

Company Registration No. 09734440 (England and Wales)

UNDERSCAR OWNERS' CLUB LIMITED

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

PAGES FOR FILING WITH REGISTRAR

UNDERSCAR OWNERS' CLUB LIMITED
COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors	Mr I Hedley Mrs J Lawson Mr D Cuthbertson Mr G M Norris Mrs J Goldstone Mrs M Sackree Mr C Blizard	(Appointed 21 December 2020)
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Company number	09734440
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Registered office	Underscar Applethwaite Underskidcaw Keswick CA12 4PH
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Auditor	MHA Moore and Smalley Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL
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COMPANY LIMITED BY GUARANTEE
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UNDERSCAR OWNERS' CLUB LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		708,203		595,183
Current assets					
Debtors	5	83,640		31,059	
Cash at bank and in hand		158,085		260,525	
		<u>241,725</u>		<u>291,584</u>	
Creditors: amounts falling due within one year	6	(130,675)		(131,469)	
Net current assets			<u>111,050</u>		<u>160,115</u>
Total assets less current liabilities			819,253		755,298
Creditors: amounts falling due after more than one year	7		(12,703)		(31,830)
Net assets			<u>806,550</u>		<u>723,468</u>
Reserves					
Refurbishment reserve fund			157,659		181,415
Profit and loss account			648,891		542,053
Members' funds			<u>806,550</u>		<u>723,468</u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered 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 23 March 2021 and are signed on its behalf by:

Mr I Hedley
Director

Mr D Cuthbertson
Director

Company Registration No. 09734440

UNDERSCAR OWNERS' CLUB LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Underscar Owners' Club Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Underscar, Applethwaite, Underskiddaw, Keswick, CA12 4PH.

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 rapid escalation in the Coronavirus (COVID-19) pandemic has created significant economic uncertainty, and with it an uncertainty over the future trading performance of the company. We took advantage of the support that Government offered to the business community, including business rate relief and The Coronavirus Job Retention Scheme. FML took advantage of furlough and these savings were fully recognised in their charges to the company. We have taken, and will continue to take, advantage of the support available, where helpful and available to us, as and when required, ensuring that we continue to operate within our available cash flows and reserves through this period of uncertainty. Cash flow projections were prepared, and consideration was given to a period 12 months beyond the date of accounts approval and, in view of this, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Income and expenditure

Management fees receivable

Management fees receivable consists of the weekly management fees and disbursements (excluding VAT) recoverable from apartment owners. Any management fees received for apartment occupation after 31 August 2020 have been deferred to the following accounting period.

Rental income

Rental income represents rental income for unsold weeks. Underscar Owners' Club Limited has the right to let half or full weeks.

Health club memberships

The amount reflected in the financial statements represents membership fees receivable for the period from non owners.

Sales commissions

Income shown under this heading consists of 25% from any commissions Fisherbeck Management Limited have received (inclusive of VAT) on a stock week sale or resale.

Sale of stock weeks

Income shown under this heading represents the proceeds of weeks sold in the period.

UNDERSCAR OWNERS' CLUB LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

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

Fixtures, fittings & equipment	5% straight line/10% straight line/20% straight line/33% straight line or over the period of the RHI contract
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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 surplus or deficit.

1.5 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.

1.6 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Reserves

Refurbishment reserve fund

This reserve represents the amounts set aside for the purpose of providing for the replacement of apartment fittings, equipment, furnishings and utensils. Capital expenditure on such items will be added to tangible fixed assets and a transfer equal in value will be made from the refurbishment reserve fund to profit and loss reserves.

2 Employees

The average monthly number of persons employed by the company during the year was nil (2019 - nil).

3 Taxation

The company is a mutual trading company under CTA2010, and is therefore only liable to corporation tax on non mutual trading profits. The company has available tax losses of £64,228 (2019 - £48,806) to carry forward against future non mutual trading profits.

UNDERSCAR OWNERS' CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

4 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 September 2019	783,381
Additions	200,413
	<u>983,794</u>
At 31 August 2020	<u>983,794</u>
Depreciation and impairment	
At 1 September 2019	188,198
Depreciation charged in the year	87,393
	<u>275,591</u>
At 31 August 2020	<u>275,591</u>
Carrying amount	
At 31 August 2020	<u>708,203</u>
At 31 August 2019	<u>595,183</u>

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Service charges due	66,596	8,518
Provision for bad and doubtful debts	(13,200)	-
Other debtors	8,686	1,294
Prepayments and accrued income	21,558	21,247
	<u>83,640</u>	<u>31,059</u>

As a result of the Covid-19 pandemic this has been a difficult year for the company and for owners. This has been reflected in the increase in debtors and the provision for bad and doubtful debts. In passing on savings to those owners who have lost weeks the board accept that this has placed extra pressure on invoicing and debt chasing. In addition the board accept that the events of the last year have placed onerous financial burdens on some owners especially where they have been relying on receiving rental income. The board have overseen a concerted effort to collect debts since the year end and will continue to pursue outstanding debts and, where necessary and possible, will take appropriate legal action. In the light of the continuing uncertainty the board have taken a prudent approach in providing for bad and doubtful debts.

The provision for bad and doubtful debts has been set prudently to reflect the difficulty the company and its agent have faced in collecting management fees from owners. After making significant recoveries post year-end along with arranging short term repayment plans the board have assessed the remaining outstanding accounts and consider that up to 50% may not be recoverable.

UNDERSCAR OWNERS' CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

6 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts		25,011	24,000
Management fees received in advance		37,058	41,696
Trade creditors		30,461	9,130
Other taxation and social security		-	21,786
Other creditors		471	-
Accruals and deferred income		37,674	34,857
		<u>130,675</u>	<u>131,469</u>

The bank loans of £25,011 (2019: £24,000) are secured by a debenture creating a fixed and floating charge over the assets of the company.

7 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts		12,703	31,830
		<u>12,703</u>	<u>31,830</u>

The bank loans of £12,703 (2019: £31,830) are secured by a debenture creating a fixed and floating charge over the assets of the company.

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ian Clark.

The auditor was MHA Moore and Smalley.

10 Operating lease commitments

Lessee

The directors are currently in discussions with Prodigal Son Limited to consolidate historic leases into one single new lease. Until this process is complete and obligations confirmed the directors do not consider it practicable or appropriate to include disclosure of estimated commitments which may prove to be inaccurate.

UNDERSCAR OWNERS' CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Expenses Reclaimed	
	2020	2019
	£	£
The company's directors	830	2,538
	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.