

Company Registration No. SC032187 (Scotland)

Murrayfield Ice Rink Ltd

**Annual report and
unaudited financial statements
for the year ended 31 July 2016**



Saffery Champness
CHARTERED ACCOUNTANTS

Murrayfield Ice Rink Ltd

Company information

Directors	Ian Kerr John Stirling William Kerr (Chairman) Elizabeth Neil
Secretary	William Kerr (Chairman)
Company number	SC032187
Registered office	Riversdale Crescent Roseburn Edinburgh EH12 5XN
Accountants	Saffery Champness Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Business address	Riversdale Crescent Roseburn Edinburgh EH12 5XN
Bankers	Bank of Scotland plc Edinburgh Royal Mile 300 Lawnmarket Edinburgh EH1 2PH
Solicitors	Morisons Solicitors LLP 9 Hill Street Edinburgh EH2 3JT

Murrayfield Ice Rink Ltd

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Murrayfield Ice Rink Ltd

Directors' report

For the year ended 31 July 2016

The directors present their report and financial statements for the year ended 31 July 2016.

Principal activities

The principal activity of the company continued to be that of ice rink managers.

Review of the Business

A full trading year produced a decent set of accounts for the year with an operating profit of £93,173 translating to a final profit in the business for the year as £74,290. The rink remained open throughout the year and 73,280 skating admissions were recorded as well as the additional hire of ice for hockey and figure skaters. Increasing wage costs, working time regulations and waste re-cycling costs continue to affect the business.

The traditional upturn in business at the turn of the year again failed to reach the levels of previous years and the mild winter did not help. The sport is struggling to attract the public imagination. However, apart from the normal business and ice hockey activities the rink hosted the Murrayfield Open Skating Competitions again. Favourable comments from competitors and judges have consolidated MIR's reputation for being able to provide the quality of ice required for such events. The ice has been booked again for 2017 when the Competitions will be held over 5 days from the 28th April to the 3rd of May. The Le Patin Libre performances took place in August as part of the Fringe and was again regarded as success by the artistes but without a new show to perform they will not be performing in 2016.

Following the re-opening the rink after the summer closure a Family Ticket was introduced that allowed for four admissions, one of whom requires to be an adult. The family ticket has been well received and over the year a total of 2,278 of these tickets were purchased. Supply from utility providers were re-negotiated during the year and a new gas contract commenced in March at lower kWh costs and a renewal contract for electricity coming into force in October was negotiated at a lower cost. With a full year of trading and a slight increase in skate hire charges, hire income increased but this was eroded through staffing cost due to the introduction of the Living Wage which has been accepted by the business and replaces the minimum wage. Cafe income increased for the same reasons but this was again impacted by the increase in wage costs. Skate shop sales showed a slight drop with some higher end skates being sold but margins across the board remained at acceptable levels. Events income fell due to poor bar sales on hockey match nights and the drink driving laws introduced in 2014 have a continuing effect.

Again, with a full trading year ice hockey income increased and the increase in ice charges was accepted across the board but future increases may be difficult to implement without risking the loss of some rentals. The promoting of the sport at all levels, thanks to a reduction in operation and administration overheads resulted in a reasonable profit from this activity. The increased use of training and match night equipment along with general wear and tear on the dressing rooms and building means that repair, maintenance and replacement costs associated with the sport are likely to increase in future years.

Directors' report (continued)
For the year ended 31 July 2016

Murrayfield Skating School run by the skating coaches goes from strength to strength and continues to generate valuable income for the business running classes during the quieter sessions as well as taking up slack ice during holiday periods to run Skating School Classes. The Learn to Skate Session still remains the best attended session over the year and the business spent much time over the summer looking at the schedule to see if it best suited public requirements in today's current climate. The weekday afternoon session of 2.00 – 4.00pm was accepted well but the changes to the Saturday/Sunday sessions were less well accepted and a decision was taken to revert back to the old times for the Saturday/Sunday sessions. This means that hockey fixture times will revert back to the 6.00pm face-off. The Wednesday evening session was missed and there was no opportunity for customers with hockey skates to evening skate before the Friday disco session. It was therefore decided to re-introduce a Wednesday evening session at a slightly earlier time of 6.15 – 8.00pm. Poor attendance out with figure skaters receiving lessons at the Monday evening session resulted in the decision to cancel this session turning it over to figure skating and skating school activity. These changes will take effect from August. The Disco sessions on a Friday and Saturday night showed slight improvement and the decision end the Friday night disco session at 10.00pm and run the Saturday night session from 8.00pm – 10.00pm has been well accepted. A live DJ still plays the music on a Friday night but on the Saturday only up to date recorded music is played.

Wages and salaries were fairly well contained although the effect of implementing the Living Wage has impacted on the Company both in terms of increased wage and pension costs and National Insurance Contributions. These costs will increase in 2016 – 2017.

Nicolas Salicis has taken on board the promotion of the rink to nursery, primary and secondary schools through a free educational trip offer for pupils to learn how an ice rink operates and bring the presence of an ice skating facility in the city to the fore. Since the introduction, there have been 19 educational visits with 6 of the primary schools also taking up the option of an on ice experience with coaching. There are already some visits booked for 2016 – 2017. Nicolas also works alongside John Laird in keeping our website up to date and promoting the rink through various social media outlets. Billie Dunbar continues in his position but concentrates mainly on the provision of catering facilities for customers. John Livingstone and Scott Pennycuik remain as full time engineers and Joe Daly, Alec Mills and Chris Jones all remain working part – time whilst Craig Wyse left the business at the end of July to return to his joinery trade. The business has been successful in finding an immediate replacement in the form of Mark Hay who was available and already familiar with the rink as one of the junior hockey coaches.

The business continues to take its responsibilities to protecting the environment seriously and in order to control and reduce energy consumption adopts a hands on approach to monitoring and adjusting the refrigeration temperatures to produce the required quality of ice. Through the summer 50% of lamps for the rink lighting were replaced during the summer as they have a two year life span. The replacement of 50% of lamps will now continue on an annual basis. Re-cycling measures now in operation have added to the cleaning costs of running the business as we now have separate collection measures in place for glass, paper and general waste. There is an insignificant amount of food waste generated.

Corstorphine Roofing still have a number of snagging issues remaining attention and despite a request for part payment on the retention this was declined as the firm appear to be in no hurry to fully attend to the outstanding matters. With two aging ice re-surface machines, planning needs to be considered now as to a replacement as this will involve significant cost. At some point in the near future the rink van is likely to require replacement. The business continues an ongoing maintenance programme and where required the upgrade of the electrics and little additional work is now required to pass the Electrical Safety inspection.

Murrayfield Ice Rink Ltd

Directors' report (continued) For the year ended 31 July 2016

Work on The Flood Prevention Scheme for the Murrayfield and Roseburn area commenced and continues at pace with an anticipated completion date of spring in 2018. Throughout the process CEC has chaired regular meetings with relevant stakeholders, including MIR Ltd. Furthermore, the Contractor and representatives of CEC have met MIR separately on issues specific to the rink. Murrayfield Ice Rink has ensured that access to the businesses is continual for both pedestrian and vehicular traffic. Some re-routing of utility services under the site of the proposed flood gates is still to take place.

As intimated at the last AGM, the Kerr family shareholders have been approached by a potential developer. A share option agreement in respect of the 70% shareholding (Kerr family shareholding) was in place during the period.

In accordance with the Company's Articles of Association, W.D. Kerr and E. J. Neil retire by rotation and, being eligible, offer themselves for re-election.

Directors

The following directors have held office since 1 August 2015:

Ian Kerr
John Stirling
William Kerr (Chairman)
Elizabeth Neil

In accordance with the company's Articles of Association, Ian Kerr and John Stirling retire by rotation and, being eligible, offer themselves for re-election.

Statement of directors' responsibilities

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 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.

Murrayfield Ice Rink Ltd

Directors' report (continued)

For the year ended 31 July 2016

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

On behalf of the board



.....
Ian Kerr

Director

17TH JANUARY 2017
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Murrayfield Ice Rink Ltd

Chartered Accountants' report to the Board of Directors on the preparation of the unaudited statutory financial statements of Murrayfield Ice Rink Ltd for the year ended 31 July 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Murrayfield Ice Rink Ltd for the year ended 31 July 2016 set out on pages 6 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

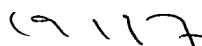
This report is made solely to the Board of Directors of Murrayfield Ice Rink Ltd, as a body, in accordance with the terms of our engagement letter dated 9 December 2014. Our work has been undertaken solely to prepare for your approval the financial statements of Murrayfield Ice Rink Ltd and state those matters that we have agreed to state to the Board of Directors of Murrayfield Ice Rink Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Murrayfield Ice Rink Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Murrayfield Ice Rink Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Murrayfield Ice Rink Ltd. You consider that Murrayfield Ice Rink Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Murrayfield Ice Rink Ltd. 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 statutory financial statements.



Saffery Champness



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Chartered Accountants

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Murrayfield Ice Rink Ltd

Profit and loss account

For the year ended 31 July 2016

		2016	2015
	Notes	£	£
Turnover		817,872	685,530
Cost of sales		(480,507)	(498,731)
Gross profit		337,365	186,799
Administrative expenses		(244,192)	(256,529)
Operating profit/(loss)	2	93,173	(69,730)
Other interest receivable and similar income	3	-	32
Profit/(loss) on ordinary activities before taxation		93,173	(69,698)
Tax on profit/(loss) on ordinary activities	4	(18,883)	12,012
Profit/(loss) for the year	12	74,290	(57,686)

The notes on pages 10 to 15 form part of these financial statements.

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Murrayfield Ice Rink Ltd

Balance sheet

As at 31 July 2016

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	5		217,061		242,121
Investments	6		276		276
			<u>217,337</u>		<u>242,397</u>
Current assets					
Stocks		13,406		14,095	
Debtors	7	17,748		31,768	
Cash at bank and in hand		302,268		164,497	
		<u>333,422</u>		<u>210,360</u>	
Creditors: amounts falling due within one year	8	(42,459)		(26,104)	
Net current assets			<u>290,963</u>		<u>184,256</u>
Total assets less current liabilities			<u>508,300</u>		<u>426,653</u>
Provisions for liabilities	9		(15,115)		(7,758)
			<u>493,185</u>		<u>418,895</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Revaluation reserve	12		146,264		146,264
Profit and loss account	12		336,921		262,631
Shareholders' funds			<u>493,185</u>		<u>418,895</u>

Murrayfield Ice Rink Ltd

Balance sheet (continued)

As at 31 July 2016

For the financial year ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes on pages 10 to 15 form part of these financial statements.

Approved by the Board for issue on

17th January 2017



Ian Kerr
Director



John Stirling
Director

Company Registration No. SC032187

Murrayfield Ice Rink Ltd

Cash flow statement

For the year ended 31 July 2016

	2016 £	2015 £
Operating profit/(loss)	93,173	(69,730)
Depreciation of tangible assets	27,227	28,401
Profit on disposal of tangible assets	(229)	-
Decrease in stocks	689	2,843
Decrease/(increase) in debtors	14,020	(14,786)
Increase/(decrease) in creditors within one year	4,829	(32,663)
Cash generated from operations	139,709	(85,935)
Cash from other sources		
Interest received	-	32
Receipts from sales of tangible assets	229	-
	229	32
Application of cash		
Tax paid/(received)	-	(3,677)
Payments to acquire tangible assets	2,167	12,442
	(2,167)	(8,765)
Net increase/(decrease) in cash	137,771	(94,668)
Cash at bank and in hand less overdrafts at beginning of year	164,497	259,165
Cash at bank and in hand less overdrafts at end of year	302,268	164,497
Consisting of:		
Cash at bank and in hand	302,268	164,497
	302,268	164,497

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of heritable land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Heritable property	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Murrayfield Ice Rink Ltd

Notes to the financial statements (continued)

For the year ended 31 July 2016

2	Operating profit/(loss)	2016	2015
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	27,227	28,401
	Directors' remuneration	146,792	161,904
		<u> </u>	<u> </u>
3	Investment income	2016	2015
		£	£
	Other interest	-	32
		<u> </u>	<u> </u>
4	Taxation	2016	2015
		£	£
	Domestic current year tax		
	UK corporation tax	11,526	-
		<u> </u>	<u> </u>
	Total current tax	11,526	-
	Deferred tax		
	Deferred tax charge/(credit) - current year	7,357	(12,012)
		<u> </u>	<u> </u>
		18,883	(12,012)
		<u> </u>	<u> </u>

Murrayfield Ice Rink Ltd**Notes to the financial statements (continued)**
For the year ended 31 July 2016**5 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 August 2015	399,743	588,876	988,619
Additions	-	2,167	2,167
At 31 July 2016	399,743	591,043	990,786
Depreciation			
At 1 August 2015	283,670	462,828	746,498
Charge for the year	7,995	19,232	27,227
At 31 July 2016	291,665	482,060	773,725
Net book value			
At 31 July 2016	108,078	108,983	217,061
At 31 July 2015	116,073	126,048	242,121

The heritable property was revalued by a firm of independent chartered surveyors in 1979. This valuation has been adopted as the historical cost under the transitional provisions of Financial Reporting Standard 15. Subsequent additions are included as historic cost.

Murrayfield Ice Rink Ltd

Notes to the financial statements (continued)
For the year ended 31 July 2016

6 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2015 & at 31 July 2016	276
Net book value	
At 31 July 2016	276
At 31 July 2015	276

The unlisted investment relates to the cost of 530 Ordinary shares of £1 each in Kirkcaldy Ice Rink Limited.

7 Debtors	2016	2015
	£	£
Trade debtors	457	389
Other debtors	17,291	31,379
	<u>17,748</u>	<u>31,768</u>

8 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	13,881	17,033
Taxation and social security	24,213	4,706
Other creditors	4,365	4,365
	<u>42,459</u>	<u>26,104</u>

Other creditors includes £1,200 (2015: £1,200) in respect of 5% Debentures.

Murrayfield Ice Rink Ltd

Notes to the financial statements (continued)

For the year ended 31 July 2016

9 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2015	7,758
Profit and loss account	7,357
Balance at 31 July 2016	<u>15,115</u>

The deferred tax liability is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	15,115	19,228
Tax losses available	-	(11,470)
	<u>15,115</u>	<u>7,758</u>

10 Pension costs

Defined contribution

	2016 £	2015 £
Contributions payable by the company for the year	<u>92,192</u>	<u>91,500</u>

11 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Murrayfield Ice Rink Ltd

Notes to the financial statements (continued)

For the year ended 31 July 2016

12 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 August 2015	146,264	262,631
Profit for the year	-	74,290
Balance at 31 July 2016	<u>146,264</u>	<u>336,921</u>

13 Control

The directors consider that there is no ultimate controlling party.

Murrayfield Ice Rink Ltd

Detailed trading and profit and loss account For the year ended 31 July 2016

		2016		2015
Turnover	£	£	£	£
Sales - box office		381,500		291,668
Sales - events		34,458		47,010
Sales - skate hire		69,901		57,520
Sales - cafe/vending		107,664		101,241
Sales - skate shop		35,210		37,294
Sales - ice hockey		152,573		115,063
Sales - cloaks		2,333		1,840
Rent receivable		28,837		26,480
Contribution towards operating expenses		1,971		6,739
Other income		3,425		675
		<u>817,872</u>		<u>685,530</u>
Cost of sales				
Opening stock - events	1,665		1,667	
Opening stock - cafe/vending	1,314		3,099	
Opening stock - skate shop	11,116		12,173	
Purchases - events	8,736		8,729	
Purchases - skate hire	5,738		3,540	
Purchases - cafe/vending	45,809		40,694	
Purchases - skate shop	16,250		18,227	
Purchases - ice hockey	2,052		1,740	
Wages and salaries - general	19,711		18,347	
Wages and salaries - maintenance	74,713		79,401	
Wages and salaries - events	1,913		1,729	
Wages and salaries - catering	13,024		11,490	
Wages and salaries - skate hire	19,044		15,864	
Wages and salaries - management	67,912		63,671	
Employer's NI contributions	10,893		10,196	
Licence fees	1,901		2,265	
Entertainment	3,104		5,720	
Utilities	118,892		97,064	
Rates	26,709		30,338	
Repairs	40,846		83,202	
Security costs	2,571		3,670	
	<u>493,913</u>		<u>512,826</u>	
Closing stock - events	(1,467)		(1,665)	
Closing stock - cafe/vending	(2,600)		(1,314)	
Closing stock - skate shop	(9,339)		(11,116)	
		<u>(480,507)</u>		<u>(498,731)</u>
Gross profit carried forward to page 17	41.25%	337,365	27.25%	186,799

Murrayfield Ice Rink Ltd

Detailed trading and profit and loss account (continued)
For the year ended 31 July 2016

		2016		2015
	£	£	£	£
Gross profit brought forward from page 16	41.25%	337,365	27.25%	186,799
Administrative expenses				
Directors' remuneration	54,600		70,404	
Employer's NI contributions	3,590		5,296	
Directors' pension costs defined contribution	92,192		91,500	
Insurance	21,038		17,235	
Cleaning	20,688		21,420	
Printing, postage and stationery	627		1,547	
Advertising	4,914		2,986	
Telephone	1,778		1,566	
Computer running costs	592		1,271	
Motor running expenses	3,310		2,154	
Legal and professional fees	4,220		2,566	
Accountancy fees	3,100		3,165	
Bank charges	1,358		2,240	
Licence fees	2,531		3,631	
Sundry expenses	2,656		1,147	
Depreciation on heritable property	7,995		7,995	
Depreciation on plant and equipment	18,711		19,948	
Depreciation on fixtures and fittings	521		458	
Profit on disposal of tangible assets	(229)		-	
		(244,192)		(256,529)
Operating profit/(loss)		93,173		(69,730)
Other interest receivable and similar income				
Interest on tax refund		-		32
Profit/(loss) before taxation		93,173		(69,698)

Murrayfield Ice Rink Ltd

**Analysis of other debtors and other creditors
For the year ended 31 July 2016**

	2016	2015
	£	£
Other debtors (note 7)		
Prepaid insurance	14,737	14,593
Prepaid maintenance	1,643	1,413
Prepaid licence fees	911	1,123
VAT receivable	-	14,250
	<u>17,291</u>	<u>31,379</u>
	<u><u>17,291</u></u>	<u><u>31,379</u></u>
Other creditors (note 8)		
Accrued accountancy	3,165	3,165
5% Debentures	1,200	1,200
	<u>4,365</u>	<u>4,365</u>
	<u><u>4,365</u></u>	<u><u>4,365</u></u>