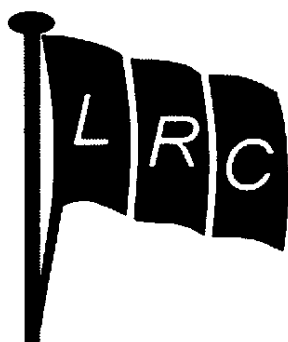


LONDON ROWING CLUB LIMITED

ANNUAL REPORT & ACCOUNTS Year ended 31 January 2019



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LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

OFFICERS AND DIRECTORS OF LONDON ROWING CLUB

Michael Baldwin

President

Ben Helm

Vice President

Michael Williams

Vice President

Tim Grant

Captain

Simon Harris

Chairman

Jeremy Hudson

Honorary Secretary

Christopher Grainger

Assistant Honorary Secretary

Jason Gray

Honorary Treasurer

Kathleen Curran

Honorary House Steward – functions

Josh McInerney

Honorary House Steward -

Building

Committee members

Colin Christie

Robert Downie

Richard Philips

Bob Silver

Iain Cowell

Chris Goodfellow

Miles Preston

Jean-Pierre van Tiel

LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

CONTENTS

	Page
<i>Directors' Report</i>	1
Income Statement	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to the Accounts	7

LONDON ROWING CLUB LIMITED

ANNUAL REPORT 2019

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 January 2019.

Review of Activities

The Company continues to provide rowing facilities to its members. Subsequent to the year end, the Company formally opened the new Peter Coni Gym.

Financial Results and Going Concern

The Company's activities produced a loss of £150,270 (2018: loss £59,981).

Donations received in the year of £247,994 (2018: £46,605) specifically to fund the construction of the Peter Coni Gym have been credited directly to equity. A bequest of £35,000 was received during the financial year ended 31 January 2018, with the specific purpose of purchasing a new racing eight; similar to the funds received for the Peter Coni Gym, this amount was also credited directly to equity. This accounting treatment represents a change of accounting policy from prior years when all donations were recorded in the Club's income statement; the 2018 figures reported a year ago have been restated accordingly in these financial statements.

With the Club having operated for the past three years at a deficit, after the year end, a further loan of £150,000, secured on the Company's premises, was drawn down on 7 May 2019 to allow the Company to continue to operate and meet its liabilities.

As a result of the level of borrowings, the Directors resolved in August 2019 to undertake a series of actions to reduce running costs and seek to return the Club to recording an annual operating surplus. As the Company has continued to operate at a deficit throughout the 2019/20 financial year to date, additional funding of up to £90,000 has been sought from Members to allow the Company to trade while the necessary actions take effect to return the Company to a position where its operations can produce a sustainable annual surplus. The extent of the turnaround required by reducing the cost base, the Company's reliance on future revenue streams which are not certain and its dependency on its Members for providing any further funding, in excess of the amount referred to above, which may not be forthcoming, are all circumstances that represent a material uncertainty over the ability of the Company to meet its liabilities as they fall due. However, based on the projections prepared by the Directors and the loans pledged from Members, the Directors have continued to prepare these financial statements on the basis that the Company is a going concern.

Capital expenditure

By the year end, £516,102 had been raised through legacies and donations for the construction of the Peter Coni Gym and provision of equipment; £393,980 as specific gifts and £122,122 as general gifts which the Directors designated for the construction. Construction costs capitalised up to the year end amounted to £306,677 and are shown in fixed assets in note 7. The amount capitalised includes irrecoverable VAT.

Since the year end, a further £120,121 of donations have been received or pledged.

Expenditure capitalised since the year end, amounts to £149,534 and the building contract is now virtually complete.

LONDON ROWING CLUB LIMITED

ANNUAL REPORT 2019

As soon as cash reserves permit, the balance of funds raised will be directed to completion of fitting out works, various miscellaneous items, installation of lockers and ventilation in the men's changing room and the associated phase of capital works to refurbish the Club room at the back of the main building behind the bar and kitchen, returning it to its intended use.

This has been a hugely successful project for the Club and the principles applied in managing and executing the project in a highly professional and competent manner are to be applied to the future operation of the Club as a whole. The Directors wish to record their gratitude to the sub-committee that has overseen the creation of the Peter Coni Gym and all of the Club's members and others who have supported the project with time and money.

Directors

The following Members have served as Directors since 1 February 2018 unless stated otherwise:

Michael Baldwin		Jeremy Hudson	
Colin Christie	<i>Appointed 24 July 2019</i>	Jason Lalande Danciger	<i>Resigned 25 July 2018</i>
Iain Cowell	<i>Appointed 24 July 2019</i>	Joshua McInerney	
Kathleen Curran		Joshua Meredith	<i>Resigned 25 July 2018</i>
Jana Downie	<i>Resigned 24 July 2019</i>	Frank O'Mahony	<i>Appointed 24 July 2019, resigned 12 September 2019</i>
Robert Downie		Luis Orozco	<i>Resigned 24 July 2019</i>
Christopher Grainger		Sebastian Pearce	<i>Appointed 25 July 2019, resigned 11 September 2019</i>
Chris Goodfellow	<i>Appointed 24 July 2019</i>	Richard Philips	
Tim Grant		Miles Preston	
Jason Gray		Robert Silver	
Simon Harris	<i>Appointed 24 July 2019</i>	Jean-Pierre van Tiel	<i>Appointed 25 July 2018</i>
Ciarán Hayes	<i>Resigned 24 July 2019</i>	Michael Williams	
Ben Helm			

LONDON ROWING CLUB LIMITED

ANNUAL REPORT 2019

Statement of Directors' responsibilities

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; and
- 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.

This report was approved by the Board on 1st October 2019 and signed on its behalf by

Jason Gray
Director

LONDON ROWING CLUB LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2019

		2019	2018
	<i>Notes</i>	£	Restated £
TURNOVER	3	496,972	465,837
COST OF SALES	4	(478,818)	(371,442)
GROSS PROFIT		18,154	94,395
Other administrative expenses		(134,544)	(104,186)
Depreciation	8	(89,310)	(88,402)
OPERATING LOSS		(205,700)	(98,193)
Other income – donations and legacies		20,965	29,795
Profit on disposal of fixed assets		38,557	12,207
LOSS BEFORE INTEREST AND TAX		(146,178)	(56,191)
Interest receivable and similar income	6	21	21
Interest payable and similar charges	7	(4,113)	(3,811)
LOSS BEFORE TAXATION		(150,270)	(59,981)
TAXATION		-	-
LOSS FOR THE FINANCIAL YEAR		(150,270)	(59,981)

LONDON ROWING CLUB LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

		2019		2018	
	Notes	£	£	Restated	£
FIXED ASSETS					
Property, plant and equipment	8		947,976		681,880
CURRENT ASSETS					
Inventory	9	14,581		9,485	
Debtors	10	81,924		36,708	
Cash at bank and in hand		<u>31,754</u>		<u>239,920</u>	
		128,259		286,113	
CREDITORS					
Amounts falling due within one year	11	<u>(178,285)</u>		<u>(143,123)</u>	
NET CURRENT (LIABILITIES)/ ASSETS			<u>(50,026)</u>		<u>142,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			897,950		824,870
CREDITORS					
Amounts falling due after more than one year	12		(153,400)		(178,142)
NET ASSETS			<u>744,550</u>		<u>646,728</u>
CAPITAL AND RESERVES					
Called up share capital	13		884		868
Reserves	14		743,666		645,860
SHAREHOLDERS' FUNDS			<u>744,550</u>		<u>646,728</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102.

For the year ended 31 January 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for company with the requirements of Act with respect to accounting records and the preparation of accounts.

The financial statements of London Rowing Club Limited (registered number 00004711) were approved by the Board of Directors on 1st October 2019 and were signed on its behalf by:


J Gray
Director

LONDON ROWING CLUB LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2019

	2019	2018
		Restated
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial year	(150,270)	(59,981)
<i>Adjustments for:</i>		
Interest paid	4,113	3,811
Interest received	(21)	(21)
Depreciation charge	89,310	88,402
Profit on disposal of fixed assets	(38,557)	(12,207)
(Increase)/decrease in inventories	(5,096)	336
(Increase) in debtors	(19,931)	(15,045)
Increase in creditors	11,433	(9,287)
Net cash absorbed by operating activities	(109,019)	(3,992)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	21	21
Construction of the Peter Coni Gym	(287,835)	(16,271)
Purchases of property, plant and equipment	(77,370)	(62,576)
Proceeds from sale of fixed assets	46,800	17,200
Net cash used in investing activities	(318,384)	(61,626)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	98	-
Capital donations for the Peter Coni Gym	247,994	41,605
Other capital donations	-	35,000
Interest paid	(4,113)	(3,811)
Repayment of amounts borrowed	(24,742)	(24,118)
Net cash used in financing activities	219,237	48,676
NET DECREASE IN CASH AND CASH EQUIVALENTS	(208,166)	(16,942)
Cash and cash equivalents at the beginning of the year	239,920	256,862
Cash and cash equivalents at the end of the year	31,754	239,920

LONDON ROWING CLUB LIMITED

ANNUAL REPORT 2019

1. STATUTORY INFORMATION

The Company is a private company limited by shares and is registered in England. The Company's registered number is 4711. The address of the registered office is London Rowing Club, Embankment, Putney, London SW15 1LB.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. Except as noted below, they have all been applied consistently throughout the year and to the preceding year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

(b) Going concern

The Company has recorded a loss of £150,270. At the balance sheet date, the Company had net borrowings of £169,458 and net current liabilities of £50,026. The Directors resolved in August 2019 to undertake a series of actions to reduce running costs and seek to return the Club to recording an annual operating surplus. As the Company has continued to operate at a deficit throughout the 2019/20 financial year to date and drawn down a further loan of £150,000 secured on the Company's premises, additional funding of up to £90,000 has been sought from Members to allow the Company to trade while the necessary actions take effect to return the Company to a position where its operations can produce a sustainable annual surplus. The extent of the turnaround required by reducing the cost base, the Company's reliance on future revenue streams which are not certain and its dependency on its Members for providing any further funding, in excess of the amount referred to above, which may not be forthcoming, are all circumstances that represent a material uncertainty over the ability of the Company to meet its liabilities as they fall due. However, on the basis of the projections prepared by the Directors and the loans pledged from Members, the Directors have continued to prepare these financial statements on the basis that the Company is a going concern.

(c) Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|----------------------------------|--|
| • Freehold premises | at 4% to reduce to a site value of £30,000 as at 31 January 1997. Expenditure since 1997 to be depreciated at 4% to write off over 25 years. |
| • Fixtures and fittings | at 25% on the written down value. |
| • Training & Gymnasium Equipment | at 20% on cost to write off over 5 years. |
| • Boats & Oars | at 20% on cost to write off over 5 years. |
| • Launches & Engines | at 25% on the written down value. |
| • Trailers | at 25% on the written down value. |

LONDON ROWING CLUB LIMITED

ANNUAL REPORT 2019

(d) Inventory

Inventory have been valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items.

(e) Income

Turnover (excluding VAT) comprises the value of subscriptions, catering income and kitchen hire, room hire, rental of bedrooms and lockers and royalties. Subscription income received in a single annual instalment is spread evenly across the financial year and therefore gives rise to deferred income being recorded in the Statement of Financial Position at the Company's year end. Similarly, annual royalty payments are spread across the financial year.

Donations received specifically for capital purposes, e.g. boat purchases or construction projects, are credited directly to equity. All other donations are recorded through the profit and loss account within 'Other income'. The direct crediting of donations and legacies for capital purposes to equity represents a change in accounting policy for the Company. The overall impact on net assets from the change in policy is to leave them unchanged. However, the Directors believe the new policy, which takes income dedicated for capital purposes out of the Income Statement direct to retained earnings, presents a clearer view of the annual operating performance of the Company.

Income from legacies is accounted for when it is virtually certain to be received through the profit and loss account within 'Other income' or if specified to be spent on projects of a capital nature, credited directly to equity.

(f) Taxation

Certain activities of the Company are subject to corporation tax.

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

(g) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date with the resulting exchange differences being recorded in the profit and loss account. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction.

(h) Restatement of prior year cash flow

The cash flow for the comparative period has been corrected to exclude the non-cash element of the hire purchase agreement for the acquisition of the towing vehicle. The figure disclosed in the 2018 financial statements for 'Purchases of Property, plant and equipment' has been reduced by £25,000 with a commensurate increase shown in the line for 'Repayment of amounts borrowed'.

3. TURNOVER

	2019	2018
	£	Restated £
Catering and event income	287,135	265,059
Subscriptions	118,743	115,148
Rental income - rooms and boat racks	59,881	56,963
Sponsorship and royalties	6,586	19,978
Other rowing related income	14,155	6,430
Sundry income - including clothing and kit	10,472	2,259
	<u>496,972</u>	<u>465,837</u>

4. COST OF SALES

	2019	2018
	£	Restated £
Bar supplies and function expenses	54,906	49,732
Salaries, wages and related costs	216,587	166,822
Repairs and maintenance	62,245	37,850
Utilities, rates and cleaning	86,133	70,601
Insurance	22,860	27,881
Other cost of sales - including clothing and kit	36,087	18,556
	<u>478,818</u>	<u>371,442</u>

5. EMPLOYEES AND DIRECTORS

The average monthly number of employees was 5 (2018: 5).

LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Interest receivable from cash deposits	21	21
	<u>21</u>	<u>21</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Interest and charges payable on loans and bank overdraft	4,113	3,811
	<u>4,113</u>	<u>3,811</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Buildings	Assets in the course of construction	Furniture & Equip't	Boats & Oars	Training & Gym Equip't	Launches Engines & Trailers	1860 Portrait	Total
Cost								
At 1 February 2018	1,030,099	18,842	76,049	375,229	38,490	73,589	15,000	1,627,298
Additions	17,279	287,835	15,595	42,940	-	-	-	363,650
Disposals	-	-	-	(62,169)	-	-	-	(62,169)
At 31 January 2019	<u>1,047,378</u>	<u>306,677</u>	<u>91,644</u>	<u>356,000</u>	<u>38,490</u>	<u>73,589</u>	<u>15,000</u>	<u>1,928,778</u>
Depreciation								
At 1 February 2018	457,503	-	67,839	322,200	35,803	47,074	14,999	945,418
For the year	38,264	-	6,336	31,850	1,631	11,229	-	89,310
Disposals	-	-	-	(53,926)	-	-	-	(53,926)
At 31 January 2019	<u>495,767</u>	<u>-</u>	<u>74,175</u>	<u>300,124</u>	<u>37,434</u>	<u>58,303</u>	<u>14,999</u>	<u>980,802</u>
Net Book Amounts								
At 31 January 2019	<u>551,611</u>	<u>306,677</u>	<u>17,469</u>	<u>55,876</u>	<u>1,056</u>	<u>15,286</u>	<u>1</u>	<u>947,976</u>
At 31 January 2018	<u>572,596</u>	<u>18,842</u>	<u>8,210</u>	<u>53,029</u>	<u>2,687</u>	<u>26,515</u>	<u>1</u>	<u>681,880</u>

The additions to assets in the course of construction of £287,835 during the year represent the construction costs incurred to 31 January 2019 associated with the Peter Coni Gym. Subsequent to the year end an additional £110,161 was incurred to complete the construction of the Peter Coni Gym. In addition, £39,373 was incurred in relation to the purchase of equipment for the gym.

LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

9. INVENTORY

	2019	2018
	£	£
Bar	5,069	5,624
Clothing	9,512	3,861
	<u>14,581</u>	<u>9,485</u>

10. DEBTORS

	2019	2018
	£	£
Trade debtors	8,837	19,166
Other debtors and prepayments	73,087	17,542
	<u>81,924</u>	<u>36,708</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	Restated £
Bank loan - National Westminster Bank Plc (secured)	16,500	16,500
Loans		
- Members' Loans	25,000	32,500
- Vehicle Finance	6,312	6,312
Other taxes and social security	15,458	6,453
Trade creditors	47,487	56,113
Other creditors and accruals	48,002	13,944
Deferred income	19,526	11,301
	<u>178,285</u>	<u>143,123</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loan – National Westminster Bank Plc (secured)	146,561	164,991
Loan – Vehicle Finance	6,839	13,151
	<u>153,400</u>	<u>178,142</u>

LONDON ROWING CLUB LIMITED
ANNUAL REPORT 2019

The bank loan is repayable by January 2027 and is secured by way of charge of the Company's land and buildings. The rate of interest is 1.7% above National Westminster Bank Rate. On 7 May 2019, a further loan of £150,000, also secured by way of charge of the Company's land and buildings, was drawn down. This second loan is repayable over 25 years and incurs interest at 3.67% above National Westminster Bank Rate.

13. SHARE CAPITAL (Shares of £2 each)

	2019	2018
	£	£
At beginning of year	868	868
Issued in Year to New Members	98	-
Forfeited during the year	(82)	-
At end of year	<u>884</u>	<u>868</u>

14. RESERVES

	Statutory Capital Reserve £	Other Capital Reserves £	Retained Earnings £	Total £
As at 1 February 2017 (restated)	53,081	86,727	484,428	624,236
Donations and legacies specified for capital purposes	-	81,605	-	81,605
Transferred to retained earnings on capital expenditure	-	(19,263)	19,263	-
Loss for the financial year	-	-	(59,981)	(59,981)
As at 31 January 2018 (restated)	53,081	149,069	443,710	645,860
Forfeiture of shares	82	-	-	82
Donations and legacies specified for capital purposes	-	247,994	-	247,994
Transferred to retained earnings on capital expenditure	-	(287,835)	287,835	-
Loss for the financial year	-	-	(150,270)	(150,270)
As at 31 January 2019	<u>53,163</u>	<u>109,228</u>	<u>581,275</u>	<u>743,666</u>