

Company Registration No. SC005043 (Scotland)

**DRUMSHEUGH BATHS CLUB. LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

# DRUMSHEUGH BATHS CLUB. LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G W Henry S Archer C Keith A Vettrano A Le Pelley C Docherty
<b>Secretary</b>	G Henry
<b>Company number</b>	SC005043
<b>Registered office</b>	5th Floor 125 Princes Street Edinburgh EH2 4AD
<b>Auditor</b>	Geoghegans 6 St Colme Street Edinburgh EH3 6AD

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# DRUMSHEUGH BATHS CLUB. LIMITED

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# DRUMSHEUGH BATHS CLUB. LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JANUARY 2021**

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The directors present their annual report and financial statements for the year ended 31 January 2021.

### 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:

G W Henry  
S Archer  
C Keith  
A Vettrano  
J Boyd  
A Le Pelley  
C Docherty

(Resigned 19 February 2020)

### 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.

### Small companies exemption

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



24 May 2021

# **DRUMSHEUGH BATHS CLUB. LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2021***

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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.

# DRUMSHEUGH BATHS CLUB. LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DRUMSHEUGH BATHS CLUB. LIMITED

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#### Opinion

We have audited the financial statements of Drumsheugh Baths Club. Limited (the 'company') for the year ended 31 January 2021 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **DRUMSHEUGH BATHS CLUB. LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DRUMSHEUGH BATHS CLUB. LIMITED**

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We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the company
- The results of our enquires with management and Directors about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the company for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the company's ability to operate. The key laws and regulations we considered in this context included the Companies Act 2006.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

*Geoghegan*

**Paul Marshall (Senior Statutory Auditor)**

**For and on behalf of Geoghegan**

24 May 2021

**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 2021

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	Notes	2021 £	2020 £
Turnover	3	526,751	502,798
Cost of sales		(351,228)	(390,052)
<b>Gross profit</b>		<b>175,523</b>	<b>112,746</b>
Administrative expenses		(16,808)	(29,474)
<b>Operating profit</b>		<b>158,715</b>	<b>83,272</b>
Interest receivable and similar income		414	380
Interest payable and similar expenses		(870)	(1,678)
<b>Profit before taxation</b>		<b>158,259</b>	<b>81,974</b>
Tax on profit		-	-
<b>Profit for the financial year</b>		<b>158,259</b>	<b>81,974</b>

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# DRUMSHEUGH BATHS CLUB. LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	5		1,187,009		1,209,586
<b>Current assets</b>					
Debtors	6	12,624		5,994	
Cash at bank and in hand		221,825		141,164	
		<u>234,449</u>		<u>147,158</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(154,562)</u>		<u>(227,286)</u>	
<b>Net current assets/(liabilities)</b>			<u>79,887</u>		<u>(80,128)</u>
<b>Total assets less current liabilities</b>			<u>1,266,896</u>		<u>1,129,458</u>
<b>Creditors: amounts falling due after more than one year</b>	8		<u>(196,736)</u>		<u>(217,557)</u>
<b>Net assets</b>			<u>1,070,160</u>		<u>911,901</u>
<b>Capital and reserves</b>					
Called up share capital	11		110,210		110,210
Profit and loss reserves			<u>959,950</u>		<u>801,691</u>
<b>Total equity</b>			<u>1,070,160</u>		<u>911,901</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 24 May 2021 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 2021

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### 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.

The Directors have considered the impact of the COVID-19 pandemic on the performance and financial position of the company and have taken action to reduce costs where possible. Based on projected cash flow information for the period ended 31 January 2022 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.

# DRUMSHEUGH BATHS CLUB. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

#### 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.

#### 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.

# DRUMSHEUGH BATHS CLUB. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

#### 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.

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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

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

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Members' subscriptions	461,071	460,349
Schools, clubs and other revenue	9,248	35,489
CJRS claims	48,157	-
Grant income	5,960	5,960
Other donations	2,315	1,000
	<u>526,751</u>	<u>502,798</u>

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# DRUMSHEUGH BATHS CLUB. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	414	380

### 4 Employees

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

	2021 Number	2020 Number
Total	14	14

### 5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 February 2020	1,439,961	328,334	1,768,295
Additions	14,445	12,975	27,420
At 31 January 2021	1,454,406	341,309	1,795,715
<b>Depreciation and impairment</b>			
At 1 February 2020	426,070	132,639	558,709
Depreciation charged in the year	29,008	20,989	49,997
At 31 January 2021	455,078	153,628	608,706
<b>Carrying amount</b>			
At 31 January 2021	999,328	187,681	1,187,009
At 31 January 2020	1,013,891	195,695	1,209,586

### 6 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	133	-
Other debtors	12,491	5,994
	12,624	5,994

# DRUMSHEUGH BATHS CLUB. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 7 Creditors: amounts falling due within one year

		2021	2020
		£	£
Bank loans	9	29,573	29,221
Other borrowings	9	3,000	3,000
Trade creditors		751	5,954
Taxation and social security		2,686	927
Government grants	10	5,960	5,960
Subscriptions received in advance		102,644	169,403
Accruals and deferred income		9,948	12,821
		<u>154,562</u>	<u>227,286</u>

### 8 Creditors: amounts falling due after more than one year

		2021	2020
		£	£
Bank loans and overdrafts		-	14,861
Government grants		196,736	202,696
		<u>196,736</u>	<u>217,557</u>

### 9 Loans and overdrafts

		2021	2020
		£	£
Bank loans		29,573	44,082
Other loans		3,000	3,000
		<u>32,573</u>	<u>47,082</u>
Payable within one year		32,573	32,221
Payable after one year		-	14,861

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. The loan is repayable by 2022 by equal monthly instalments. Interest is charged at a rate of 2% above bank base rate.

# DRUMSHEUGH BATHS CLUB. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 10 Deferred grants

	2021 £	2020 £
Arising from government grants	202,696	208,656
	<u>202,696</u>	<u>208,656</u>
Current liabilities	5,960	5,960
Non-current liabilities	196,736	202,696
	<u>196,736</u>	<u>202,696</u>
	<u>202,696</u>	<u>208,656</u>

### 11 Called up share capital

	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>		
109,425 Ordinary A Shares of £1 each	109,425	109,425
785 Ordinary B Shares of £1 each	785	785
	<u>109,425</u>	<u>109,425</u>
	<u>110,210</u>	<u>110,210</u>

### 12 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.