

FETTES ENTERPRISES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016
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FETTES ENTERPRISES LIMITED**BALANCE SHEET****AS AT 31 AUGUST 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	2	4,012,725	4,075,234
Investments	3	1	1
		<u>4,012,726</u>	<u>4,075,235</u>
Current assets			
Stock		215,985	195,646
Debtors	4	119,466	79,319
Cash at bank and in hand		454,932	544,975
		<u>790,383</u>	<u>819,940</u>
Creditors: amounts falling due within one year	5	594,383	685,813
Net current assets		<u>196,000</u>	<u>134,127</u>
Total assets less current liabilities		<u>4,208,726</u>	<u>4,209,362</u>
Creditors: amounts falling due after one year	6	4,008,113	4,633,267
Net liabilities		<u>200,613</u>	<u>(423,905)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		200,611	(423,907)
Deficiency of equity shareholders' funds		<u>200,613</u>	<u>(423,905)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

These accounts were approved by the directors on 6 December 2016 and are signed on their behalf by:-


A A McCreath


P J F Worlledge ACA

Company Registration No SC187460

The notes on pages 2 to 7 form part of these financial statements.

FETTES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Accounting policies

Company information

Fettes Enterprises Limited is a company limited by shares incorporated in Scotland. The registered office is Fettes College, Carrington Road, Edinburgh, EH4 1QX.

Accounting convention

These financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A small entities and the requirements of the Companies Act 2006. There were no material departures from that standard.

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 pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 August 2016 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 September 2014.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Group accounts

Under section 400 of the Companies Act 2006 the company is exempt from producing consolidated financial statements on the basis that the group is small (see note 3).

Turnover

Turnover represents joining and membership fees and charges for the provision of services to members and their guests including hall letting, catering and sales of goods. Membership fees are apportioned across the period to which they relate and the unexpired portion of fees at the balance sheet date is included in deferred income.

Turnover also represents sales from the Fettes Shop and fees receivable arising from the activities of Fettes the Venue.

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:

The sports centre, which was completed in July 2002, has been built on land leased from Fettes Trust for 25 years however depreciation is being charged over the useful life of the building which is estimated as 50 years.

Equipment, fixtures and fittings are depreciated on a straight line basis over 5 years.

Computer software is depreciated on a straight line basis over 4 years.

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.

FETTES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

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 in the company's statement of financial position 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 instruments

Basic financial assets, which include trade and other receivables 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest.

FETTES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

Impairment of financial instruments

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

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

Investments

Investments in subsidiary undertakings are stated at cost less any diminution in value.

FETTES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

The company participates in a defined contribution pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

FETTES ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

2. Tangible fixed assets

	Total £
Cost	
At 1 September 2015	6,000,459
Additions	82,461
Disposals	(14,000)

At 31 August 2016	6,068,920

Depreciation	
At 1 September 2015	1,925,225
Charge for year	134,480
Disposals	(3,510)

At 31 August 2016	2,056,195

Net book value	
At 31 August 2016	4,012,725
	=====
At 31 August 2015	4,075,234
	=====

3. Investments

	2016 £	2015 £
Fettes Centre for Language & Culture Limited	1	1
	=====	=====

Fettes Enterprises Limited owns the whole issued share capital of £1 of its subsidiary, Fettes Centre for Language & Culture Limited, a company incorporated in Scotland. The financial statements of the company are made up to 31 August and the company's principal activity was the provision to foreign students of English language and Scottish culture courses which took place during the months of July and August. In the year to 31 August 2016 the company made a profit of £16,480 (2015: loss of £645), and reserves carried forward were £92,951 (2015: £76,471). Under section 400 of the Companies Act 2006 the company is exempt from producing consolidated financial statements on the basis that the group is small.

4. Debtors

	2016 £	2015 £
Trade debtors	66,231	37,646
Amounts due from parent undertaking	8,095	9,420
Prepayments and accrued income	45,140	32,253
	-----	-----
	119,466	79,319
	=====	=====

5. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to subsidiary undertaking	262,071	288,158
Accruals and deferred income	198,014	181,190
Trade creditors	69,119	93,641
Taxes and social security costs	61,868	62,987
Sundry creditors	3,311	3,511
Secured debenture loan C	-	56,326
	-----	-----
	594,383	685,813
	=====	=====

FETTES ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 AUGUST 2016**

6. Creditors: amounts falling due after more than one year	2016	2015
	£	£
Secured debenture loan A	2,480,639	2,480,639
Secured debenture loan B	-	425,000
Secured debenture loan C	-	23,804
Interest free unsecured loan stock	1,525,000	1,703,000
Deferred income	2,474	824
	-----	-----
	4,008,113	4,633,267
	=====	=====

Total creditors includes loans of £2,480,639 (2015: £2,985,769) for which security has been given.

7. Share capital

**Allotted,
called up
and fully paid**
£

At 31 August 2015 and 2016:

Ordinary shares of £1 each	2
	=====

8. Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Andrew Shepherd.

The auditor was Johnston Carmichael LLP.

9. Ultimate parent undertaking

The company is a wholly owned subsidiary of The Governors of the Fettes Trust.

The Governors of the Fettes Trust prepares group financial statements and copies of these can be obtained from The Bursar, Fettes College, Carrington Road, Edinburgh, EH4 1QX.

10. Going concern

The directors have reviewed the funding requirements of the company for the ensuing 12 months and are satisfied that the going concern basis of preparation of the accounts continues to be appropriate and that the trading outlook over the next 12 to 24 months remains good. The directors have received assurances from The Governors of the Fettes Trust that it will provide financial support as necessary for a period of 12 months from the date of these accounts.