

Company Registration No. SC005043 (Scotland)

DRUMSHEUGH BATHS CLUB. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

DRUMSHEUGH BATHS CLUB. LIMITED

COMPANY INFORMATION

Directors G W Henry
S Archer
C Keith
A Vettraino
A Le Pelley (Appointed 15 January 2020)
C Docherty (Appointed 13 November 2019)

Secretary G Henry

Company number SC005043

Registered office 5th Floor
125 Princes Street
Edinburgh
EH2 4AD

Auditor Geoghegans
6 St Colme Street
Edinburgh
EH3 6AD

DRUMSHEUGH BATHS CLUB. LIMITED

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DRUMSHEUGH BATHS CLUB. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

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

Principal activities

The principal activity of the company continues to be the provision of swimming and recreational facilities to subscribing members.

Directors

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

J Miller	(Resigned 9 October 2019)
J D Macinante	(Resigned 22 August 2019)
G W Henry	
S Archer	
C Keith	
A Vettrano	
J Boyd	(Resigned 19 February 2020)
A Le Pelley	(Appointed 15 January 2020)
C Docherty	(Appointed 13 November 2019)

Auditor

In accordance with the company's articles, a resolution proposing that Geoghegans be reappointed as auditor of the company will be put at a General Meeting.

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

G W Henry
Director

21 October 2020

DRUMSHEUGH BATHS CLUB. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2020

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.

DRUMSHEUGH BATHS CLUB. LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DRUMSHEUGH BATHS CLUB. LIMITED

Opinion

We have audited the financial statements of Drumsheugh Baths Club. Limited (the 'company') for the year ended 31 January 2020 which comprise the profit and loss account, the balance sheet 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 January 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

DRUMSHEUGH BATHS CLUB. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DRUMSHEUGH BATHS CLUB. LIMITED

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.

Responsibilities of directors

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, 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 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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Geoghegans

21 October 2020

**Chartered Accountants
Statutory Auditor**

6 St Colme Street
Edinburgh
EH3 6AD

DRUMSHEUGH BATHS CLUB. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
Turnover	2	502,798	466,539
Cost of sales		(390,052)	(370,211)
		<hr/>	<hr/>
Gross profit		112,746	96,328
Administrative expenses		(29,474)	(27,381)
		<hr/>	<hr/>
Operating profit		83,272	68,947
Interest receivable and similar income		380	160
Interest payable and similar expenses		(1,678)	(2,291)
		<hr/>	<hr/>
Profit before taxation		81,974	66,816
Tax on profit		-	-
		<hr/>	<hr/>
Profit for the financial year		<u>81,974</u>	<u>66,816</u>

DRUMSHEUGH BATHS CLUB. LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	4		1,209,586		1,055,110
Current assets					
Debtors	5	5,994		2,012	
Cash at bank and in hand		141,164		224,523	
		<u>147,158</u>		<u>226,535</u>	
Creditors: amounts falling due within one year	6	<u>(227,286)</u>		<u>(199,018)</u>	
Net current (liabilities)/assets			<u>(80,128)</u>		<u>27,517</u>
Total assets less current liabilities			<u>1,129,458</u>		<u>1,082,627</u>
Creditors: amounts falling due after more than one year	7		<u>(217,557)</u>		<u>(252,700)</u>
Net assets			<u><u>911,901</u></u>		<u><u>829,927</u></u>
Capital and reserves					
Called up share capital	10		110,210		110,210
Profit and loss reserves			801,691		719,717
Total equity			<u><u>911,901</u></u>		<u><u>829,927</u></u>

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 21 October 2020 and are signed on its behalf by:

G W Henry
Director

Company Registration No. SC005043

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

Drumsheugh Baths Club. Limited is a private company limited by shares incorporated in Scotland. The registered office is 5th Floor, 125 Princes Street, Edinburgh, EH2 4AD.

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 financial statements have also been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the operating performance of the company and the financial support of external parties.

Based on projected cash flow information for the period ended 31 January 2021 and the extrapolation of those figures forward to a full 12 month period, the Directors consider that the company will continue to operate within the facilities and terms agreed. On this basis, the Directors considered it appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Income represents amounts receivable for goods and services net of VAT. All revenue is recognised on an accruals basis except for life memberships which are recognised in the subscription year in which they are received.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% Straight Line
Fixed plant	5% Straight Line
Other plant and equipment	10% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and bank overdrafts 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.

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.

1.8 Equity instruments

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

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the income and expenditure account over the expected useful life of the assets. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Members' subscriptions	460,349	433,460
Schools, clubs and other revenue	36,109	25,278
Grant income	5,960	5,960
Other donations	380	1,841
	<u>502,798</u>	<u>466,539</u>
	<u><u>502,798</u></u>	<u><u>466,539</u></u>
	2020	2019
	£	£
Other significant revenue		
Interest income	380	160
	<u>380</u>	<u>160</u>
	<u><u>380</u></u>	<u><u>160</u></u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	14	14
	<u>14</u>	<u>14</u>
	<u><u>14</u></u>	<u><u>14</u></u>

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2019	1,269,338	296,026	1,565,364
Additions	170,623	32,308	202,931
	<u>1,439,961</u>	<u>328,334</u>	<u>1,768,295</u>
At 31 January 2020	1,439,961	328,334	1,768,295
Depreciation and impairment			
At 1 February 2019	397,351	112,903	510,254
Depreciation charged in the year	28,719	19,736	48,455
	<u>426,070</u>	<u>132,639</u>	<u>558,709</u>
At 31 January 2020	426,070	132,639	558,709
Carrying amount			
At 31 January 2020	<u>1,013,891</u>	<u>195,695</u>	<u>1,209,586</u>
At 31 January 2019	<u>871,987</u>	<u>183,123</u>	<u>1,055,110</u>

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	5,994	2,012
	<u>5,994</u>	<u>2,012</u>

6 Creditors: amounts falling due within one year

		2020	2019
		£	£
Bank loans	8	29,221	28,430
Other borrowings	8	3,000	3,000
Trade creditors		5,954	3,093
Taxation and social security		927	791
Government grants	9	5,960	5,960
Subscriptions received in advance		169,403	149,137
Accruals and deferred income		12,821	8,607
		<u>227,286</u>	<u>199,018</u>

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	14,861	44,044
Government grants	202,696	208,656
	<u>217,557</u>	<u>252,700</u>

8 Loans and overdrafts

	2020 £	2019 £
Bank loans	44,082	72,474
Other loans	3,000	3,000
	<u>47,082</u>	<u>75,474</u>
Payable within one year	32,221	31,430
Payable after one year	14,861	44,044

Under the obligations set out in the funding agreement with Historic Environment Scotland, the Scottish Minister hold a standard security over the heritable property. The Royal Bank of Scotland also holds a standard security and a bond and floating charge over the assets of the company in respect of its loan and overdraft facility. The loan is repayable by 2022 by equal monthly instalments. Interest is charged at a rate of 2% above bank base rate. Mrs Isobel Murray also holds a standard security over the property.

9 Government grants

	2020 £	2019 £
Current liabilities	5,960	5,960
Non-current liabilities	202,696	208,656
	<u>208,656</u>	<u>214,616</u>

DRUMSHEUGH BATHS CLUB. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

10 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
109,425 Ordinary A Shares of £1 each	109,425	109,425
785 Ordinary B Shares of £1 each	785	785
	<u>110,210</u>	<u>110,210</u>
	<u><u>110,210</u></u>	<u><u>110,210</u></u>

11 Related party transactions

Each of the directors is also a member of the club and pays an annual subscription at rates available to members of the public.