

Annual Accounts 2015-16

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COMPANIES HOUSE

Carnegie Enterprise Limited, Carnegie Conference Centre, Halbeath Road, Dunfermline,
Fife KY11 8DY

Carnegie Enterprise Limited

Directors' report and financial statements

For the year ended 31 July 2016

Registered number SC180437

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2016.

The Company changed its financial year end from 31 March to 31 July annually with effect from the prior financial period ended 31 July 2015. The comparative figures for the income statement this year are accordingly for the 16 month period from 1 April 2014 to 31 July 2015.

LIST OF DIRECTORS AND INTERESTS

During the period the following directors held office:

H Logan (Resigned 31/10/2016)

D Birkenfield

D Miller (Resigned 31/8/2016)

S Harrison (Resigned 3/5/2016)

W Edie (Resigned 5/2/2016)

S Cochrane

J Thomson (Started 29/09/16)

D Colman (Started 06/10/16)

J Walls (Started 01/10/16)

D Neilson (Started 01/11/16)

MISSION AND OBJECTIVES

As a wholly owned subsidiary of Fife College, Carnegie Enterprise contributes to the economic development mission of the College and promotes a strong relationship with the business community.

The mission of the company is to help to maximise the commercial potential of Fife College and to provide high quality conference facilities and training and company development services. Following its creation through merger, Fife College has been restructuring and redeveloping its strategies. As a result 2015-16 has been a further transition year for Carnegie Enterprise as decisions in the College continued to impact operations for the company. In line with the change in accounting periods of Fife College, the ultimate controlling party of Carnegie Enterprise Limited, the accounting period has returned to being 12 months ended 31 July 2016.

ACHIEVEMENTS AND CONTRIBUTIONS

During 2015-16, an action plan to boost income and further minimise costs was implemented. As a result, the final accounts show a profit of £54,000, demonstrating the success of the mitigating actions. Significant achievements are listed below;

- Plans were developed to create a Hospitality and Events Academy that will integrate student activity within all aspects of Carnegie Enterprise's business areas. The Academy will provide enhanced real-world work experience opportunities for the College's students improving their employment prospects.
- Achieved many of our KPIs including quality of products and services, which enabled us to retain our accreditations.
- Further expansion of the delivery of IOSH and NEBOSH Health and Safety and Technical courses, which has allowed us to compete better in the market place through offering a greater number of courses and more flexible dates.
- A move into new markets targeted specifically for their growth potential, for example the Scottish Food and Drink sector with leadership training for a consortium of Scottish Aquaculture businesses, which was won through a competitive tender process.

Directors' report (*continued*)

- Bookings through new agents secured last year have been continuing to grow and the relationships with them are developing strongly. One of the contracts led to the First Minister of Scotland holding a Fife engagement event at the Carnegie Conference Centre.

The Carnegie Conference Centre, which can accommodate up to 600 delegates on a daily basis, contributes to economic development in central Scotland by:

- Providing businesses with unique, high quality conferencing, meeting and training facilities.
- Leasing accommodation and providing support to new SMEs in Fife.
- Adding value to the mainstream work of Fife College through a newly integrated Hospitality and Events Academy based at the Carnegie Conference Centre and managed by a new position of Academy Manager.

PHYSICAL DEVELOPMENTS

Since the start of trading on 1 August 1998, the company has operated from purpose built premises, the Carnegie Conference Centre, situated on the campus of Fife College at Halbeath. These premises offer excellent IT and conference facilities to local companies for conferences, seminars and customised training.

FUTURE DEVELOPMENTS

The Andrew Carnegie Business School evening classes continue to be located within the Conference Centre, helping increase footfall to the Centre and raise its profile as a high quality training venue with employers both locally and nationally. In addition, wherever possible, Business School day classes are also being located in the Centre.

A new promotional video and 360 degree viewings of the conference suites has been created to facilitate bookings from agents based outside Fife.

DIVIDEND

No dividend was paid in 2015/16 (2014/15: nil).

EMPLOYMENT OF DISABLED PERSONS

Carnegie Enterprise aims to be an Equal Opportunity Employer. The Company's policy is to ensure that all employees are recruited, trained and promoted on the basis of their ability, their suitability for work, and the requirements of the job; and that no job applicant or employee receives less favourable treatment on the grounds of disability. The Carnegie Conference Centre is fully accessible to wheelchair users.

The Carnegie College Equal and Diversity Action Group will continue to influence our recruitment practice for staff as well as physical developments and directors' policies.

Directors' report (continued)

STAFF INVOLVEMENT

Carnegie Enterprise has an established Staff Forum, which enables staff to influence and be consulted upon issues that are relevant and of interest to them.

A Development Planning process and Staff Development Career Review Scheme ensure that all staff actively participate in the business planning process and understand their role in implementing agreed plans. For more senior managers, a Performance Management and Development Review process has been established with measurable and relevant KPIs for individuals.

Communication with staff is achieved through team meetings, a staff newsletter, the staff intranet, e-mail updates and full involvement in the development planning process.

PROMPT PAYMENT TO SUPPLIERS

While we aim to comply with the CBI Prompt Payment Code of 30 days, during the period we achieved a payment time of 6 days (2015: 9).

TAXATION STATUS

The company is registered as a private limited company (SC180437) and is liable for corporation tax, where appropriate.

AUDITORS APPOINTMENT

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES EXEMPTION

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the board



Jan Thomson
Managing Director

Halbeath Road, Dunfermline, KY11 8DY

Date: 22nd December 2016

Statement of directors' responsibilities

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 period. 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.



Jan Thomson
Managing Director

Halbeath Road, Dunfermline, KY11 8DY

Date:

22nd December 2016

Independent auditor's report to the members of Carnegie Enterprise Limited

We have audited the financial statements of Carnegie Enterprise Limited for the year ended 31 July 2016 which comprise the profit and loss account, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial period 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

Independent auditor's report to the members of Carnegie Enterprise Limited *(continued)*

- the directors were not entitled to prepare 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.

Grant Thornton UK LLP

Diana Penny
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Edinburgh
Date: *22 DECEMBER 2016*

Profit and loss account

		Year ended 31 July 2016 £000	16 months ended 31 July 2015 £000
	<i>Note</i>		
Turnover			
Continuing operations		1,302	1,690
 Cost of sales		 944	 1,228
Gross profit		358	462
Administrative expenses	4	304	468
 Operating profit		 54	 (6)
Profit/(Loss) on ordinary activities before taxation		54	(6)
Tax on profit on ordinary activities	5	-	-
 Profit/(Loss) on ordinary activities after taxation		 54	 (6)
 Retained Profit/(Loss) for the period		 54	 (6)

The company has no recognised gains and losses other than those reported above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 13 form part of these financial statements.

Balance sheet

	Note	31 July 2016 £000	31 July 2015 £000
Fixed assets			
Tangible fixed assets	6	25	39
Investments	7	32	30
Current assets			
Stocks		17	12
Debtors	8	172	135
Cash at bank and in hand		59	130
		<u>248</u>	<u>277</u>
Creditors: due within one year	9	<u>296</u>	<u>393</u>
Net current liabilities		(48)	(116)
Total assets less current liabilities		<u>9</u>	<u>(47)</u>
Net assets/(liabilities)		<u><u>9</u></u>	<u><u>(47)</u></u>
Shareholders' funds			
Share capital	10	1	1
Revaluation reserve	10	32	30
Profit and loss account	10	(24)	(78)
		<u>9</u>	<u>(47)</u>
		<u><u>9</u></u>	<u><u>(47)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2016.



Jan Thomson
Managing Director

22nd December 2016

Company Number: SC180437

The notes on pages 9 to 13 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Going Concern

The directors, having assessed the plans of the Board of Management of the company's parent, Fife College, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of Preparation

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements are prepared under the historical cost convention, with exception of revaluation of artwork, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Income from contracts and other services rendered is recognised in the profit and loss account in proportion to the extent of completion of the contract or service concerned.

Stocks

Catering and bar stocks held for resale are valued at cost.

Maintenance of Premises

The cost of maintenance is charged to the income and expenditure account in the period in which it is incurred.

Tangible Fixed Assets

There is a de minimis value of £5,000, whereby items will be capitalised as a fixed asset.

(a) Land and Buildings

Land and buildings disclosed within the accounts are depreciated at 10% per annum.

(b) Equipment

Equipment is capitalised when it is expected to be in use within the business on a continuing basis. Capitalised equipment is depreciated over its useful economic life as follows: -

Equipment, fixtures and fittings	25% per annum
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Notes (continued)

1 Accounting policies (continued)

Investments

The company's sole investment is its art work which is shown at historical cost less any provision for impairment in their value, or at a fair estimate of value placed on such assets by an independent valuer for insurance purposes. Artwork investments are subject to an independent valuation every five years.

2 Remuneration of directors

No director received any remuneration from the company during the current year or prior period.

3 Staff numbers and costs

The average number of persons employed by the company (including senior staff) during the year, expressed as full time equivalent, was as follows:

	Number of employees	
	Year ended 31 July 2016	16 months ended 31 July 2015
Facilities	18	14
Training	2	2
Support	1	1
	<u>21</u>	<u>17</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 July 2016	16 months ended 31 July 2015
	£000	£000
Wages and salaries	446	602
Social security costs	36	51
Other pension costs	23	28
	<u>505</u>	<u>681</u>

4 Administrative expenses

The pension scheme is a defined contribution scheme administered by Aviva. It is a personal stakeholder pension scheme which allows employers and employees to determine their payments. At settlement date payments made are based on fund values held.

	Year ended 31 July 2016	16 months ended 31 July 2015
	£000	£000
Administrative expenses include:		
- external audit	3	3

Analysis of charge in period

Period ended 31 July 2016 £000	16 months ended 31 July 2015 £000
-	-
-	-
<hr/>	<hr/>
-	-

Adjustments in respect of prior periods

6 Tangible fixed assets

	Land and buildings	Equipment	Total
	£000	£000	£000
Cost or Valuation			
At 01 August 2015	42	381	423
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2016	42	381	423
	<hr/>	<hr/>	<hr/>
Depreciation			
At 01 August 2015	20	364	384
Charge for period	4	10	14
Disposals	<hr/> -	<hr/> -	<hr/> -
At 31 July 2016	24	374	398
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2016	18	7	25
	<hr/>	<hr/>	<hr/>
At 31 July 2015	22	17	39

Notes (continued)

7 Investments (held as fixed assets)

	31 July 2016 £000	31 July 2015 £000
Artworks	32	30
	<u>32</u>	<u>30</u>

The artworks were externally re-valued in July 2016 at a value of £32,250. The valuation was performed by Thomson Roddick.

8 Debtors

	31 July 2016 £000	31 July 2015 £000
Trade debtors	107	119
Prepayments and accrued income	65	16
	<u>172</u>	<u>135</u>

9 Creditors: due within one year

	31 July 2016 £000	31 July 2015 £000
Trade creditors	14	17
Amounts owed to Fife College	141	233
Accruals and deferred income	91	97
Taxation and social security	50	46
	<u>296</u>	<u>393</u>

10 Share capital and reserves

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 1 August 2015	1	30	(78)	(47)
Profit for the period after depreciation of assets at valuation and tax	-	-	54	54
Revaluation of investments (note 7)	-	2	-	2
At 31 July 2016	<u>1</u>	<u>32</u>	<u>(24)</u>	<u>9</u>

Notes (continued)

11 Post balance sheet events

There are no post balance sheet events to report.

12 Leases

Carnegie Enterprise Limited lease the Carnegie Conference Centre from Fife College. For 2015/16 the annual rent paid was £154k (16 months to 31 July 2015: £282k).

13 Related party disclosures

The company has taken advantage of the exemption from disclosing inter-group transactions on the ground that it is a wholly owned subsidiary of Fife College, and the results are consolidated in the results of the parent entity. There are no other related party transactions to report.

15 Ultimate parent company

Carnegie Enterprise Ltd is a wholly owned subsidiary of Fife College. The registered office is Pittsburgh Road, Dunfermline, KY11 8DY from where copies of the accounts may be obtained.

16 Authorised share capital

The authorised share capital of the company is 1,000 shares of £1 each. All authorised share capital has been issued.