

**Company Registration No. 1576093**

**The British Olympic Association**

(Limited by Guarantee)

**Report and Financial Statements**

31 December 2009

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**The British Olympic Association**  
**Report and financial statements 2009**

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**The British Olympic Association**  
**Report and financial statements 2009**  
**Officers and professional advisers**

**Patron**

Her Majesty The Queen

**President**

Her Royal Highness The Princess Royal

**Chairman**

Lord Moynihan

**Vice Chairmen**

A J Woods

D Hemery CBE

**Other Directors**

M B Cookson OBE (Resigned 20 October 2009)

D Cranston CBE

Sir Phil L Craven MBE

D M Ellis CBE

L A Evans MBE (Resigned 20 October 2009)

R Leman

K D Pickering MBE

Sir Craig Reddie CBE

D White (Resigned 20 October 2009)

N de Vos (Appointed 20 October 2009)

D Sparkes (Appointed 20 October 2009)

M Dawe (Appointed 20 October 2009)

**Chief Executive and Company Secretary**

A J Hunt

**Headquarters and registered office**

60 Charlotte Street

London W1T 2NU

**Main bankers**

Lloyds TSB plc

25 Gresham Street

London EC2V 7HN

**Auditors**

Deloitte LLP

2 New Street Square

London EC4A 3BZ

**Solicitors**

Farrer & Co

66 Lincoln's Inn Fields

London WC2 3LH

# **The British Olympic Association**

## **Report and financial statements 2009**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

#### **Principal activities**

The British Olympic Association (BOA) is the National Olympic Committee (NOC) for Great Britain, Northern Ireland & UK dependent territories that do not have their own NOC. Its primary role is to select, lead and manage Team GB at both Summer & Winter Olympic Games and all International Olympic Committee (IOC) accredited events such as Youth Games and Youth Festivals. It is also responsible for the development of the Olympic Movement and ideals throughout its territories. The BOA provides services to the 33 Olympic Sports National Governing Bodies who are its members, to help support the development of sports and the ultimate success of their athletes at the Olympic Games.

The BOA does not receive any Exchequer or Lottery funding, rather it relies on commercial sponsorship of its unique brand assets and association with the Olympic Movement, fundraising events and some financial support from the IOC. During the period to the end of December 2012, the BOA has pre-sold the Team GB and the UK Olympic marks brand rights to the London Organising Committee for the Olympic Games (LOCOG), which is a pre-condition by the IOC of a NOC hosting the Olympic Games. In addition to a contracted revenue stream which is made up of both cash and Value in Kind (VIK), the BOA can operate a retained programme of fundraising, events and sponsor activation programmes.

#### **Review of results and activities in 2009 and future prospects**

The results for the year are shown in the profit and loss account on page 7.

The transformation of the BOA continued through 2009, including strategic reviews of the BOA's structure, processes and services. This included a Governance Review which commenced in 2009 with one of the key initial recommendations to establish an Audit Committee and a Remuneration Committee to be created as sub-committees of the Board. These Committees became operational in November 2009.

A major driver in the transformation of the BOA was the necessity to move from the offices in Wandsworth to more modern premises in Central London. The first phase of the property disposal at Wandsworth Plain was completed on 4 November 2009 and the second phase was completed on 25 January 2010. This latter phase included the disposal of the investment property held in Church Row LLP.

In light of the above, the BOA's Head Office moved to Charlotte Street on 12 October 2009, co-locating with the British Paralympic Association (BPA). The property transaction included a favourable rent deal, capital contributions towards the fit out costs and services and items secured for the new office as part of Value In Kind (VIK) agreements or at reduced prices from suppliers.

On 24 August 2009 Team 2012 Ltd was formed to raise funds for the World Class Performance Programme from both the commercial sector and individual donations. As part of the Joint Venture Agreement (JVA) with the BPA, UK Sport and LOCOG, the BOA received £1.25m toward the Olympic Coaching Programme in September 2009. This income will be recognised in the profit and loss account as and when the related expenditure is incurred in 2009 and 2010.

The completion of the Strategic Review of our medical and sports science services saw as a result, the BOA operation at Northwick Park Hospital ceasing on 30<sup>th</sup> September 2009. An agreement was forged with the English Institute for Sport (EIS) and the Intensive Rehabilitation unit of the British Olympic Medical Institute was relocated to Bisham Abbey in Buckinghamshire. A further partnership was formed with University College London (UCL) and University College London Hospital (UCLH) to house the medical consulting rooms and the sports science services provided to athletes at a UCLH property in Central London. A core BOA team was retained to form part of the Olympic Performance Team, which also became fully operational in 2009.

## **The British Olympic Association**

### **Report and financial statements 2009**

In January 2009, the BOA took 120 athletes and 63 officials from 11 sports to compete at the Australian Youth Olympic Festival. A tremendous haul of 26 gold, 16 silver and 26 bronze medals - 68 medals in total, was claimed by Team GB.

In February 2009, a team of 32 athletes between 16-19 years old represented Team GB at the 2009 European Youth Winter Olympic Festival at Slask Beskidy in Poland. Team GB won 1 gold and 1 silver medal in curling.

In July 2009, the BOA took a team of 62 young athletes to the European Youth Olympic Festival in Tampere, Finland where Team GB finished in third place in the medal table with 25 medals, having won 10 gold, 6 silver and 9 bronze medals.

The BOA's main priority with respect to Team GB was the detailed preparation for the Vancouver 2010 Olympic Winter Games, which took place in February 2010 and continued planning for the 2012 London Olympic Games.

#### **Principal risk factors**

The principal risk facing the BOA relates to its ability to raise sufficient funding to meet its objectives as described under 'Principal activities' over and above the contracted revenues due under the Joint Marketing Programme Agreement with LOCOG.

The BOA continues to plan to fund its increased programme of activities in support of Team GB by a number of new fundraising initiatives. These initiatives are subject to the normal commercial risks and uncertainty to which any business is exposed.

Other risks include credit risk and occasional exposure to exchange rate fluctuations. Such risks are monitored and managed on an ongoing basis as appropriate. Complex financial instruments are not used by the BOA.

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the BOA's business and the assets and liabilities contained within the balance sheet, the only financial risks the directors consider relevant are interest rate risk and cash flow risk. Interest rate risk is monitored and managed on an ongoing basis although complex financial instruments are not used. Cash flow risk is mitigated by the listed investments owned by the BOA which could be disposed of if required and the BOA continues to have a positive relationship with its bankers.

#### **Donations**

During the year the company made the following donations:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
21 <sup>st</sup> Century Legacy	-	10,000
British Olympic Foundation	238,532	67,245
	<b>238,532</b>	<b>77,245</b>

The charitable donation to 21<sup>st</sup> Century Legacy was specifically paid out from an amount received from the International Olympic Committee.

# **The British Olympic Association**

## **Report and financial statements 2009**

### **Directors**

The directors of the company who served throughout the year are shown in the list of officers and professional advisers on page 1. The directors who served on the sub-committees of the board are as follows

Audit committee	N de Vos (Chair), R Leman, D Sparkes
Remuneration committee	D Ellis (Chair), M Dawe, D Cranston

### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that

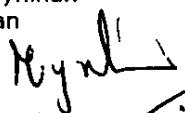
- 1 so far as the director is aware, there is no relevant audit information of which the company's auditors are not aware, and
- 2 the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

Lord Moynihan  
Chairman

Date

  
18/6/10

## **The British Olympic Association**

### **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). 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of The British Olympic Association**

We have audited the financial statements of The British Olympic Association for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes A to D and 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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.



Emma Cox (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

21 June 2010



# The British Olympic Association

## Profit and loss account Year ended 31 December 2009

	Note	2009 £	2008 £
<b>Revenue</b>	1	8,305,039	15,880,201
Cost of sales		(3,993,274)	(10,393,607)
<b>Gross profit</b>		4,311,765	5,486,594
Administrative expenses		(5,399,357)	(5,800,371)
<b>Operating loss</b>		(1,087,592)	(313,777)
Profit/(loss) on sale of investments		4,128	(181,389)
Exceptional income/(costs)	3	1,608,063	(991,972)
Income from other fixed asset investments		62,416	70,015
Interest receivable		10,898	22,553
Interest payable and similar charges	6	(73,339)	(111,867)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	524,574	(1,506,437)
Taxation	7	25,444	(30,457)
<b>Profit/(loss) on ordinary activities after taxation</b>	13	550,018	(1,536,894)

All activities derive from continuing operations.

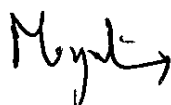
A statement of the movement on reserves is shown in note 13. There are no recognised gains or losses for the financial year or the preceding financial year other than as shown in the profit and loss account, therefore a statement of total recognised gains and losses is not presented.

# The British Olympic Association

## Balance sheet 31 December 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	8	760,772	747,500
Investments	9	1,329,081	2,002,138
		<u>2,089,853</u>	<u>2,749,638</u>
<b>Current assets</b>			
Debtors	10	1,999,907	2,617,479
Cash at bank and in hand		1,267,827	388,201
		<u>3,267,734</u>	<u>3,005,680</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,905,849)</u>	<u>(4,359,270)</u>
<b>Net current assets/(liabilities)</b>		<u>361,885</u>	<u>(1,353,590)</u>
<b>Creditors: amounts falling due after one year</b>	12	<u>(505,672)</u>	<u>-</u>
<b>Net assets</b>		<u>1,946,066</u>	<u>1,396,048</u>
<b>Reserves</b>	13	<u>1,946,066</u>	<u>1,396,048</u>

The financial statements of the British Olympic Association (registered number 1576093) were approved by the Board of Directors on 18/6/2010 and signed on their behalf by Lord Moynihan



Lord Moynihan  
Chairman

# **The British Olympic Association**

## **Cash flow statement Year ended 31 December 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net cash inflow/(outflow) from operating activities (note A)	1,671,108	(401,304)
Net cash flow from exceptional items	(540,264)	(991,972)
Returns on investment and servicing of finance (note C)	(25)	(19,299)
Taxation	(9,859)	-
Capital expenditure and financial investments (note D)	1,716,597	(344,970)
Loan from related party (note 16)	(1,957,931)	1,957,931
	<u>879,626</u>	<u>200,386</u>
Increase in cash	<u>879,626</u>	<u>200,386</u>
<b>Reconciliation of net cash flow to movement in net funds (note B)</b>		
Increase in cash for the year	879,626	200,386
Cash outflow/(inflow) from decrease/(increase) in loans and hire purchase financing	1,218,842	(1,957,931)
	<u>2,098,468</u>	<u>(1,757,545)</u>
Movement in net funds/(debt) in the year	2,098,468	(1,757,545)
Net (debt)/funds at 1 January	(1,569,730)	187,815
	<u>528,738</u>	<u>(1,569,730)</u>
Net funds/(debt) at 31 December	<u>528,738</u>	<u>(1,569,730)</u>

# The British Olympic Association

## Notes to the cash flow statement Year ended 31 December 2009

### A. Reconciliation of operating loss to net cash flow

	2009 £	2008 £
Operating loss	(1,087,592)	(313,777)
Depreciation charges	220,570	185,693
Profit on disposal of fixed assets	(4,016)	(29,721)
Decrease in stocks	-	50
Decrease/(increase) in debtors	1,501,509	(1,015,859)
Increase in creditors	1,040,637	772,310
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,671,108</b>	<b>(401,304)</b>

### B Analysis of changes in net (debt)/funds

	31 December 2008 £	Cash flows movement £	31 December 2009 £
Cash at bank and in hand	388,201	879,626	1,267,827
Loan (from)/to related party (note 16)	(1,957,931)	1,957,931	-
Hire purchase loan	-	(739,089)	(739,089)
<b>Total net (debt)/funds</b>	<b>(1,569,730)</b>	<b>2,098,468</b>	<b>528,738</b>

### C. Returns on investment and servicing of finance

	2009 £	2008 £
Investment income	62,416	70,015
Interest received	10,898	22,553
Interest paid	(73,339)	(111,867)
	<b>(25)</b>	<b>(19,299)</b>

### D. Capital expenditure and financial investment

	2009 £	2008 £
Purchase of tangible fixed assets	(927,675)	(51,173)
Proceeds of disposal of freehold property	2,816,740	-
Increase in investment in associate	-	(292,500)
Proceeds of disposal of other tangible fixed assets	4,359	32,321
Purchase of investments	(180,955)	(783,507)
Proceeds of disposal of investments	4,128	749,889
	<b>1,716,597</b>	<b>(344,970)</b>

# **The British Olympic Association**

## **Notes to the accounts Year ended 31 December 2009**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently in both the current and prior year, are described below.

#### **Accounting convention**

These accounts are prepared under the historical cost convention.

#### **Going concern**

The BOA's business activities, together with the facts likely to affect its future development, performance and position are set out in the business review on page 2. The BOA has available to meet its day to day working capital requirements an overdraft facility which is due for renewal on 30 June 2011. As disclosed in notes 9 and 11, the overdraft facility is secured on the BOA's investment portfolio up to a value of £2m.

The BOA's forecasts and projections, taking account of reasonably possible changes in performance and also taking account of the uncertainty created by the current economic conditions, show that the BOA should be able to operate within the level of its current facility.

Accordingly, the BOA continues to adopt the going concern basis in preparing the annual financial statements.

#### **Revenue**

Revenue is recognised in the period it falls due, according to contracted dates. Typically over a four year cycle, more commercial revenue is contracted in an Olympic Games year.

Income from appeals and donations, members' annual subscriptions, affiliation fees and investments is taken to revenue when received.

License fee income arising from the JMPA with LOCOG and from Team 2012 Limited is recognised on a receivables basis (see note 16).

Revenue in respect of ticketing rights for the period 2013-2020 which has been presold to LOCOG is recognised in the period in which the related cash or VIK is received on the basis that, at that point, there are no further obligations that the BOA is required to meet (see note 16).

#### **Depreciation**

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives, which are considered to be:

Freehold property	- 50 years
Leasehold improvements	- 3-10 years
Office furniture	- 10 years
Equipment	- 3 years
Motor vehicles	- 3 years

#### **Foreign currency**

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange profits and losses arising during the year are dealt with through the profit and loss account.

#### **Pension fund costs**

Employees of the BOA participate in a defined contribution pension scheme. The pension costs represent the contributions payable to the pension scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Investments**

Investments held as fixed assets are stated at cost less provision for impairment.

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 1. Accounting policies (continued)

#### Leases

Where the BOA enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element representing a constant proportion of the capital balance outstanding, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease to the first rent review. As part of the operating lease entered into for the office premises at Charlotte Street, the BOA has received a lease incentive in the form of a capital contribution towards fit out costs. This has been credited against the cost of leasehold improvements within tangible fixed assets.

### 2. Employees and directors

	2009 No.	2008 No.
The average number employed by the BOA was	57	60
The costs incurred in respect of these employees (including directors) were	£	£
Wages and salaries	3,392,768	3,545,193
Social security costs	342,045	367,287
Pension fund costs	248,966	195,794
Other staff costs	216,235	286,681
	<u>4,200,014</u>	<u>4,394,955</u>

Included within the above employment costs are restructuring payments to employees amounting to £93,658 (2008 £623,744).

Directors' emoluments during the year amounted to £36,291 (2008 £12,000) which related to C Moynihan, D Hemery and A Woods. No pension contributions were paid in respect of directors in 2009 (2008 £Nil).

### 3. Exceptional items reported after operating loss

	2009 £	2008 £
Restructuring costs	233,103	948,605
Relocation and fit out costs	243,262	-
Gain on disposal of properties	(2,113,965)	-
Others	29,537	43,367
Total exceptional (income)/costs	<u>(1,608,063)</u>	<u>991,972</u>

The restructuring costs in 2009 relate mostly to the closure of the Olympic Medical Institute at Northwick Park Hospital.

As a result of moving its head offices from Wandsworth to Charlotte Street in October 2009, the BOA generated a profit of £2.1m on the disposal of its freehold properties at Wandsworth Plain and investment in Church Row LLP, and incurred £243,262 on relocation to the new leasehold premises.

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2009 £	2008 £
Auditors' remuneration - audit fees	21,900	18,000
- non-audit services	12,075	5,000
tax services	188,345	43,958
other services	134,058	185,693
Depreciation on owned assets	86,512	-
Depreciation on leased assets	337,679	235,211
Operating leases - land and buildings	27,750	37,000
- other		

### 5. Olympic solidarity grants

During the year, the following Olympic solidarity grants were receivable

	2009 £	2008 £
Olympic scholarships for athletes	161,406	26,326
Team support grants	30,141	-
Olympic Games participation	10,665	615,909
Other	53,799	35,145
	256,011	677,380

### 6. Interest payable and similar charges

	2009 £	2008 £
Interest payable on overdrafts	31,270	111,867
Interest payable on loan from related party	42,069	-
	73,339	111,867

### 7. Taxation

#### (i) Analysis of tax charge on ordinary activities

	2009 £	2008 £
UK corporation tax at 28% (2008 28.5%)	-	(30,457)
Adjustment in respect of prior years	25,444	-
	25,444	(30,457)

#### (ii) Factors Affecting Tax charge for the current year

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the year of 28% (2008: blended rate 28.5%)

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

The differences are explained below

	2009 £	2008 £
Profit/(loss) on ordinary activities before tax	524,574	(1,506,437)
Tax at 28% (2008 28.5%) thereon	(146,881)	429,335
Effects of		
Expenses not deductible for tax purposes	(295,031)	(274,997)
UK dividend income	17,477	19,954
Chargeable gains	591,911	(30,457)
Timing differences not provided for	(285,546)	(474,622)
Non taxable income	116,914	352,026
Profit/(loss) on sale of investments	1,156	(51,696)
Adjustment in respect of prior years	25,444	-
Current tax for year	25,444	(30,457)

### 8. Tangible fixed assets

	Freehold property £	Leasehold improvements £	Office furniture £	Equipment £	Motor vehicles £	Total £
<b>Cost:</b>						
At 1 January 2009	1,143,150	196,733	112,041	1,161,582	27,875	2,641,381
Additions	-	382,575	179,577	365,523	-	927,675
Disposals	(1,143,150)	(196,733)	(113,756)	(677,322)	(20,075)	(2,151,036)
At 31 December 2009	-	382,575	177,862	849,783	7,800	1,418,020
<b>Depreciation:</b>						
At 1 January 2009	496,049	191,971	81,049	1,096,937	27,875	1,893,881
Charge for the year	-	38,257	17,786	164,527	-	220,570
Disposals	(496,049)	(191,971)	(81,049)	(668,059)	(20,075)	(1,457,203)
At 31 December 2009	-	38,257	17,786	593,405	7,800	657,248
<b>Net book value:</b>						
At 31 December 2009	-	344,318	160,076	256,378	-	760,772
At 31 December 2008	647,101	4,762	30,992	64,645	-	747,500

Included within tangible fixed assets are items acquired under a hire purchase agreement with a net book value of £504,814 (2008 £nil). Depreciation during the year on these assets was £86,512 (2008 £nil).

As described in note 1, the BOA received a lease incentive in the form of a capital contribution for fit out costs from the landlord. This contribution amounted to £450,000 and has been credited against the cost of the leasehold improvements.



# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 9. Fixed asset investments

	Listed investments £	Subsidiary undertaking £	Investment in associate £	Total investments £
<b>Cost:</b>				
At 1 January 2009	1,158,276	2	843,860	2,002,136
Additions	170,803	-	10,152	180,955
Disposals	-	-	(854,012)	(854,012)
At 31 December 2009	<u>1,329,079</u>	<u>2</u>	<u>-</u>	<u>1,329,081</u>
<b>Balance sheet value:</b>				
At 31 December 2009	<u>1,329,079</u>	<u>2</u>	<u>-</u>	<u>1,329,081</u>
At 31 December 2008	<u>1,158,276</u>	<u>2</u>	<u>843,860</u>	<u>2,002,138</u>
<b>Market value:</b>				
At 31 December 2009	<u>2,401,359</u>			
At 31 December 2008	<u>1,956,836</u>			

The BOA's overdraft facility is secured on the listed investments portfolio up to a value of £2m

The subsidiary undertaking relates to Team GB Limited, which is wholly owned by the BOA. Team GB Limited is a dormant company and did not trade during the year.

The investment in associate represented a 50% share in Church Row LLP. This partnership was originally set up to purchase a specific property in Wandsworth which was disposed of on 25 January 2010. As the BOA was unconditionally committed to the disposal at the balance sheet date, the disposal has been recognised in 2009.

The BOA has interests in Team 2012 Limited and LOCOG for which there is no associated cost. Neither entity is regarded as an associate under FRS 9 "Associates and joint ventures". Further disclosure in relation to both entities is provided in note 16.

### 10. Debtors

	2009 £	2008 £
Trade debtors	171,723	618,102
Other debtors	26,700	48,576
British Olympic Foundation	23,132	122,644
Prepayments and accrued income	1,773,506	1,828,157
Corporation tax	4,846	-
	<u>1,999,907</u>	<u>2,617,479</u>

### 11. Creditors: amounts falling due within one year

	2009 £	2008 £
Obligations under hire purchase contracts	233,417	-
Trade creditors	279,223	649,423
Corporation tax	-	30,457
Other taxation and social security	118,176	214,410
Loan from related party (note 16)	-	1,957,931
Other creditors	139,724	34,615
Accruals and deferred income	2,135,309	1,472,434
	<u>2,905,849</u>	<u>4,359,270</u>

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 11. Creditors: amounts falling due after one year (continued)

The BOA had an undrawn overdraft facility of £4m (2008 £3m facility of which £381k was being utilised) at the balance sheet date, of which £2m is secured on the investment portfolio (see note 9)

### 12. Creditors: amounts falling due after one year

	2009 £	2008 £
Obligations under a hire purchase contract	505,672	-
	<u>505,672</u>	<u>-</u>
The maturity of obligations under a hire purchase contract is as follows		
	2009 £	2008 £
Within one year	268,258	-
Within two to five years	536,516	-
	<u>804,774</u>	<u>-</u>
Less future finance charges	(65,685)	-
	<u>739,089</u>	<u>-</u>

The hire purchase loan is financing the cost of certain assets purchased as part of the fit out of the new head offices in Charlotte Street. The loans are secured by a fixed charge over the assets to which they relate.

### 13. Reserves

	General reserve £	Development and contingency reserve £	Total £
At 1 January 2009	(603,952)	2,000,000	1,396,048
Profit for the year	<u>550,018</u>	<u>-</u>	<u>550,018</u>
At 31 December 2009	<u>(53,934)</u>	<u>2,000,000</u>	<u>1,946,066</u>

The liability of the members on winding up is limited to £10 per voting member. The number of members at the year-end was 42 (2008 42).

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 14. Operating lease commitments

At 31 December 2009, the company was committed to making the following annual payments in respect of operating leases.

	2009 £	2008 £
<b>Land and buildings</b>		
Leases which expire		
Within one year	22,501	173,106
Within two to five years	-	-
After five years	415,625	-
Total	<u>438,126</u>	<u>173,106</u>

### 15. Pension costs

The BOA contributes 10% of pensionable salary in respect of eligible employees to a defined contribution pension scheme. The BOA's contributions in the year were £248,966 (2008 £195,794) and outstanding contributions as at 31 December 2009 were £21,703 (2008 £12,008).

### 16. Related parties

#### British Olympic Foundation (BOF)

BOF is a registered charity and company limited by guarantee whose main objectives include the promotion and advancement of public education and increase of knowledge in all aspects of the Olympic Movement, sport, sporting activity and other forms of physical education and recreation.

Lord Moynihan is a Trustee and Vice-Chairman of BOF and a director of the BOA. Two employees of the BOA are seconded on a full time basis to BOF. The accountant to BOF is also employed by the BOA. All appointments to the board of Trustees of BOF must be approved by the BOA.

Rent of £27,750 (2008 £37,000) was paid during the year on a property at Wandsworth owned by BOF and was payable by the BOA as tenants of the property.

Following the relocation of both the BOA and BOF from Wandsworth to Charlotte Street, BOF pays the BOA a license fee to occupy the premises of £13,000 per annum and service charges of £3,000 per annum. During the year, £3,356 was receivable from BOF to the BOA under this arrangement.

As at 31 December 2009 there was a balance due from BOF to the BOA of £23,133 (2008 £122,644).

At 31 December 2009, a donation of £238,532 (2008 £67,245) was made to BOF in settlement of the amount due from BOF. This included the balance due as at 31 December 2008 of £122,644.

#### London Organising Committee for the Olympic and Paralympic Games (LOCOG)

The BOA, by virtue of being one of the three key stakeholders in the London 2012 Organising Committee, is a member of LOCOG, a company limited by guarantee. Lord Moynihan and Sir Craig Reedie are directors of both the BOA and LOCOG. Andrew Hunt is the Chief Executive of the BOA and a director of LOCOG.

In July 2009, a loan from LOCOG of £1,957,931 advanced in December 2008 was repaid in full together with interest of £42,069.

During the year the BOA received or was due, in respect of 2009, £3,041,679 (2008: £5,055,000) from sponsors and LOCOG in connection with the Joint Marketing Programme Agreement (JMPA).

# The British Olympic Association

## Notes to the accounts Year ended 31 December 2009

### 16. Related parties (continued)

During the year, the BOA sold to LOCOG its rights to sell tickets to future Olympic Games in the period 2013-2020 for US\$4.5m, of which US\$2.5m was received during the year and US\$2m was received in February 2010. As there were no obligations attached to the BOA, this income was recognised in the period in which the cash was received.

At the year-end there was an amount owed to the BOA by LOCOG of £nil (2008 £1,664,055)

#### Team 2012 Limited

The BOA, LOCOG, UK Sport and the British Paralympic Association have created a joint venture arrangement during the year called Team 2012 Limited. This is a company limited by guarantee whose main purpose is to raise funds in support of the UK's high performance ambitions for London 2012. Team 2012 Limited is owned in equal parts by the joint venture parties and each party has appointed two directors to its board. The BOA has appointed Andrew Hunt (Chief Executive of the BOA) and Hugh Chambers (Chief Commercial Officer of the BOA) as its directors of Team 2012 Limited.

During the year, license fee income of £944,271 and management fee income of £50,000 was receivable from Team 2012 Limited. A further £720,468 was received from Team 2012 Limited during the year for development of the British Olympic Coaching Programme which has been deferred to be recognised in future periods.

At the year-end, there was an amount owed to the BOA by Team 2012 Limited of £96,313.

Team 2012 Limited's first accounting period runs to 31 March 2010.

#### Other related parties

During the year the following transactions have taken place with directors or businesses in which directors had an interest.

Payment for an amount of £nil (2008 £10,000) was donated to 21<sup>st</sup> Century Legacy, of which one of the directors is a trustee.

As at 31 December 2009, one director was owed a total of £691 representing reimbursement for expenses incurred in 2009 (2008 £23,543).

### 17. Deferred tax

A deferred tax asset has not been recognised in respect of timing differences relating to losses as there is insufficient evidence that the asset will be recovered. The amount of the Schedule D VI losses not recognised is £7.3m (2008 £6.3m).

### 18. Subsequent events

As described in note 9, the disposal of the property owned by Church Row LLP (in which the BOA has a 50% interest) completed on 25 January 2010. The disposal proceeds were distributed to the partners on 31 March 2010 and Church Row LLP is in the process of being dissolved.

On 5 February 2010, a member of the BOA, The British Ski and Snowboard Federation Limited (BSSF), went into administration. In order to facilitate an orderly transition to a new governing structure and to allow FIS-registered skiers and snowboarders to continue competing in events, the BOA has activated its wholly owned but previously dormant subsidiary, Team GB Ltd, to begin acting as the UK's ski and snowsports national governing body on a short term basis.

Other than providing head office support, there is no financial investment by the BOA in Team GB Limited, and the BOA will not incur any liabilities or enter into any guarantees on behalf of Team GB Limited. Following a consultation exercise which is expected to be complete by the end of 2010, it is anticipated that the activities of Team GB Limited will be transferred to a new and independent governing body, after which Team GB Limited will once again become dormant.