

Company Registration No. SC187460 (Scotland)

Fettes Enterprises Limited
financial statements
for the year ended 31 August 2022
Pages for filing with Registrar

Fettes Enterprises Limited

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Fettes Enterprises Limited**Balance sheet****as at 31 August 2022**

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	4	3,458,614	3,463,952
Investments	5	2	2
		<u>3,458,616</u>	<u>3,463,954</u>
Current assets			
Stocks		201,693	213,386
Debtors	6	204,694	145,656
Cash at bank and in hand		90,617	143,766
		<u>497,004</u>	<u>502,808</u>
Creditors: amounts falling due within one year	7	<u>(563,423)</u>	<u>(2,129,195)</u>
Net current liabilities		<u>(66,419)</u>	<u>(1,626,387)</u>
Total assets less current liabilities		<u>3,392,197</u>	<u>1,837,567</u>
Creditors: amounts falling due after more than one year	8	<u>(2,609,252)</u>	<u>(2,480,640)</u>
Net assets/(liabilities)		<u><u>782,945</u></u>	<u><u>(643,073)</u></u>
Capital and reserves			
Called up share capital		3	2
Profit and loss reserves		782,942	(643,075)
Total equity		<u><u>782,945</u></u>	<u><u>(643,073)</u></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.

The financial statements were approved by the board of directors and authorised for issue on 19 December 2022 and are signed on its behalf by:

P Worlledge
Director

Company Registration No. SC187460

Fettes Enterprises Limited

Statement of changes in equity

for the year ended 31 August 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2020		2	-	(291,696)	(291,694)
Year ended 31 August 2021:					
Loss and total comprehensive income for the year		-	-	(351,379)	(351,379)
Balance at 31 August 2021		2	-	(643,075)	(643,073)
Year ended 31 August 2022:					
Loss and total comprehensive income for the year		-	-	(193,983)	(193,983)
Issue of share capital	1	1,620,000	-	-	1,620,001
Reduction of share premium	-	(1,620,000)	1,620,000	-	-
Balance at 31 August 2022		3	-	782,942	782,945

Fettes Enterprises Limited

Notes to the financial statements

for the year ended 31 August 2022

1 Accounting policies

Company information

Fettes Enterprises Limited is a private company limited by shares incorporated in Scotland. The registered office is Fettes College, Carrington Road, Edinburgh, EH14 1QX.

1.1 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 £.

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

1.2 Going concern

The company has generated a loss of £193,983 during the year to 31 August 2022. The directors have prepared sensitised cash flow forecasts taking account of projected income and expenditure and the recent recapitalisation and expect to have sufficient liquid funds available. While the company has net current liabilities of £66,419 at the balance sheet date, these arise due to amounts due to group undertakings of £218,230. The directors have received assurances from its parent undertaking that these amounts will not be called in preference to the company meeting its other obligations. The directors are therefore confident that company will remain able to meet its liabilities and continue in operational existence for a period of at least twelve months from the approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents joining and membership fees and charges for the provisions 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

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 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:

Leasehold buildings	50 years
IT equipment	5 years
Plant and equipment	5 - 10 years

Fettes Enterprises Limited

Notes to the financial statements (continued)

for the year ended 31 August 2022

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.

The Governors of the Fettes Trust own the land on which the short leasehold buildings are located.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

Fettes Enterprises Limited

Notes to the financial statements (continued)

for the year ended 31 August 2022

1 Accounting policies (continued)

1.9 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 balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.11 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.

Fettes Enterprises Limited

Notes to the financial statements (continued)

for the year ended 31 August 2022

1 Accounting policies (continued)

Deferred tax

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.

1.12 Government grants

Government grants are recognised in accordance with the accruals model. Government grants are recognised as other operating income in profit or loss in the same period as the expenses are recognised to which those grants relate.

1.13 Gift Aid

Gift aid donations to the parent charity are recognised when paid.

2 Employees

The average monthly number of persons employed by the company during the year was:

	2022	2021
	Number	Number
Total	49	38
	=====	=====

3 Interest payable and similar expenses

	2022	2021
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	42,030	27,291
	=====	=====

Fettes Enterprises Limited

Notes to the financial statements (continued)

for the year ended 31 August 2022

4 Tangible fixed assets

	Short leasehold buildings £	Plant and machinery etc £	Total £
Cost			
At 1 September 2021	5,479,855	546,654	6,026,509
Additions	-	158,096	158,096
At 31 August 2022	5,479,855	704,750	6,184,605
Depreciation and impairment			
At 1 September 2021	2,117,091	445,466	2,562,557
Depreciation charged in the year	116,940	46,494	163,434
At 31 August 2022	2,234,031	491,960	2,725,991
Carrying amount			
At 31 August 2022	3,245,824	212,790	3,458,614
At 31 August 2021	3,362,764	101,188	3,463,952

The land on which the short leasehold buildings are built is leased to the company by The Governors of the Fettes Trust under a lease which expires in August 2026.

5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	2	2

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	85,504	43,912
Amounts owed by group undertakings	22,458	75,182
Other debtors	38,848	26,562
	146,810	145,656
	2022	2021

Fettes Enterprises Limited**Notes to the financial statements (continued)****for the year ended 31 August 2022****6 Debtors (continued)**

Amounts falling due after more than one year:	£	£
Other debtors	57,884	-
	<u>57,884</u>	<u>-</u>
Total debtors	204,694	145,656
	<u>204,694</u>	<u>145,656</u>

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	100,709	69,409
Amounts owed to group undertakings	218,230	237,936
Taxation and social security	77,246	51,078
Other creditors	167,238	1,770,772
	<u>563,423</u>	<u>2,129,195</u>

Included in other creditors at 31 August 2021 was interest free unsecured loan stock of £1,620,000 which was repaid to The Governors of the Fettes Trust by the issue of 1 ordinary share for a price of £1,620,000.

8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	2,609,252	2,480,640
	<u>2,609,252</u>	<u>2,480,640</u>

Other creditors include £2,480,639 of a loan from The Governors of the Fettes Trust ("the Trust") which is subject to interest of 1% above the base rate with no principal repayments due until the loan is repaid in full in June 2026. There is interest of 1% above base rate on the remaining creditors balance which is repayable monthly until March 2029.

The Governors of the Fettes Trust's bankers hold a bond and floating charge over the assets of the company and hold a standard security over the sports centre site the potential liability under this guarantee at 31 August 2022 of £nil (2021; 8,693,743). Post year end on the 22 September 2022 these bonds and floating charges were discharged. A second ranking standard security has been granted by the company in favour of The Governors of the Fettes Trust.

9 Audit report information

As the income statement 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.

Fettes Enterprises Limited

Notes to the financial statements (continued)

for the year ended 31 August 2022

9 Audit report information (continued)

The senior statutory auditor was Keith Macpherson and the auditor was Henderson Loggie LLP.

10 Operating lease commitments

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

2022	2021
£	£
70	17,395
=====	=====

11 Parent company

The company is a wholly owned subsidiary of the Governors of the Fettes Trust, a charity registered in Scotland which prepares group financial statements and copies of these can be obtained from The Bursar, Fettes College, Carrington Road, Edinburgh, EH4 1QX.

On the 1st of September 2022 The Governors of the Fettes Trust was incorporated as Fettes College, a charitable company registered in Scotland, number SC719759.

The company has taken advantage of the exemption available in accordance with section 1AC.35 of FRS102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.