property occupied by, or other assets used by, the Company.

*Other long term benefits*

The Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £50,719 (2019: £49,802) for the year.

**14 Revaluation reserve**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At the beginning of the year	68,965	74,197
Fair value adjustment to investments	(58,187)	(5,232)
	<hr/>	<hr/>
At the end of the year	10,778	68,965
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****15 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	42,852	40,189
Between one and five years	5,855	31,840
	<u>48,707</u>	<u>72,029</u>
	<u><u>48,707</u></u>	<u><u>72,029</u></u>

**16 Capital commitments**

The company had no capital commitments at 30 September 2020 (30 September 2019 - nil).

**17 Related party transactions**

During the year, no transactions with related parties were undertaken such as required to be disclosed under Financial Reporting Standard FRS 102 Section 33 (2019 - £nil). As at the year-end there was £nil outstanding (2019 - £nil).

**18 Events after the reporting date**

The reduction in revenue made the task of tackling our pension legacy obligations more urgent. Donations from our members and income from research and events cover our costs. However, the contributions associated with a defined benefit pension scheme, which closed to employee contributions in 2004, had escalated significantly in recent years. Despite making enhanced contributions over the years the Board foresaw the point where these obligations would compromise the ability of SCDI to continue to operate as a going concern.

In March 2021, the directors successfully concluded a CVA to address this issue. The voluntary arrangement includes a compromise agreement with the Pension Protection Fund (PPF), the statutory fund established to protect pension schemes, on the SCDI total pension liabilities. The compromise arrangement provides SCDI the financial certainty to continue trading for the benefit of all our stakeholders, including our employees and other creditors.

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY  
MANAGEMENT INFORMATION  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS**

# THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	£	2020 £	£	2019 £
<b>Turnover</b>				
Sales of services		1,438,361		1,828,675
<b>Other operating income</b>				
Coronavirus job retention scheme grant	40,889		-	
Insurance claims receivable	13,524		-	
Spare other operating income	-		39	
		<hr/> 54,413	<hr/>	39

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**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	£	2020 £	£	2019 £
<b>Administrative expenses</b>				
Wages and salaries	721,208		757,033	
Social security costs	72,267		82,285	
Subcontract labour	3,630		6,818	
Staff recruitment costs	9,000		8,847	
Staff training	3,271		3,202	
Staff pension costs defined contribution	102,945		105,957	
Other staff costs	10,366		7,322	
Directors' remuneration	80,024		26,857	
Directors' social security costs	9,827		2,987	
Directors' pension costs - defined contribution scheme	8,500		2,452	
Management charge	20,000		20,000	
Rent re operating leases	26,921		26,921	
Service charge payable	11,219		11,509	
Rates	14,388		14,473	
Property repairs and maintenance	12,656		19,000	
Premises insurance	7,074		5,937	
Equipment repairs	53,163		53,205	
Hire of equipment (not operating lease)	-		5,249	
Leasing - plant and machinery	5,215		-	
Motor running expenses	16,491		23,229	
Travelling expenses	16,740		26,808	
Postage, courier and delivery charges	1,025		2,885	
Legal and professional fees	24,883		8,031	
Consultancy fees	28,280		104,591	
Accountancy	15,617		19,668	
Audit fees	6,250		-	
Bank charges	1,843		2,760	
Bad and doubtful debts	20,425		36,764	
Printing and stationery	2,252		5,092	
Advertising	6,464		13,108	
Telecommunications	5,457		6,095	
Entertaining	2,332		3,492	
Sundry expenses	8,017		4,029	
Event costs	159,571		341,932	
Amortisation	14,005		11,187	
Depreciation	12,492		15,277	
		(1,513,818)		(1,785,002)
<b>Operating (loss)/profit</b>		(21,044)		43,712

**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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		2020		2019
	£	£	£	£
<b>Interest receivable and similar income</b>				
Income from other fixed asset investments	25,196		14,359	
	<u>25,196</u>	25,196	<u>14,359</u>	14,359
<b>Interest payable and similar expenses</b>				
Net interest on defined benefit liability		(18,000)		(16,000)
<b>Other gains and losses</b>				
Gains on sale of fixed asset investments		34,148		7,005
<b>Profit before taxation</b>	1.41%	<u>20,300</u>	2.68%	<u>49,076</u>

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**THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY****SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Wages and salaries	721,208	757,033
Social security costs	72,267	82,285
Subcontract labour	3,630	6,818
Staff recruitment costs	9,000	8,847
Staff training	3,271	3,202
Staff pension costs defined contribution	102,945	105,957
Other staff costs	10,366	7,322
Directors' remuneration	80,024	26,857
Directors' social security costs	9,827	2,987
Directors' pension costs - defined contribution scheme	8,500	2,452
Management charge	20,000	20,000
Rent re operating leases	26,921	26,921
Service charge payable	11,219	11,509
Rates	14,388	14,473
Property repairs and maintenance	12,656	19,000
Premises insurance	7,074	5,937
Equipment repairs	53,163	53,205
Hire of equipment (not operating lease)	-	5,249
Leasing - plant and machinery	5,215	-
Motor running expenses	16,491	23,229
Travelling expenses	16,740	26,808
Postage, courier and delivery charges	1,025	2,885
Legal and professional fees	24,883	8,031
Consultancy fees	28,280	104,591
Accountancy	15,617	19,668
Audit fees	6,250	-
Bank charges	1,843	2,760
Bad and doubtful debts	20,425	36,764
Printing and stationery	2,252	5,092
Advertising	6,464	13,108
Telecommunications	5,457	6,095
Entertaining	2,332	3,492
Sundry expenses	8,017	4,029
Event costs	159,571	341,932
Amortisation	14,005	11,187
Depreciation	12,492	15,277
	<u>1,513,818</u>	<u>1,785,002</u>