

Registration number SC290167

HISEZ C.I.C

Directors' report and financial statements

for the year ended 31 December 2015

HISEZ C.I.C

Company information

Directors	David Owen Malcolm Macaulay Dr Jennifer Frances Pollyanna Chapman Karen Maclean-Yuille Kathryn McKinley Denise Joan Clark Carol Langston
Secretary	Karen Fowlie Bruce
Company number	SC290167
Registered office	67A Castle Street Inverness IV2 3DU
Accountants	Frame Kennedy Metropolitan House 31-33 High Street Inverness IV1 1HT
Business address	67A Castle Street Inverness IV2 3DU
Bankers	Royal Bank of Scotland 30 Nicolson Street Edinburgh EH8 9DL

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Directors' report for the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company is to carry out activities which benefit the community, and in particular:

1. To advance the entrepreneurship of individuals and organisations for socially beneficial reasons.
2. To promote social enterprise as an economic activity in the Highlands and Islands of Scotland and beyond.
3. To advance education and training and, in particular, with regard to the nature of social enterprises and the benefits which they bring in relation to:
 - (a) the provision of employment for people.
 - (b) the provision of recycling and reclamation of items and resources.
 - (c) the provision of other goods and services deemed to be in relation to an identified social need.
 - (d) the provision of public services.
4. To promote training in skills of all kinds, particularly such skills as will assist individuals in obtaining paid employment.
5. To promote, establish, operate and/or support schemes of a charitable or socially beneficial nature.
6. To provide access to suitable workspace for the occupation of social enterprises.
7. To provide access to finance and investment for social enterprises.
8. To provide business advisory services to social enterprises.
9. To provide a forum for communication for social enterprises.
10. To represent the interests of social enterprise to policy makers and influencers at all levels of local and national government.

Directors

The directors who served during the year are as stated below:

David Owen	Kathryn McKinley	
Malcolm Macaulay	Rory Dutton	Resigned 12/01/15
Dr Jennifer Frances	Denise Joan Clark	
Anne Sobey	Carol Langston	Resigned 13/02/15
Pollyanna Chapman	William Meikle	Resigned 22/10/15
Karen Maclean-Yuille		

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**Directors' report
for the year ended 31 December 2015**

..... continued

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 29 April 2016 and signed on its behalf by

**Malcolm Macaulay
Director**

HISEZ C.I.C

Chartered Accountants' report to the Board of Directors on the unaudited accounts of HISEZ C.I.C

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors in accordance with the terms of our engagement. Our work has been undertaken to enable us to prepare the accounts on behalf of the company's board of directors 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with best practice guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

You have acknowledged on the balance sheet for the year ended 31 December 2015 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

**Frame Kennedy
Chartered Accountants
Metropolitan House
31-33 High Street
Inverness
IV1 1HT**

29 April 2016

HISEZ C.I.C

Profit and loss account for the year ended 31 December 2015

		2015	2014
	Notes	£	£
Turnover	2	<u>226,991</u>	<u>207,478</u>
Administrative expenses		(217,862)	(198,933)
Operating profit	3	<u>9,129</u>	<u>8,545</u>
Other interest receivable and similar income		24	34
Interest payable and similar charges		(1,772)	-
Profit on ordinary activities before taxation		<u>7,381</u>	<u>8,579</u>
Tax on profit on ordinary activities		-	-
Profit for the year	11	<u>7,381</u>	<u>8,579</u>
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		<u>7,381</u>	<u>8,579</u>
Unrealised movement on revaluation of property		<u>53,815</u>	-
Total recognised gains since last annual report		<u>61,196</u>	<u>8,579</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

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Balance sheet as at 31 December 2015

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		116,325		1,279
Current assets					
Debtors	7	15,403		15,219	
Cash at bank and in hand		89,361		84,338	
		<u>104,764</u>		<u>99,557</u>	
Creditors: amounts falling due within one year	8	<u>(26,403)</u>		<u>(20,408)</u>	
Net current assets			<u>78,361</u>		<u>79,149</u>
Total assets less current liabilities			194,686		80,428
Creditors: amounts falling due after more than one year	9		<u>(53,062)</u>		<u>-</u>
Net assets			<u>141,624</u>		<u>80,428</u>
Capital and reserves					
Called up share capital	10		11		11
Revaluation reserve	11		51,124		-
Other reserves	11		104		104
Profit and loss account	11		<u>90,385</u>		<u>80,313</u>
Shareholders' funds			<u>141,624</u>		<u>80,428</u>

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 7 to 11 form an integral part of these financial statements.

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Balance sheet (continued)

**Directors' statements required by Sections 475(2) and (3)
for the year ended 31 December 2015**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 December 2015 ; and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 386 ; and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 29 April 2016 and signed on its behalf by

Malcolm Macaulay
Director

Registration number SC290167

The notes on pages 7 to 11 form an integral part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 20 years
Fixtures, fittings and equipment	-	25% reducing balance

1.4. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.5. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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Notes to the financial statements for the year ended 31 December 2015

..... continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>6,775</u>	<u>426</u>

4. Directors' remuneration

	2015	2014
	£	£
Remuneration and other benefits	<u>67,931</u>	<u>30,501</u>

5. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £5,735 (2014 - £4,415).

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**Notes to the financial statements
for the year ended 31 December 2015**

..... continued

6. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings equipment £	Total £
Cost or valuation			
At 1 January 2015	-	6,312	6,312
Additions	66,185	1,821	68,006
Revaluation	53,815	-	53,815
At 31 December 2015	<u>120,000</u>	<u>8,133</u>	<u>128,133</u>
Depreciation			
At 1 January 2015	-	5,033	5,033
Charge for the year	6,000	775	6,775
At 31 December 2015	<u>6,000</u>	<u>5,808</u>	<u>11,808</u>
Net book values			
At 31 December 2015	<u>114,000</u>	<u>2,325</u>	<u>116,325</u>
At 31 December 2014	<u>-</u>	<u>1,279</u>	<u>1,279</u>

During the year property at 67A Castle Street was bought for £66,185 and was revalued to £120,000 based on an independent chartered surveyors valuation at November 2014.

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2015 £	2014 £
Cost	66,184	-
Depreciation	3,309	-
Net book value	<u>62,875</u>	<u>-</u>

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**Notes to the financial statements
for the year ended 31 December 2015**

..... continued

7. Debtors	2015	2014
	£	£
Trade debtors	4,964	6,219
Prepayments and accrued income	10,439	9,000
	<u>15,403</u>	<u>15,219</u>
8. Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loan	2,388	-
Trade creditors	3,947	4,439
Other taxes and social security costs	14,851	13,092
Accruals and deferred income	1,270	1,270
Pension contributions	3,947	1,607
	<u>26,403</u>	<u>20,408</u>
The bank loan is secured.		
9. Creditors: amounts falling due after more than one year	2015	2014
	£	£
Bank loan	<u>53,062</u>	<u>-</u>
Loans		
Repayable in five years or more	<u>43,511</u>	<u>-</u>
10. Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
11 Ordinary shares of £1 each	<u>11</u>	<u>11</u>

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Notes to the financial statements for the year ended 31 December 2015

..... continued

11. Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
At 1 January 2015	-	80,313	104	80,417
Transfer of realised profit	(2,691)	2,691		-
Revaluation of property	53,815			53,815
Profit for the year		7,381		7,381
At 31 December 2015	<u>51,124</u>	<u>90,385</u>	<u>104</u>	<u>141,613</u>

12. Transactions with directors

David Owen was paid £1,278 (2014 - £5,438) in respect of consultancy services during the year.

Travel expenses regarding directors were £4,700 in the year.

13. Related party transactions

During the year the company paid £2,444 (2014 - £5,825) to Highland Opportunity Limited for rent and other office costs. At 31 December 2015 the company owed Highland Opportunity Limited £Nil (2014 - £2,422).

Highland Opportunity Limited is a shareholder of HISEZ C.I.C.

14. Controlling interest

The company is controlled by the directors.

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The following pages do not form part of the statutory accounts.

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Detailed trading profit and loss account and expenses schedule for the year ended 31 December 2015

	2015		2014	
	£	£	£	£
Sales				
Grant funding		1,324		-
Earned income		36,517		29,421
Legacy gift		45,000		-
Just Enterprise contract income		137,295		178,057
Rent receivable		6,855		-
		<u>226,991</u>		<u>207,478</u>
Administrative expenses				
Wages and salaries	64,000		78,106	
Directors' remuneration	65,346		30,051	
Employer's NI contributions	10,279		10,703	
Directors' money purchase pension costs	2,585		450	
Staff money purchase pension costs	3,150		3,965	
Consultant fees	12,893		41,640	
Consultant travel costs	22		1,410	
Event venue costs	550		641	
Event catering	1,448		1,437	
Event equipment hire	5		33	
Event travel and accommodation	364		300	
Rent, rates and insurance	7,791		7,942	
Light and heat	1,914		-	
Repairs and maintenance	7,611		-	
Printing, postage and stationery	1,157		137	
Miscellaneous office expenses	2,717		1,149	
Advertising/awareness raising and promotion	5,447		3,478	
Telephone	3,161		2,610	
Computer costs	464		666	
Travelling and meetings	14,693		10,198	
Legal and professional	1,251		115	
Accountancy	1,268		1,282	
Bank charges	952		720	
Board expenses	1,026		836	
General expenses	527		303	
Charitable donations	-		100	
Subscriptions	466		235	
Depreciation on freehold property	6,000		-	
Depreciation on fixtures & equipment	775		426	
		<u>217,862</u>		<u>198,933</u>

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Detailed trading profit and loss account and expenses schedule for the year ended 31 December 2015

	2015		2014	
	£	£	£	£
Operating profit		<u>9,129</u>		<u>8,545</u>
Other income and expenses				
Interest receivable				
Bank deposit interest	<u>24</u>		<u>34</u>	
		24		34
Interest payable				
Bank interest	<u>1,772</u>		<u>-</u>	
		(1,772)		-
Net profit for the year		<u><u>7,381</u></u>		<u><u>8,579</u></u>