

CAIRNGORM CHAIRLIFT COMPANY LIMITED
REPORT AND FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31 OCTOBER 1994
COMPANY REGISTRATION NUMBER: 43599



CAIRNGORM CHAIRLIFT COMPANY LIMITED

REPORT AND FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 1994

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The following pages do not form part of the Statutory Accounts

Summary Trading Account
Detailed Trading Account

CAIRNGORM CHAIRLIFT COMPANY LIMITED

REPORT AND FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 1994

COMPANY INFORMATION

DIRECTORS:

H D P Brown CA ATII (Chairman)
D J Cameron (appointed 14 October 1994)
R D Cramond CBE
The Earl of Leven & Melville
M Holton
D H Houldsworth WS
J H Hunter Gordon BSc Dip BA (CEI)
Mrs A G Laing
T Paul (resigned 23 July 1994)
A Stewart
D F Sutherland (appointed 14 October 1994)
C Sutton
J R D Swan (appointed 23 July 1994)
T R Whittome (appointed 9 September 1994)

SECRETARIES:

Frame Kennedy & Forrest

REGISTERED OFFICE:

Albyn House
37A Union Street
Inverness
IV1 1QA

REGISTERED NUMBER:

43599

BANKERS:

Bank of Scotland plc
38 St Andrew Square
Edinburgh
EH2 2YR

SOLICITORS:

Cuthbertson Riddle & Graham
21 Melville Street Lane
Edinburgh
EH3 7QB

AUDITORS:

Coopers & Lybrand
32 Albyn Place
Aberdeen
AB1 1YL

CAIRNGORM CHAIRLIFT COMPANY LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 October 1994

The directors present their annual report with the accounts of the company for the year ended 31 October 1994.

Principal Activity

The principal activity of the company in the year under review was furthering the development of recreational activities, principally skiing, in the Cairngorm area.

Results and Dividends

The loss for the year after taxation amounted to £44,050 (1993 - £53,338) which is deducted from the balance brought forward leaving £697,540 to be carried forward as retained profits.

The directors do not recommend the payment of a dividend.

Review of Business

A summary of the results for the year is given on page 5 of the accounts.

Turnover increased during the year by 23% to £2,572,722 due to more favourable snow conditions in the 1993/94 skiing season and consequently the loss for the year was reduced. However the business is heavily dependent on the weather and therefore future results can not be predicted with any degree of accuracy. The loss is stated after a charge of £73,960 (1993 - £6,640) in connection with the funicular project.

Fixed Assets

Information relating to changes in tangible fixed assets is given in note 9 to the financial accounts.

The directors consider freehold properties in the balance sheet have a value substantially in excess of the stated book value.

Directors and Their Interests

The directors during the year were as follows:

H D P Brown
D J Cameron (appointed 14 October 1994)
R D Cramond
The Earl of Leven & Melville
M Holton
D H Houldsworth
J H Hunter Gordon
Mrs A G Laing
T Paul (resigned 23 July 1994)
A Stewart
D F Sutherland (appointed 14 October 1994)
C Sutton
J R D Swan (appointed 23 July 1994)
T R Whittome (appointed 9 September 1994)

CAIRNGORM CHAIRLIFT COMPANY LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 October 1994 (cont'd)

Directors and Their Interests (cont'd)

H D P Brown, M Holton and C Sutton retire by rotation and being eligible offer themselves for re-election.

No director had any interest in the Ordinary Share Capital of the company during the year.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years and further develop the recreational activities in the Cairngorms to the benefit of the local community.

The directors of the company are progressing their review of the proposed Funicular Development and further announcements will be made in 1995.

Political and Charitable Contributions

The company made no charitable contributions during the year (1993 - fNil). No political contributions were made.

Insurance of Directors

The company maintains insurance for the directors in respect of their duties as directors of the company.

Shareholders


The shareholders of the company and their interests in the issued share capital of the company were as follows:

	Ordinary Shares of f1 Each Fully Paid 31 October 1994	31 October 1993
Cairngorm Recreation Trust Limited	115,000	115,000

Auditors

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

Signed on behalf of the
Board of Directors



Frame Kennedy & Forrest
Secretaries

Inverness
19 May 1995

CAIRNGORM CHAIRLIFT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts for each financial year which 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 those financial accounts 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial accounts comply with Companies Act 1985. 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.

The directors have complied with all the foregoing requirements.

By Order of the Board

19 May 1995

CAIRNGORM CHAIRLIFT COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial accounts on pages 5 to 16.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these statements and to report our opinion to you.

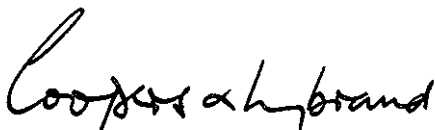
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants
and Registered Auditors

26 May, 1995.
Aberdeen

CAIRNGORM CHAIRLIFT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 October 1994

	Notes	1994 £	1993 £
TURNOVER	2	2,572,722	2,085,798
Cost of sales		(1,440,888)	(1,141,292)
		<hr/>	<hr/>
GROSS PROFIT		1,131,834	944,506
		<hr/>	<hr/>
NET OPERATING EXPENSES			
Administrative expenses		(1,146,331)	(993,548)
Other operating income		43,176	41,390
		<hr/>	<hr/>
		(1,103,155)	(952,158)
		<hr/>	<hr/>
Operating Profit/(Loss)	3 4 & 5	28,679	(7,652)
Interest receivable	6	242	145
		<hr/>	<hr/>
Profit/(Loss) on Ordinary Activities before interest		28,921	(7,507)
Interest payable	7	(46,971)	(58,293)
		<hr/>	<hr/>
Loss on Ordinary Activities before taxation		(18,050)	(65,800)
Tax on Ordinary Activities	8	(26,000)	12,462
		<hr/>	<hr/>
Loss on Ordinary Activities after taxation	17	(44,050)	(53,338)
		<hr/>	<hr/>

The company made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard No. 3 during either 1994 or 1993. Therefore turnover and operating profit/(loss) are derived entirely from continuing activities.

The company made no recognised gains or losses in 1994 or 1993 other than the loss for the year.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalent.

The notes on pages 7 to 16 form part of these accounts.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

BALANCE SHEET

as at 31 October 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	9	2,293,081	2,396,134
Investments	10	12,500	12,500
		<hr/>	<hr/>
		2,305,581	2,408,634
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	11	45,608	57,819
Debtors	12	91,869	58,026
Cash at bank and in hand		5,147	4,821
		<hr/>	<hr/>
		142,624	120,666
CREDITORS - amounts falling due within one year			
	13	(949,588)	(951,217)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(806,964)	(830,551)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,498,617	1,578,083
CREDITORS - amounts falling due after more than one year			
	13	(50,379)	(57,234)
PROVISION FOR LIABILITIES AND CHARGES		(64,000)	(38,000)
ACCRUALS AND DEFERRED INCOME		(496,698)	(551,259)
		<hr/>	<hr/>
NET ASSETS		887,540	931,590
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up Share Capital	16	115,000	115,000
Capital Redemption Reserve	17	75,000	75,000
Profit and Loss Account	17	697,540	741,590
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		887,540	931,590
		<hr/>	<hr/>

The financial accounts on pages 5 to 16 were approved by the board of directors on 19 May 1995 and were signed on its behalf.

Am J Condon

Director

R. A. H.

Director

The notes on pages 7 to 16 form part of these accounts.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994

1 **Accounting Policies**

Basis of Accounting

The accounts have been prepared in accordance with applicable Accounting Standards in the UK and under the Historical Cost Accounting Convention.

Depreciation

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Buildings	2.5% per annum on cost
Chairlift, Roads etc	Major works - 5% per annum on cost
	Minor works - 100% per annum on cost
General Plant	10% - 25% per annum on cost
Vehicles	25% per annum on written down value
Leased Assets	over the period of the agreement

Deferred Government Grants

Government grants on capital expenditure are credited to a deferred income account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments.

Grants of a revenue nature are credited to income in the period to which they relate.

Stocks

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

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred Taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Leasing and Hire Purchase Commitments

Assets acquired under finance leases and hire purchase contracts are capitalised and outstanding instalments are included in creditors.

Rentals paid under operating leases are charged against profit in the year in which they are incurred.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

Pensions

The company operates a defined benefit pension scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of the contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effect of variations from regular costs are spread over the expected average remaining service lives of members of the scheme.

The company also operates a defined contribution scheme. The amounts of contributions payable to the pension scheme in the year are charged to the profit and loss account.

Cash Flow Statement

The company is a wholly owned subsidiary of Cairngorm Recreation Trust Limited and the cash flows of the company are included in the consolidated group cash flow statement of Cairngorm Recreation Trust Limited. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

Funicular Project Costs

Costs incurred by the company in connection with the proposed Funicular Project are written off in the year in which they are incurred.

2 Turnover

Turnover for the year is wholly derived from the provision of goods and services which fall within the company's sole activity within the United Kingdom.

3 Operating Profit/(Loss)

The operating Profit (1993 - Loss) is stated after charging:

	1994 £	1993 £
Depreciation on tangible fixed assets	211,667	216,921
Staff costs - note 4	1,151,048	1,023,557
Audit Fee	8,500	8,000
(Profit)/Loss on sale of tangible fixed assets	(13,836)	500
Operating lease rentals	4,380	4,380
Funicular costs	73,960	6,640
and after crediting:		
Deferred Income Release	26,690	29,690

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

4 Staff Costs

The costs incurred, including directors' remuneration (note 5), were as follows:

	1994 £	1993 £
Wages and salaries	998,573	878,689
Social security costs	96,273	81,137
Staff pension costs	56,202	63,731
	<hr/>	<hr/>
	1,151,048	1,023,557
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:

	1994 No	1993 No
Office and management	10	10
Operational	89	71
	<hr/>	<hr/>
	99	81
	<hr/>	<hr/>

5 Directors' Remuneration

	1994 £	1993 £
Fees	37,000	-
Emoluments (Including Pension contributions)	56,407	78,860
	<hr/>	<hr/>
Emoluments, excluding pension contributions:		
Chairman (highest paid director in 1994)	24,000	12,044
Highest paid director	24,000	33,208
	<hr/>	<hr/>

The emoluments excluding pension contributions of all directors (including the Chairman and the highest paid director) fell within the following ranges:

	1994 No	1993 No
£ Nil - £ 5,000	10	6
£ 5,001 - £10,000	1	1
£10,001 - £15,000	-	-
£15,001 - £20,000	2	2
£20,001 - £25,000	1	-
£25,001 - £30,000	-	-
£30,001 - £35,000	-	1
	<hr/>	<hr/>

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

6 Interest Receivable

	1994	1993
	£	£
Employee loans	133	145
Bank interest	109	-
	—	—
	242	145
	—	—

7 Interest Payable

	1994	1993
	£	£
Bank overdraft wholly repayable within five years	(34,215)	(48,904)
Hire purchase and finance lease charges	(12,756)	(9,389)
	—	—
	(46,971)	(58,293)
	—	—

8 Taxation

Taxation is made up as follows:

	1994	1993
	£	£
Deferred taxation	(26,000)	11,539
Prior year adjustment	-	923
	—	—
	(26,000)	12,462
	—	—

No provision for corporation tax is required due to tax losses available.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

9 Tangible Fixed Assets

	Land and Buildings		Plant &	Total
	Freehold	Long Leasehold	Machinery	
	£	£	£	£
Cost				
At 1 November 1993	46,105	2,119,670	3,328,989	5,494,764
Additions in year	-	-	151,600	151,600
Disposals in year	-	-	(107,909)	(107,909)
At 31 October 1994	46,105	2,119,670	3,372,680	5,538,455
Depreciation				
At 1 November 1993	25,689	499,938	2,573,003	3,098,630
On disposals	-	-	(64,923)	(64,923)
Charge for year	804	52,992	157,871	211,667
At 31 October 1994	26,493	552,930	2,665,951	3,245,374
Net Book Value				
At 31 October 1994	19,612	1,566,740	706,729	2,293,081
At 31 October 1993	20,416	1,619,732	755,986	2,396,134

Included in the net book value of plant and machinery of £706,729 are assets acquired under hire purchase and finance leases amounting to £146,494 (1993 - £84,160).

Analysis of depreciation charge:

	1994	1993
	£	£
Hire purchase or finance lease assets	56,454	22,332
Owned assets	155,213	194,589
	211,667	216,921

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

10 Fixed Assets Investments

	1994 £	1993 £
Investment in subsidiary undertakings	12,500	12,500

a) Details of the subsidiary are shown below:

Name of Undertaking	Country of Incorporation	Nature of Business	Description of Shares Held	Proportion of Nominal Value of Issued Shares Held
Cairngorm 2000+ PLC	Scotland	Recreation	Ordinary £1 Shares	100%

In 1993 the company paid 25p per Ordinary £1 share. The balance of 75p has not yet been called.

b) Group accounts have not been prepared as the company is a wholly owned subsidiary of another company incorporated in Great Britain.

11 Stocks

	1994 £	1993 £
Catering stock	6,869	6,980
Shop stock	38,739	50,839
	45,608	57,819

12 Debtors

	1994 £	1993 £
Amounts due within one year:		
Trade debtors	15,077	12,195
Loan	1,447	1,589
Other debtors	61,091	39,342
Prepaid charges	14,254	4,900
	91,869	58,026

The loan is due by an employee of the company.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

13 Creditors

	1994	1993
	£	£
Amounts falling due within one year:		
Bank overdraft(see below)	(674,017)	(690,787)
Trade creditors	(85,379)	(48,569)
Amounts due to subsidiary undertaking	(84,812)	(29,990)
Current corporation tax	199	166
Other taxes and social security	(2,083)	(28,640)
Other creditors	(40,896)	(124,780)
Current instalments due on hire purchase and finance lease creditors	(62,600)	(28,617)
	<u>(949,588)</u>	<u>(951,217)</u>

The bank overdraft is secured by a Standard Security and Bond and Floating Charge over the assets of the company.

	1994	1993
	£	£
Amounts falling due after more than one year:		
Obligations due on hire purchase and finance lease creditors between 2 and 5 years	(50,379)	(57,234)
	<u></u>	<u></u>

14 Provision for Liabilities and Charges

Deferred taxation is attributable to:	Provided		Unprovided	
	1994	1993	1994	1993
	£	£	£	£
Capital allowances in advance of depreciation	(188,850)	(193,816)	-	-
Short term differences	170	170	-	-
Unutilised tax losses	124,680	155,646		
	<u></u>	<u></u>	<u></u>	<u></u>
	(64,000)	(38,000)	-	-
Taxation on chargeable gain eligible for roll-over relief	-	-	-	(54,171)
	<u></u>	<u></u>	<u></u>	<u></u>
	(64,000)	(38,000)	-	(54,171)
	<u></u>	<u></u>	<u></u>	<u></u>

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

14 Provision for Liabilities and Charges (cont'd)

The movement on the provision for deferred taxation is as follows:

	1994 £	1993 £
Provision at start of year	(38,000)	(49,539)
(Provided)/released in year	(26,000)	11,539
	<hr/>	<hr/>
Provision at end of year	(64,000)	(38,000)
	<hr/>	<hr/>

15 Accruals and Deferred Income

	1994 £	1993 £
Government Grants		
At start of year	(430,650)	(465,060)
Released to profit and loss account	26,690	29,690
Adjustment relating to grant receivable in previous year	-	4,720
	<hr/>	<hr/>
At end of year	(403,960)	(430,650)
Prepaid sales		
Income received in advance	(92,738)	(120,609)
	<hr/>	<hr/>
	(496,698)	(551,259)
	<hr/>	<hr/>

16 Called Up Share Capital

	1994 £	1993 £
Authorised		
Ordinary Shares of £1 each	230,000	230,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary Shares of £1 each	115,000	115,000
	<hr/>	<hr/>

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

17 Reserves

	Capital Redemption Reserve £	Profit and Loss Account £
At 1 November 1993	75,000	741,590
Loss for the year	-	(44,050)
	<hr/>	<hr/>
At 31 October 1994	75,000	697,540
	<hr/>	<hr/>

18 Reconciliation of Movement in Shareholders Funds

	1994 £
Shareholders Funds at 1 November 1993	931,590
Loss for year	(44,050)
	<hr/>
Shareholders Funds at 31 November 1994	887,540
	<hr/>

19 Financial Commitments

There were no tangible fixed asset capital commitments at the beginning or end of the year. As stated in Note 10 (a) the company has uncalled share capital in Cairngorm 2000+plc amounting to £37,500.

20 Operating Leases

At 31 October 1994 the company had annual commitments under non-cancellable operating leases as set out below:

	1994		1993	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases that expire:				
Within one year	-	-	-	-
In the second to fifth years	4,380	-	4,380	-
Over five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,380	-	4,380	-
	<hr/>	<hr/>	<hr/>	<hr/>

21 Contingent Liabilities

There is a contingent liability to repay special grants amounting to £39,069 (1993 - £70,343) in the event of the discontinuance or material alteration in the company's business.

CAIRNGORM CHAIRLIFT COMPANY LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 October 1994 (cont'd)

22 Parent Company

The company is a subsidiary of Cairngorm Recreation Trust Limited a company limited by guarantee, which is registered in Scotland.

22 Pension Costs

The company operates two pension schemes:

a) The defined benefit pension scheme which the company operates provides for its employees based on final pensionable pay. The assets of the scheme are held separately from those of the company being invested with an insurance company. Contributions to the pension scheme are determined by a qualified actuary on the basis of triennial valuations using the projected credit method. The most recent valuation of the scheme's assets was carried out at 1 November 1993. The most significant assumption was that investment returns would exceed salary increases by 1%.

The pension charge for the year was £46,260 (1993 - £46,306).

The most recent actuarial valuation indicated that the market value of the scheme's assets was £304,000 and that the actuarial value of those assets represented 170% of the benefits that had accrued to members, after allowing for expected future increases in pensionable salaries.

b) The pension charge for the defined contribution scheme represents contributions payable by the company to the fund and amounted to £9,942 (1993 - £17,425).

24 Transactions with Directors

The Chairman of the company, Mr H D P Brown, is a partner in Frame Kennedy & Forrest, a firm of Chartered Accountants which provides accounting, secretarial, insurance and other services to the company.

Directors of the company, Mr H D P Brown and Mr D F Sutherland are directors of Tulloch Construction Group Limited which carried out survey work for the company during the year.

A director of the company, Mr J H Hunter Gordon, is a director of Carlyon-Gordon Limited which provided advice during the year in connection with the funicular project.