

Company Registration No. SC408067 (Scotland)

**High Life Highland (Trading) C.I.C**

**Annual report and financial statements  
for the year ended 31 March 2020**

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## High Life Highland (Trading) C.I.C

### Company information

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<b>Directors</b>	Lorraine Christie Craig Ewan David Finlayson Alison Matheson John Murray Freda Newton Kenneth Nicol William Ross Mark Tate
<b>Secretary</b>	Stewart Fraser
<b>Company number</b>	SC408067
<b>Registered office</b>	13 Ardross Street Inverness IV3 5NS
<b>Independent auditor</b>	Saffery Champness LLP Kintail House Beechwood Park Inverness IV2 3BW

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## High Life Highland (Trading) C.I.C

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**High Life Highland (Trading) C.I.C**

**Directors' report**

**For the year ended 31 March 2020**

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The directors present their annual report and financial statements for the year ended 31 March 2020.

**Principal activities**

The company operates retail and catering facilities at sites operated by its parent company, High Life Highland. Any profit earned by the company is donated to its parent company under the Gift Aid Scheme.

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Lorraine Christie  
Craig Ewan  
David Finlayson  
Alison Matheson  
John Murray  
Freda Newton  
Kenneth Nicol  
William Ross  
Mark Tate

**Auditor**

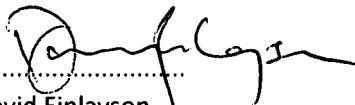
Saffery Champness LLP have expressed their willingness to continue in office.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



David Finlayson  
**Director**

Date: 27/22/20.....

## **High Life Highland (Trading) C.I.C**

### **Directors' responsibilities statement**

**For the year ended 31 March 2020**

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The directors are responsible for preparing the annual 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 judgements 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.

## **High Life Highland (Trading) C.I.C**

### **Independent auditor's report**

**To the member of High Life Highland (Trading) C.I.C**

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#### **Opinion**

We have audited the financial statements of High Life Highland (Trading) C.I.C (the 'company') for the year ended 31 March 2020 which comprise the income statement, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which describes the impact of the Coronavirus pandemic on the future of the company.

As stated in note 1.2, there is uncertainty as to the amount and availability of future funding to cover the downturn in revenue during the lock-down and recovery periods. This indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **High Life Highland (Trading) C.I.C**

### **Independent auditor's report (continued)**

**To the member of High Life Highland (Trading) C.I.C**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Independent auditor's report (continued)**

To the member of High Life Highland (Trading) C.I.C

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**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement as set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

*Saffery Champness LLP*

Donald Forsyth (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

*27 August 2020*

Chartered Accountants  
Statutory Auditors

Kintail House  
Beechwood Park  
Inverness  
IV2 3BW



**High Life Highland (Trading) C.I.C**

**Income statement**

**For the year ended 31 March 2020**

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	<b>2020</b>	<b>2019</b>
		<b>as restated</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	1,921,679	1,913,920
Cost of sales	(1,412,720)	(1,337,705)
<b>Gross profit</b>	508,959	576,215
Administrative expenses	(2,000)	(2,000)
<b>Profit before taxation</b>	506,959	574,215
Tax on profit	(19,000)	-
<b>Profit for the financial year</b>	487,959	574,215

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High Life Highland (Trading) C.I.C

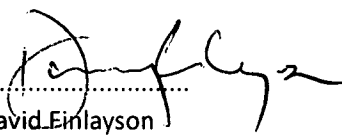
Statement of financial position

As at 31 March 2020

	Notes	£	2020 £	£	2019 £
<b>Current assets</b>					
Stocks		99,028		101,033	
<b>Creditors: amounts falling due within one year</b>	3	(98,928)		(100,933)	
<b>Net current assets</b>			100		100
<b>Capital and reserves</b>					
Called up share capital	4		100		100

These financial statements have been prepared 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 27/03/20 and are signed on its behalf by:

  
.....  
David Einlayson  
Director

Company Registration No. SC408067

High Life Highland (Trading) C.I.C

Statement of changes in equity  
For the year ended 31 March 2020

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	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 April 2018	100	-	100
Year ended 31 March 2019:			
Profit and total comprehensive income for the year (as restated)	-	574,215	574,215
Distributions to parent charity under gift aid (as restated)	-	(574,215)	(574,215)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	100	-	100
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	487,959	487,959
Distributions to parent charity under gift aid	-	(487,959)	(487,959)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	<hr/> <hr/> 100	<hr/> <hr/> -	<hr/> <hr/> 100

## 1 Accounting policies

### Company information

High Life Highland (Trading) C.I.C is a community interest company incorporated in Scotland. It is a private company limited by shares. The registered office is 13 Ardross Street, Inverness, IV3 5NS.

### 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 Board of Directors recognise the significant financial challenges ahead due to the loss of revenue from its operations during lock-down and the likelihood of lower than normal levels of revenue for the duration of the recovery.

Due to Covid-19 the company's facilities have been closed to the public since 28 March 2020. In accordance with government guidance, the company's facilities are due to begin re-opening from 31 August 2020.

As disclosed in note 3 to the financial statements the company has two creditors: HMRC £19,000 and its parent company, High Life Highland £79,928. The company has received a written undertaking from High Life Highland that: a) it will provide funding to enable the company to meet its liabilities as they fall due, and b) it will not require the repayment of sums due to it for at least 12 months from the date of approval of the financial statements.

Although High Life Highland has provided these assurances it faces a material uncertainty regarding the amount and availability of future funding to cover the downturn in revenue during the lock-down and recovery periods.

Having due regard to the above, the Board of Directors is confident that the level of funding from High Life Highland when taken together with other anticipated revenues will be sufficient to enable the company to continue trading and meets its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements and as such have prepared the financial statements on the going concern basis.

**1 Accounting policies (continued)**

**1.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.4 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.5 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

**1.6 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.

**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include debtors, 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 and loans from fellow group companies, 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.

**1.7 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

**1.8 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 income statement 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.

**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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**2 Operating profit**

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	2,000	2,000

**3 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Amounts owed to group undertakings	79,928	100,933
Corporation tax	19,000	-
	<u>98,928</u>	<u>100,933</u>

**4 Called up share capital**

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	100	100

**5 Parent company**

The immediate parent undertaking of the company is High Life Highland, domiciled 13 Ardross Street, Inverness, IV3 5NS.

The ultimate parent undertaking is the Highland Council, domiciled Glenurquhart Road, Inverness, IV3 5NX. The company is controlled by the Highland Council.

The smallest group for which consolidated financial statements are prepared which include High Life Highland (Trading) C.I.C. is that of High Life Highland and the largest group is the Highland Council. Copies of the Highland Council's financial statements can be obtained from [www.highland.gov.uk](http://www.highland.gov.uk).

**6 Prior period adjustment**

The Financial Reporting Council have issued amendments to FRS 102 arising from the first triennial review, which clarify that gift aid payments from trading subsidiaries to parent charities should be accounted for as distributions of profit rather than expenditure. The change is effective for the year ended 31 March 2020 and impacts the comparative period to 31 March 2019. Adjustments have therefore been recorded to reduce expenditure for the year ended 31 March 2019 by £574,215 and increase distributions paid through the Statement of Changes in Equity by £574,215.



**High Life Highland (Trading) C.I.C**

**Management information  
for the year ended 31 March 2020**

**High Life Highland (Trading) C.I.C**

**Detailed statement of income and retained earnings  
For the year ended 31 March 2020**

	<b>2020</b>		<b>2019</b>
			<b>as restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>			
Sales		1,921,679	1,913,920
<b>Cost of sales</b>			
Sundry expenses	1,412,720	1,337,705	
		(1,412,720)	(1,337,705)
<b>Gross profit</b>		508,959	576,215
<b>Administrative expenses</b>			
Audit fees		(2,000)	(2,000)
<b>Operating profit</b>		506,959	574,215

This page does not form part of the financial statements on which the auditors have reported.