



the National Trust for Scotland

a place for everyone

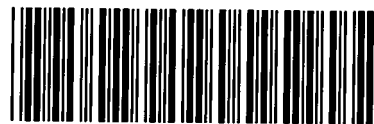
National Trust for Scotland
Enterprises Ltd.

Directors' Report & Accounts

Year Ended 28 February 2015

Company Number – SC095585

FRIDAY



S4ADH40H

SCT

26/06/2015

#555

COMPANIES HOUSE



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

Directors' Report & Accounts for the Year ended 28 February 2015

Directors Report

The Directors submit their Report and Accounts for the year ended 28 February 2015.

Principal Activity

The Company's principal activities are the running of retail, catering, holiday cottages, cruises, hospitality and other sundry trading activities at The National Trust for Scotland properties.

Directors

The Directors during the period were as follows:-

H.W. Berits

K. Mavor (resigned 30th April 2015)

I.A. Reid

Secretary

I. A. Reid

Gift Aid

In accordance with the company's memorandum and articles of association, the whole of the profits of the company have been paid under gift aid to The National Trust for Scotland. In previous years, as detailed in Note 13, gift aid has been treated as an expenditure, however due to new guidance from the Institute of Chartered Accountants of England and Wales this is now treated as a distribution. A prior year adjustment has been included to recognise this change in Accounting Policy.

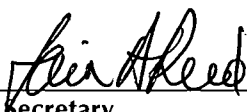
Auditors

The appointment of the Auditors, Baker Tilly UK Audit LLP, will be approved at the Annual General Meeting held on 26 September 2015.

Disclosure of Information to Auditors

The directors confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board


I. A. Reid, Secretary

24.6.15
Date



the National Trust
for Scotland

a place for everyone

National Trust for Scotland Enterprises Ltd.

Strategic Report for the Year ended 28 February 2015

Review of the Business

The company's total income increased by £458,000 or 4.3% during the year but £403,000 of this increase is due to the re-opening of the Bannockburn Visitor Centre during the period. Contribution from the company's catering operations improved from 9.4% of revenue to 10.7% of revenue marking a continuing improvement in the profitability of this important area of our operations. Retail contribution was however affected by £270,000 provision against year-end stock holdings which the directors deem to be required after reviewing stock levels and ageing. Staff costs rose by 7.3% to £3.7m largely as result of a pay award which was weighted towards the lower paid staff within the National Trust for Scotland's workforce, many of whom are employed in the commercial businesses run by the company.

Future Developments

During 2014/15 the company introduced a number of trial photovoltaic panels which are both reducing costs and generating modest amounts of income. Based on this trial we will be looking to extend our use of pv panels during the coming year. In addition, a planning application has been submitted for the construction of a micro-hydro scheme at Balmacara. The company has other plans for the exploitation of renewable energy which we will develop further over the next 12 months. We will also maintain our programme for the phased refurbishment of our holiday properties and plan to re-fit the retail unit at Culloden, one of our most successful retail outlets.

Principal Risks and Uncertainties

The company has to manage a number of significant risks inherent in its operations:

Competitive Risk – the company derives its income through providing visitors to National Trust for Scotland properties with an enjoyable and interesting experience. It operates primarily in the visitor attraction market which in Scotland is extensive and highly competitive. The company conducts visitor satisfaction surveys to ensure that the experience provided remains of a high standard and monitors developments at local and national competitors to ensure that its offering remains competitive.

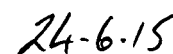
Compliance Risk – within its catering and functions business streams the company is subject to stringent but appropriate health, safety and environmental regulation, breaches of which, could have a serious impact on the business. The company has therefore drawn up detailed operating procedures covering these areas and carries out a regular programme of on-site audits. In addition, staff in these areas are given training on the relevant regulations and can call on specialist advice and support as required.

Property Access Risk – apart from its cruise operations, the company's income generation relies on the ability of visitors to access the National Trust for Scotland's properties. If this access was to be restricted for any reason (eg particularly inclement weather, foot and mouth outbreak) income would inevitably be reduced. The company is therefore looking to develop income streams which rely less on physical access by visitors. Renewable energy and online retail sales are examples of two such initiatives.

By order of the Board



I. A. Reid, Secretary



Date



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

Directors' Report & Accounts for the Year ended 28 February 2015

Statement of Directors Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 the most suitable accounting policies and then apply them consistently;
- * make judgments 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 Auditors' Report to the Trustees of the National Trust for Scotland Enterprises Ltd

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

JANET HAMBLIN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

First Floor, Quay 2

139 Fountainbridge

Edinburgh

EH3 9QG

Date: *25 June 2015*



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

Profit and Loss Account for the Year ended 28 February 2015

	Notes	2015 £	2014 £ As restated
TURNOVER	1b	11,058,876	10,600,676
COST OF SALES		(4,626,742)	(4,355,469)
GROSS PROFIT		6,432,134	6,245,207
ADMINISTRATIVE EXPENSES		(5,132,075)	(4,793,669)
OTHER OPERATING EXPENDITURE		(834,668)	(803,737)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	465,391	647,801
TAX ON ORDINARY ACTIVITIES	4	-	-
PROFIT FOR THE FINANCIAL YEAR	10	465,391	647,801

The result for the year arises from the company's continuing operations.

The Notes on Page 7 to 10 form part of the Financial Statements

Statement of Total Recognised Gains and Losses for the Year ended 28 February 2015

	Notes	2015 £
PROFIT FOR THE FINANCIAL YEAR		465,391
PRIOR PERIOD ADJUSTMENT	13	-
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		465,391



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

Balance Sheet as at 28 February 2015

Co. No. SC095585

	Notes	2015		2014	
		£	£	£	£
Current Assets					
Stock	5	891,116		1,170,575	
Debtors	6	1,558,896		1,464,291	
Cash at Bank and in hand		1,415,031		1,310,432	
			3,865,043		3,945,298
Current Liabilities					
Creditors: amounts falling due within one year	7		(3,814,546)		(3,876,587)
Net Current Assets			50,497		68,711
Creditors: amounts falling due after more than one year	8		(50,495)		(68,709)
			2		2
Capital and Reserves					
Called up share capital	9		2		2
Profit and Loss Account	10		-		-
Shareholders' Funds			2		2

The financial statements on pages 5 to 10 were approved by the Board on 24-6-15 and signed on its behalf and authorised for issue by:

I. A. Reid

Date

24.6.15

The Notes on Pages 7 to 10 form part of the Financial Statements



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

Notes to the Accounts for the Year ended 28 February 2015

1. Accounting Policies

a) Basis of Preparation

The Accounts have been prepared under the historical cost convention of accounting and in accordance with the United Kingdom Generally Accepted Accounting Practice. The National Trust for Scotland Enterprises Ltd is also exempt from producing a cash flow forecast under FRS1 as a subsidiary of The National Trust for Scotland.

b) Turnover

Turnover represents sales of goods and services to customers in the period and is recognised as the fair value of the consideration received or receivable.

c) Stock

Stocks and Work in Progress are valued at the lower of cost and net realisable value. Cost is stated at the purchase price incurred by the company. Net realisable value is based on estimated selling price.

d) Pension Schemes

The Trust operates a defined contribution scheme through a Group Personal Pension Scheme and National Employment Savings Trust (NEST).

e) Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

f) Distribution of Profits

The company has a policy of paying gift aid of an amount up to the taxable profits each year to National Trust for Scotland, its ultimate parent undertaking. In line with ICAEW Technical Release 'Tech16/14BL', the company treats this donation as a distribution of reserves and it is paid within 9 months of the year end. Any donation made in this manner is capped to the level of distributable reserves available. The Board are responsible for formally agreeing the amount to be distributed each year.

2. Staff Costs

The Staff of the company are employed by the National Trust for Scotland and their salaries and wages are recharged to the company as follows:

	2015 £	2014 £
Gross Pay	3,419,601	3,199,976
Employers NI	185,157	158,958
Employers Pension	74,001	67,501
	<u>3,678,759</u>	<u>3,426,435</u>

3. Operating Profit

	2015 £	2014 £
Operating Profit is stated after charging:-		
Management Recharge	834,668	803,737
Auditor's Remuneration – audit services	<u>6,845</u>	<u>6,845</u>

The National Trust for Scotland charges the company a management fee based on time spent by the National Trust for Scotland's employees on company business and as such any directors' emoluments are charged by way of recharge.



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd

Notes to the Accounts for the Year ended 28 February 2015

4. **Taxation on profits on Ordinary Activities**

All taxable profits on ordinary activities have been gift aided to the National Trust for Scotland and as a result, no tax liability has arisen in respect of the year ended 28 February 2015.

5. **Stock**

	2015	2014
	£	£
Raw Materials	294	876
Finished Goods and goods for resale	890,822	1,169,699
	<u>891,116</u>	<u>1,170,575</u>

6. **Debtors**

	2015	2014
	£	£
Called Up Share Capital Not Paid	-	-
Prepaid Cruise Expenditure	1,558,896	1,464,291
	<u>1,558,896</u>	<u>1,464,291</u>

7. **Creditors: Amounts falling due within one year**

	2015	2014
	£	£
Amounts Owed to Group Undertakings	2,325,740	2,265,448
Prepaid Holiday Cottage Income	241,876	219,456
Prepaid Functions Income	255,531	245,537
Prepaid Cruise Income	991,399	1,146,146
	<u>3,814,546</u>	<u>3,876,587</u>

8. **Creditors: Amounts falling after more than one year**

	2015	2014
	£	£
Between one and two years		
Prepaid Holiday Cottage Income	9,542	10,327
Prepaid Functions Income	40,953	58,382
	<u>50,495</u>	<u>68,709</u>



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd

Notes to the Accounts for the Year ended 28 February 2015

9. Called Up Share Capital

As at 28 February 2014 and 28 February 2015

	Allocated & Issued No.
Ordinary equity shares of £1 each	<u>2</u>

10. Profit and Loss Account

	2015 £
At 1 March 2014	-
Prior period adjustment (Note 13)	<u>-</u>
At 1 March 2014 as restated	-
Profit for the year	465,391
Distribution	<u>(465,391)</u>
28 February 2015	<u>-</u>

11. Reconciliation of movement in Shareholders' Funds

	2015 £	2014 £ As restated
Profit for the financial year	465,391	647,801
Distribution	<u>(465,391)</u>	<u>(647,801)</u>
Net movement in shareholders' funds	-	-
Opening Shareholders' funds	<u>-</u>	<u>-</u>
Closing Shareholders' funds	<u>-</u>	<u>-</u>

12. Parent Company and Related Parties

The National Trust for Scotland, registered in Scotland, is the parent entity and ultimate controlling party.

Consolidated financial statements are prepared by The National Trust for Scotland; therefore advantage has been taken of the available exemption in accordance with FRS8, not to disclose transactions with The National Trust for Scotland. Consolidated financial statements of The National Trust for Scotland are available directly from The National Trust for Scotland via their website.



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd

Notes to the Accounts for the Year ended 28 February 2015

13. Prior Period Adjustment

On 31 October 2014 the ICAEW issued its technical release 'Guidance on donations by a company to its parent charity' which considers the accounting implications of legal advice that donations of taxable profits made by a subsidiary company to its charitable parent constitute distributions rather than donations. As a result of this, such donations made by National Trust for Scotland Enterprises Ltd to National Trust for Scotland are required to be treated as a distribution of reserves rather than as an expense in the Profit and Loss Account which, in common with many other charity subsidiaries and trading companies, has previously been the case. This revised treatment is considered to be a change in accounting policy due to a change in accounting standards, therefore requiring a prior period adjustment.

The effect of this change in accounting policy is shown below:

Effect on 2014 financial statements:

	£
Decrease in Other Operating Expenditure	647,801
Impact on Tax Charge	-
Increase in Profit for the Year	647,801
Increase in Distribution	(647,801)
Net impact on Profit and Loss Account	-



the National Trust
for Scotland
a place for everyone

National Trust for Scotland Enterprises Ltd.

The following does not form part of the audited financial statements:

Detailed Profit and Loss Account for the Year ended 28 February 2015

	Notes	2015	2014
		£	£
INCOME			
Retail		3,544,188	3,482,843
Catering		3,311,281	2,985,502
Holiday Cottages		967,257	958,360
Cruises		2,104,431	2,092,491
Functions		803,432	746,412
Other		328,287	335,068
		<u>11,058,876</u>	<u>10,600,676</u>
COST OF SALES		<u>(4,626,742)</u>	<u>(4,355,469)</u>
GROSS PROFIT		6,432,134	6,245,207
EXPENDITURE			
Salaries		(1,482,533)	(1,455,078)
Wages, Seasonal & Temp		<u>(2,196,226)</u>	<u>(1,971,357)</u>
Total Wages & Salaries	2	<u>(3,678,759)</u>	<u>(3,426,435)</u>
Marketing & Publications		(100,593)	(121,764)
Utilities		(166,936)	(213,088)
Maintenance & Equipment		(259,069)	(122,326)
Travel & Subsistence		(77,545)	(77,297)
Insurance		(111,253)	(96,503)
Consultants & Fees		(26,058)	(30,791)
Other Overheads		<u>(711,862)</u>	<u>(705,465)</u>
		<u>(1,453,316)</u>	<u>(1,367,234)</u>
Total Expenditure		(5,132,075)	(4,793,669)
NET OPERATING PROFIT	3	<u>1,300,059</u>	<u>1,451,538</u>
Management Recharge		<u>(834,668)</u>	<u>(803,737)</u>
Profit For The Financial Year		<u>465,391</u>	<u>647,801</u>