

CairnGorm Mountain Limited

Report and Financial Statements

for the period ended 31 March 2013

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COMPANIES HOUSE

CairnGorm Mountain Limited

Company Information

Directors	G S Johnston OBE TD CA (Chairman) K G W Armstrong S L MacIntyre Maj Gen The Hon S H R H Monro CBE, LVO Ms S Murray FCCA I C Whittaker T R Whittome BSc
Company secretary	Mrs K M Beattie BA ACMA
Registered number	SC043599
Registered office	Cairngorm Ski Area Aviemore Inverness-shire PH22 1RB
Independent auditors	Ernst & Young LLP Barony House Stoneyfield Business Park Stoneyfield Inverness Scotland IV2 7PA
Bankers	Bank of Scotland 4th Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Balfour & Manson Incorporating Cuthbertson, Riddle & Graham 54-66 Frederick Street Edinburgh EH2 1LS

CairnGorm Mountain Limited

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CairnGorm Mountain Limited

Chairman's statement for the period ended 31 March 2013

The chairman presents his statement for the period.

I am pleased to be able to report on a satisfactory outcome to the year to 31 March 2013. We have had an exceptional season. We achieved 129,311 funicular customers and 93,600 snow sports customers. The net surplus as reported in the accounts represents, in my opinion, the minimum result we need to ensure a steady investment in the company. However, it should be noted that it was not sufficient to recover the previous year's losses. The results would have been even better if we had not had to close the resort on 29 days. This is 10 days more than the normal average; nonetheless the four snow guns which we have had in use this season have helped us to maintain a higher standard of skiing facility which resulted in a better offering to our customers. The weather has always played an important part in our operations and once again I pay tribute to the work of all our operations staff and piste grooming team in getting the slopes into such good condition. We have received many congratulatory comments on this and indeed so many slopes were kept open that this kept queues to a minimum.

The trading profit before tax has been augmented by a credit for the use of Cairngorm Mountain Ltd tax loss relief in the previous year. This surrender has been repaid by HIE to the extent of £144k and produces a profit for the year to reserves of £383k.

We have continued to run events most particularly in snowboarding and we also had a FIS/BASI speed trial on the White Lady for the first time in a decade.

We have sought to widen our operations for the summer period. The guided walks continued and we hope will become a permanent activity. They provide an opportunity for visitors to travel up the mountain on the railway and then exit the top station and go onto the mountain either to walk to the summit or walk back down the hill. In each case walkers are accompanied by one of our experienced guides. We also plan to continue the guided mountain bike descents which started successfully during this period, all of these descents are accompanied by a trail cycle leader.

Staff training plays a high part in our operations. We have received the support of Glasgow School of Arts in developing the skills learned to drive the business forward and we continue to promote our expertise in staff training in catering as well as all the mountain activities. We have engaged with the local community and we always value customer feedback on everything that we do. Health and safety remains paramount in our operations as does quality assurance schemes for our operations particularly in catering and we are in contact with Qualify Scotland and to complete our carbon management plan.

All of this has been achieved in the knowledge that our owners, Highlands & Islands Enterprise Ltd, intend putting the company's operations out to tender. The Board and our staff welcome this and see it as an opportunity to attract more investment into Cairngorm Mountain. While this process continues it will be business as usual for all of us.

In summary it has been a successful year and we are grateful to Highlands & Islands Enterprise Ltd for their continuing support of all we do. I am personally grateful to the whole Board and all of our staff for their hard work and enthusiasm in producing this result.

Name G S Johnston
Chairman



Date 20th August 2013

CairnGorm Mountain Limited

**Directors' report
for the period ended 31 March 2013**

The directors present their report and the financial statements for the period ended 31 March 2013.

Principal activities

The principal activity of the company during the year was the provision of an all year round tourist attraction providing mountain railway experience, retail, catering and winter recreational activities.

Directors

The directors who served during the period were:

G S Johnston OBE TD CA (Chairman)
K G W Armstrong
S L MacIntyre
Maj Gen The Hon S H R H Monro CBE, LVO
Ms S Murray FCCA
I C Whittaker
T R Whittome BSc

Provision 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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on 20th August 2013 and signed on its behalf.



Mrs K M Beattie BA ACMA
Secretary

**Directors' responsibilities statement
for the period ended 31 March 2013**

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 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 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.

CairnGorm Mountain Limited

Independent auditors' report to the members of CairnGorm Mountain Limited

We have audited the financial statements of CairnGorm Mountain Limited for the period ended 31 March 2013, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the 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 Auditors' 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 auditors

As explained more fully in the Directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2013 and of its profit for the period 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.

CairnGorm Mountain Limited

Independent auditors' report to the members of CairnGorm Mountain Limited

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report.


Peter Mearns (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP
Statutory Auditor

Inverness

Date: 23/8/2013

CairnGorm Mountain Limited

**Profit and loss account
for the period ended 31 March 2013**

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
Turnover	1	4,388,402	3,139,334
Cost of sales		(3,233,087)	(2,737,789)
Gross profit		1,155,315	401,545
Administrative expenses		(852,006)	(759,652)
Other operating income	2	10,426	-
Operating profit/(loss)	3	313,735	(358,107)
Exceptional items			
Net profit/(loss) on sale of tangible fixed assets	7	174	(3,009)
Profit/(loss) on ordinary activities before interest		313,909	(361,116)
Interest receivable and similar income		59	195
Interest payable and similar charges	6	(83,267)	(95,850)
Other finance income		8,000	16,000
Profit/(loss) on ordinary activities before taxation		238,701	(440,771)
Tax on profit/(loss) on ordinary activities	8	144,118	262
Profit/(loss) for the financial period	16	382,819	(440,509)

The notes on pages 10 to 18 form part of these financial statements.

CairnGorm Mountain Limited

**Statement of total recognised gains and losses
for the period ended 31 March 2013**

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
<i>Profit/(loss) for the financial period</i>		382,819	(440,509)
Actuarial loss related to pension scheme	17	<u>(204,000)</u>	<u>(29,000)</u>
<i>Total recognised gains and losses relating to the period</i>		<u>178,819</u>	<u>(469,509)</u>

The notes on pages 10 to 18 form part of these financial statements.

CairnGorm Mountain Limited
Registered number: SC043599

Balance sheet
as at 31 March 2013

			31 March 2013	1 April 2012
	Note	£	£	£
Fixed assets				
Tangible assets	9		400,695	510,296
Investments	10		-	-
			<u>400,695</u>	<u>510,296</u>
Current assets				
Stocks		101,800		98,645
Debtors	11	430,815		233,248
Cash at bank and in hand		902,658		108,839
		<u>1,435,273</u>		<u>440,732</u>
Creditors: amounts falling due within one year	12	<u>(1,007,687)</u>		<u>(479,126)</u>
Net current assets/(liabilities)			<u>427,586</u>	<u>(38,394)</u>
Total assets less current liabilities			<u>828,281</u>	<u>471,902</u>
Creditors: amounts falling due after more than one year	13		(1,009,963)	(1,001,683)
Accruals and deferred income	14		<u>-</u>	<u>(21,720)</u>
Net liabilities excluding pension scheme assets/(liabilities)			<u>(181,682)</u>	<u>(551,501)</u>
Defined benefit pension scheme asset	17		<u>108,000</u>	<u>299,000</u>
Net liabilities including pension scheme assets/(liabilities)			<u>(73,682)</u>	<u>(252,501)</u>
Capital and reserves				
Called up share capital	15		115,000	115,000
Capital redemption reserve	16		75,000	75,000
Profit and loss account	16		<u>(263,682)</u>	<u>(442,501)</u>
Shareholders' deficit			<u>(73,682)</u>	<u>(252,501)</u>

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

CairnGorm Mountain Limited

Balance sheet (continued)
as at 31 March 2013

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/08/13

A handwritten signature in black ink, appearing to read 'S Murray', with a large, sweeping loop at the end.

Ms S Murray FCCA
Director

The notes on pages 10 to 18 form part of these financial statements.

**Notes to the financial statements
for the period ended 31 March 2013**

1. Accounting policies

1.1 Fundamental accounting concept - going concern

On 16 May 2008 the company became a wholly owned subsidiary of Highlands and Islands Enterprise (HIE).

The directors, and HIE, continue to closely monitor the cash flow, working capital and capital needs of the company. Having reviewed the projected cash position for the next 12 months, and with the continued support of HIE, the directors have concluded that it is appropriate that the company continue to adopt the going concern concept in preparing the accounts.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

The whole of the turnover is attributable to the provision of goods and services which fall within the company's sole activity within the United Kingdom.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2.5% straight line
Long term Leasehold Property	-	over the period of the lease
Plant & machinery	-	10-25% straight line
Motor vehicles	-	25% reducing balance
Ski and snowboard equipment	-	25-33% straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

**Notes to the financial statements
for the period ended 31 March 2013**

1. Accounting policies (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

In addition, the company operates a defined benefits pension scheme. Pension fund assets are measured using market values. Pension fund liabilities are measured using the projected unit method and discounted by the yield available on long-dated, high quality corporate bonds. The expected return on the plan's assets and the increase during the period in the present value of the plan's liabilities arising from the passage of time are included in interest payable. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

2. Other operating income

	2013 £	2012 £
Donations received in respect of car parking	10,426	-

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	215,822	145,190
Auditors' remuneration	17,300	17,300
Pension costs	32,023	40,038
Government grants released	(21,720)	(4,657)

**Notes to the financial statements
for the period ended 31 March 2013**

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	1,727,750	1,508,545
Social security costs	116,480	110,934
Other pension costs (Note 17)	32,023	40,038
	<u>1,876,253</u>	<u>1,659,517</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2013 No.	2012 No.
Operational	107	97
Office and management	13	13
	<u>120</u>	<u>110</u>

5. Directors' remuneration

	2013 £	2012 £
Aggregate emoluments	<u>167,969</u>	<u>157,408</u>

During the period retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined benefit pension schemes.

6. Interest payable

	2013 £	2012 £
Interest payable to parent undertaking	24,767	37,350
Dividends paid on shares classed as debt	58,500	58,500
	<u>83,267</u>	<u>95,850</u>

7. Exceptional items

	2013 £	2012 £
(Profit)/Loss on disposal of tangible fixed assets	<u>174</u>	<u>3,009</u>

CairnGorm Mountain Limited

Notes to the financial statements for the period ended 31 March 2013

8. Taxation

	2013 £	2012 £
Adjustments in respect of prior periods	(144,118)	(262)
Tax on profit/loss on ordinary activities	(144,118)	(262)

There were no factors that may affect future tax charges.

9. Tangible fixed assets

	Land and buildings £	Tenant's Improvements £	Plant & machinery £	Ski & snowboard equipment £	Total £
Cost					
At 2 April 2012	45,574	199,021	4,062,428	126,867	4,433,890
Additions	-	-	110,522	601	111,123
Disposals	-	-	(51,802)	(7,844)	(59,646)
At 31 March 2013	45,574	199,021	4,121,148	119,624	4,485,367
Depreciation					
At 2 April 2012	15,613	198,212	3,628,917	80,852	3,923,594
Charge for the period	1,139	30	185,664	28,989	215,822
On disposals	-	-	(46,900)	(7,844)	(54,744)
At 31 March 2013	16,752	198,242	3,767,681	101,997	4,084,672
Net book value					
At 31 March 2013	28,822	779	353,467	17,627	400,695
At 1 April 2012	29,961	809	433,511	46,015	510,296

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
Cairngorm 2000+ plc	100 %

CairnGorm Mountain Limited

**Notes to the financial statements
for the period ended 31 March 2013**

10. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<i>Name</i>	<i>Aggregate of share capital and reserves £</i>	<i>Profit/(loss) £</i>
Cairngorm 2000+ plc	195	(6,283)

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

11. Debtors

	<i>31 March 2013 £</i>	<i>1 April 2012 £</i>
Trade debtors	139,242	80,265
Amounts owed by group undertakings	144,118	-
Other debtors	147,455	152,983
	<u>430,815</u>	<u>233,248</u>

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

	<i>31 March 2013 £</i>	<i>1 April 2012 £</i>
Trade creditors	245,112	50,677
Amounts owed to group undertakings	204,326	149,353
Social security and other taxes	215,396	88,019
Other creditors	342,853	191,077
	<u>1,007,687</u>	<u>479,126</u>

CairnGorm Mountain Limited

**Notes to the financial statements
for the period ended 31 March 2013**

**13. Creditors:
Amounts falling due after more than one year**

	<i>31 March 2013 £</i>	<i>1 April 2012 £</i>
Cumulative redeemable preference shares accrued dividend	482,250	423,750
Amounts owed to group undertakings	77,713	127,933
Share capital treated as debt (Note 15)	450,000	450,000
	<u>1,009,963</u>	<u>1,001,683</u>

14. Accruals and deferred income

Deferred government grants

	<i>31 March 2013 £</i>	<i>1 April 2012 £</i>
Balance at 1 May	21,720	26,377
Released during the year	(21,720)	(4,657)
	<u>-</u>	<u>21,720</u>

15. Share capital

	<i>31 March 2013 £</i>	<i>1 April 2012 £</i>
Shares classified as capital		
Allotted, called up and fully paid		
115,000 Ordinary shares of £1 each	<u>115,000</u>	<u>115,000</u>
Shares classified as debt		
Allotted, called up and fully paid		
450,000 Cumulative redeemable preference shares of £1 each	<u>450,000</u>	<u>450,000</u>

The cumulative preference shares are redeemable at £1 each.

The preference share holders were entitled to a dividend of 8% of par value to 30 April 2007, increasing thereafter at a rate of 1% per annum until the year ended 30 April 2012 and remaining at the rate of 13% per annum of par value thereafter.

CairnGorm Mountain Limited

**Notes to the financial statements
for the period ended 31 March 2013**

16. Reserves

	<i>Capital redemption reserve</i> £	<i>Profit and loss account</i> £
At 2 April 2012	75,000	(442,501)
Profit for the period	-	382,819
Pension reserve movement	-	(204,000)
At 31 March 2013	<u>75,000</u>	<u>(263,682)</u>

The closing balance on the Profit and loss account includes a £108,000 (2012 - £299,000) credit, stated after deferred taxation of £NIL (2012 - £NIL), in respect of pension scheme liabilities of the company pension scheme.

**Notes to the financial statements
for the period ended 31 March 2013**

17. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,023 (2012 - £13,038). Contributions totalling £nil (2012 - £3,293) were payable to the fund at the balance sheet date and are included in creditors

The company operates a Defined benefit pension scheme, which is funded.

The pension cost and provision for the period ending 31 March 2013 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2013. The results of this valuation showed that the surplus in the scheme has increased, however, in accordance with FRS17, the surplus has been recognised in the Balance Sheet to the extent that the excess can be recovered by the company.

The contribution made for the period ended 31 March 2013 was £26,000 (2012: £27,000). The agreed contribution rate for future years is 15%.

Value of scheme assets and liabilities

	<i>Value at 2013 £</i>	<i>Value at 2012 £</i>
Present value of scheme liabilities	(994,000)	(738,000)
Present value of scheme assets	1,102,000	1,041,000
Surplus in the scheme	108,000	303,000
Net pension asset	108,000	299,000

	<i>2013 £</i>	<i>2012 £</i>
Movements in surplus during the period:		
Surplus in scheme at beginning of period	303,000	384,000
Current year service cost	(21,000)	(21,000)
Contributions	26,000	27,000
Other finance income	8,000	16,000
Actuarial loss	(208,000)	(29,000)
Excess not recognised	-	(74,000)
Surplus in scheme at end of period	108,000	303,000

**Notes to the financial statements
for the period ended 31 March 2013**

18. Operating lease commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land and buildings</i>			<i>Other</i>
	<i>31 March</i>	<i>1 April</i>	<i>31 March</i>	<i>1 April</i>
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Expiry date:</i>				
Within 1 year	-	-	4,717	14,264
Between 2 and 5 years	1,100	1,100	1,370	-
After more than 5 years	-	-	118,473	118,473
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

20. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Highlands and Islands Enterprise. Copies of the consolidated financial statements can be obtained from: Highlands and Islands Enterprise, Cowan House, Inverness Retail and Business Park, Inverness IV2 7GF.