

Blue Flames Sporting Club Limited
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2020

MANOR CLOSE LIMITED

Chartered accountants
114-116 High Street
Gosforth
Newcastle upon Tyne
NE3 1HB

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Financial Statements

Year ended 30 September 2020

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Blue Flames Sporting Club Limited

Company Limited by Guarantee

Directors' Report

Year ended 30 September 2020

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2020.

Principal activities

The principal activities of the company during the year were the provision of recreational activities including a gymnasium and bar, along with conference facilities and other sporting activities.

Directors

The directors who served the company during the year were as follows:

Mr S G C Crown

Mr P Carter

Mr B Smith

Mr S Allison

Mr T D Fox

Mr T Scarry

Mrs L J Stewart

Mrs A Rutherford

Mr R J Davey

Mr D Atkinson

(Resigned 11 November 2019)

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 11 to the financial statements.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24 November 2020 and signed on behalf of the board by:

Mr S G C Crown
Director

Mrs A Rutherford
Director

Registered office:
Whitley Park
Whitley Road
Benton
Newcastle upon Tyne
NE12 9SF

Blue Flames Sporting Club Limited
Company Limited by Guarantee
Statement of Income and Retained Earnings
Year ended 30 September 2020

	Note	2020 £	2019 £
Turnover		315,697	563,829
Cost of sales		<u>65,669</u>	<u>117,931</u>
Gross profit		250,028	445,898
Administrative expenses		401,265	476,502
Other operating income		171,180	89,069
Operating profit		19,943	58,465
Other interest receivable and similar income		104	173
Interest payable and similar expenses		<u>17,495</u>	<u>19,987</u>
Profit before taxation	6	2,552	38,651
Tax on profit		<u>—</u>	<u>—</u>
Profit for the financial year and total comprehensive income		<u>2,552</u>	<u>38,651</u>
Retained earnings at the start of the year		596,952	558,301
Retained earnings at the end of the year		<u>599,504</u>	<u>596,952</u>

All the activities of the company are from continuing operations.

The notes on pages 5 to 9 form part of these financial statements.

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Statement of Financial Position

30 September 2020

	Note	2020 £	£	2019 £
Fixed assets				
Tangible assets	7		1,878,323	1,909,811
Current assets				
Stocks		1,500		7,099
Debtors	8	12,628		29,624
Cash at bank and in hand		49,445		<u>52,382</u>
		63,573		89,105
Creditors: amounts falling due within one year	9	106,599		<u>116,141</u>
Net current liabilities			43,026	<u>27,036</u>
Total assets less current liabilities			1,835,297	1,882,775
Creditors: amounts falling due after more than one year	10		955,517	<u>1,005,547</u>
Net assets			879,780	<u>877,228</u>
Capital and reserves				
Capital redemption reserve			280,276	280,276
Profit and loss account			599,504	<u>596,952</u>
Members funds			879,780	<u>877,228</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 September 2020 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.

The statement of financial position
continues on the following page.

The notes on pages 5 to 9 form part of these financial statements.

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Statement of Financial Position *(continued)*

30 September 2020

These financial statements were approved by the board of directors and authorised for issue on 24 November 2020, and are signed on behalf of the board by:

Mr S G C Crown
Director

Mrs A Rutherford
Director

Company registration number: 03240288

The notes on pages 5 to 9 form part of these financial statements.

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2020

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Whitley Park, Whitley Road, Benton, Newcastle upon Tyne, NE12 9SF.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

They are presented in £ sterling which is the functional currency of the company and are rounded to the nearest pound.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Taxation

As the company is a registered Community Amateur Sports Club (CASC), it benefits from certain tax exemptions, profits where trading turnover from non members does not exceed £100,000, rental income under £30,000, investment interest received and Capital Gains are all exempt from tax.

(c) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

(d) Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Blue Flames Sporting Club Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

(e) Tangible assets

All fixed assets are initially recorded at cost, where buildings have been constructed the element of finance and interest cost incurred during the building phase has also been capitalised, along with the associated legal and professional fees.

(f) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold buildings	-	0.50% Straight Line
Plant and machinery	-	10% straight line
Fixtures and equipment	-	20% straight line

(g) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

(h) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Blue Flames Sporting Club Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

3. Accounting policies *(continued)*

(i) Government and sporting grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

(j) Defined contribution plans

The company contributes to personal pension plans on behalf of certain employees, the payments are taken to the profit and loss account.

4. Company limited by guarantee

Every member of the Company undertakes to contribute such amount, as may be required (not exceeding £1.00) to the assets of the Company if it is wound up while he/she is a member, or within one year after if he/she ceases to be a member, for the payment of the Company's debts and liabilities contracted before he/she ceases to be a member, and the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 18 (2019: 24).

6. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	<u>31,488</u>	<u>31,119</u>

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

7. Tangible assets

	Land and buildings £	Plant and machinery £	Equipment £	Total £
Cost				
At 1 October 2019 and 30 September 2020	<u>1,912,048</u>	<u>434,721</u>	<u>23,446</u>	<u>2,370,215</u>
Depreciation				
At 1 October 2019	154,863	282,095	23,446	460,404
Charge for the year	8,740	22,748	–	31,488
At 30 September 2020	<u>163,603</u>	<u>304,843</u>	<u>23,446</u>	<u>491,892</u>
Carrying amount				
At 30 September 2020	<u>1,748,445</u>	<u>129,878</u>	<u>–</u>	<u>1,878,323</u>
At 30 September 2019	<u>1,757,185</u>	<u>152,626</u>	<u>–</u>	<u>1,909,811</u>

8. Debtors

	2020 £	2019 £
Trade debtors	1,712	14,816
Prepayments and accrued income	<u>10,916</u>	<u>14,808</u>
	<u>12,628</u>	<u>29,624</u>

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	38,351	38,016
Trade creditors	16,007	10,970
Accruals and deferred income	48,394	48,804
Social security and other taxes	3,847	14,797
Other creditors	–	3,554
	<u>106,599</u>	<u>116,141</u>

The bank overdraft facility and loans are secured by way of a 1st legal charge over the freehold land and buildings, the bank has entered into a deed of priority with Sport England.

The bank borrowings are also secured by way of a floating debenture over all other assets of the company.

Blue Flames Sporting Club Limited
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

10. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	513,585	534,112
Accruals and deferred income	441,932	471,435
	<u>955,517</u>	<u>1,005,547</u>

The bank overdraft facility and loans are secured by way of a 1st legal charge over the freehold land and buildings, the bank has entered into a deed of priority with Sport England.

The bank borrowings are also secured by way of a floating debenture over all other assets of the company.

Included within creditors: amounts falling due after more than one year is an amount of £360,181 (2019: £382,048) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors: amounts falling due after more than one year is an amount of £323,921 (2019: £353,424) in respect of liabilities payable or repayable otherwise than by instalments which fall due for payment after more than five years from the reporting date.

Creditors due after more than 5 years repayable by instalments represents the monthly instalments due to Unity Bank Plc, interest is charged at 2.75% above bank base rate.

Creditors due after more than 5 years not repayable by instalments represents the value of the deferred grants which will continue to be released to the income statement in accordance with depreciation on assets to which they relate.

11. Events after the end of the reporting period

Following the year end the UK Government continues to introduce further tightened measures to try and control the spread of Covid 19, these measures which have already had a material effect on the operations of the company could lengthen the period of trading inactivity at the club.

The company which has already taken advantage of Govt. Job support packages and bank capital repayment holidays may require further funding from the bank in the future, which may or may not become available, as a "not for profit" sport provider the club relies on functions, conferences, parties and other annual events to subsidise the sporting activity at the club, without these events and an already scaled back employee base the club may find it difficult to generate the retained cashflow needed to to repay existing or even increased bank borrowings.

The directors continue to monitor the situation on a daily basis and are in constant contact with the company bankers.

12. Related party transactions

The company was under the control of the management committee throughout the current and previous year. As the company is limited by guarantee no single person has ultimate control.

The directors hold regular meetings to discuss all aspects of the club management, including contracts, risk assessments, legislation and finances.

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Management Information

Year ended 30 September 2020

The following pages do not form part of the financial statements.

Blue Flames Sporting Club Limited

Company Limited by Guarantee

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Blue Flames Sporting Club Limited

Year ended 30 September 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Blue Flames Sporting Club Limited for the year ended 30 September 2020, which comprise the statement of income and retained earnings, statement of financial position and the related notes 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 www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Blue Flames Sporting Club Limited, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of Blue Flames Sporting Club Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Blue Flames Sporting Club Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Blue Flames Sporting Club Limited 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 Blue Flames Sporting Club Limited. You consider that Blue Flames Sporting Club Limited 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 Blue Flames Sporting Club Limited. 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.

MANOR CLOSE LIMITED
Chartered accountants

114-116 High Street
Gosforth
Newcastle upon Tyne
NE3 1HB

Blue Flames Sporting Club Limited

Detailed Income Statement

Year ended 30 September 2020

	2020 £	2019 £
Turnover		
Bar sales	134,573	305,861
Club membership fees	3,060	4,256
Fitness membership fees	28,862	47,049
Other membership fees	4,380	4,732
Sport related hire fees	68,536	101,455
Fruit machine income	138	702
Conferences and room hire	63,181	82,262
Contract greens and maintenance work	11,800	11,966
Childrens sports parties	1,167	5,296
Advertising board income	—	250
	<u>315,697</u>	<u>563,829</u>
Cost of sales		
Opening stock - raw materials	7,099	6,468
Bar purchases	42,225	92,796
Conferences food	15,435	24,904
Contract purchase costs	2,410	862
	<u>67,169</u>	<u>125,030</u>
Closing stock - resale	1,500	7,099
	<u>65,669</u>	<u>117,931</u>
Gross profit	<u>250,028</u>	<u>445,898</u>
Overheads		
Administrative expenses	401,265	476,502
Other operating income	171,180	89,069
Operating profit	<u>19,943</u>	<u>58,465</u>
Other interest receivable and similar income	104	173
Interest payable and similar expenses	(17,495)	(19,987)
Profit before taxation	<u>2,552</u>	<u>38,651</u>

Blue Flames Sporting Club Limited

Notes to the Detailed Income Statement

Year ended 30 September 2020

	2020 £	2019 £
Administrative expenses		
Directors salaries	58,346	61,121
Directors pension contributions	3,804	4,203
Wages and salaries	153,787	203,889
Staff pension contributions - defined contribution	6,437	2,236
Water rates	14,912	14,839
Performing licences	615	795
Misc. licences	935	818
Light and heat	32,600	41,403
Insurance	11,107	11,139
Repairs and maintenance	38,202	31,010
Bar consumables and equipment	1,389	3,188
Groundsmans materials and equipment	4,635	7,756
Sections equipment	5,223	9,467
Hire costs (non-operating leases)	3,124	2,110
Telephone and internet costs	4,692	5,182
Equipment repairs and renewals	–	150
Printing postage and stationery	3,310	4,027
Staff training	744	(489)
Staff uniforms	657	1,297
Sundry expenses	104	7
Cleaning	9,061	15,274
Computer software	2,652	2,616
Advertising	792	1,359
Entertaining	2,201	5,545
Legal and professional fees (allowable)	–	29
Stocktaker fees	525	1,930
Accountancy and payroll fees	4,812	8,332
Depreciation of tangible assets	31,488	31,119
Bank charges	5,111	6,150
	<u>401,265</u>	<u>476,502</u>
Other operating income		
Operating lease rental income	3,000	3,000
Sport grants released	29,503	29,503
Car parking fees	20,006	23,582
Members donations to events inc. legacies	57,086	32,984
Corona Jobs Retention Scheme Income	61,585	–
	<u>171,180</u>	<u>89,069</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>104</u>	<u>173</u>
Interest payable and similar expenses		
Interest on debenture loans	17,476	19,972
Interest on bank loans and overdrafts	19	15
	<u>17,495</u>	<u>19,987</u>