

**Company Registration No. 1576093**

**The British Olympic Association**

(Limited by Guarantee)

**Report and Financial Statements**

**31 December 2015**

WEDNESDAY



\*L5G0C0YP\*

LD6

21/09/2016

#5

COMPANIES HOUSE

**The British Olympic Association**  
**Report and financial statements 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>3</b>
<b>Directors' report</b>	<b>7</b>
<b>Directors' responsibilities statement</b>	<b>11</b>
<b>Independent auditor's report</b>	<b>12</b>
<b>Statement of comprehensive income</b>	<b>14</b>
<b>Statement of financial position</b>	<b>15</b>
<b>Statement of changes in equity</b>	<b>16</b>
<b>Statement of cash flows</b>	<b>17</b>
<b>Notes to the accounts</b>	<b>18</b>

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Officers and professional advisers**

#### **Patron**

Her Majesty The Queen

#### **President**

Her Royal Highness The Princess Royal

#### **Chairman**

Lord Coe CH KBE

#### **Vice Chairman**

D Hemery CBE (resigned 20 October 2015)

Sir Hugh Robertson KCMG (appointed 20 October 2015)

#### **Chief Executive Officer**

W Sweeney

#### **Other Directors**

A Anson

H Chalmers

S Clegg CBE

Sir Philip L Craven MBE

B Hawes

I Howard TD (appointed 20 October 2015)

R Leman

T Miller OBE

A Pengilly

A Phelps CBE (appointed 20 October 2015)

Sir Craig Reedie CBE

D Ross

D Sparkes OBE (resigned 20 October 2015)

S Treseder

N de Vos (resigned 20 October 2015)

#### **Company Secretary**

S Uddin

#### **Main bankers**

Lloyds Bank plc  
25 Gresham Street  
London EC2V 7HN

#### **Auditor**

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Officers and professional advisers continued**

#### **Solicitors**

Farrer & Co.  
66 Lincoln's Inn Fields  
London WC2 3LH

#### **Headquarters and registered office**

60 Charlotte Street  
London W1T 2NU

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Strategic report**

The directors, in compiling this strategic report, have complied with s414C of Companies Act 2006.

#### **Principal activities**

The British Olympic Association ('BOA' and/or the 'Company') is the National Olympic Committee (NOC) for Great Britain, Northern Ireland & UK dependent territories that do not have their own NOC.

The BOA provides services to the National Governing Bodies of Olympic Sports who are its members, to help support the development of their sports and the ultimate success of their athletes at the Games.

The Company's primary role is to:

- select, lead and manage Team GB at both Olympic and Olympic Winter Games and all International Olympic Committee (IOC) and European Olympic Committees (EOC) accredited events such as Youth Games, Youth Festivals, and the European Games (together the 'Games'); and
- develop the Olympic Movement and promote the principles and values of Olympism in its territory.

The BOA relies principally on commercial sponsorship of its unique brand assets, association with the Olympic Movement, fundraising events and some financial support from the IOC to finance these activities.

#### **Games review**

The BOA supported Team GB at three Games in 2015 and is well advanced with operational planning for the Rio 2016 Olympic Games and the major Games in the 2017-2020 quadrennium.

##### **Baku 2015 European Games**

A total of 163 athletes represented Team GB at the inaugural European Games in Baku in June, competing in 14 sports, 20 disciplines. Team GB finished third in the medal table with an excellent 47 medals (18 gold, 10 silver, and 19 bronze). Olympic Champion Nicola Adams was selected as the Team GB Flagbearer for the Opening Ceremony, whilst teammate Joe Joyce carried the flag at the Closing Ceremony.

Baku was also a success for Team GB across its digital platforms, beating Sochi's Facebook reach by over one million impressions. The team were able to generate 6.2 million views across Facebook and Twitter, along with 40,000 new fans.

Team GB generated over 195 pieces of coverage across online, national and regional media, along with 200 individual broadcast hits across the BBC which had an audience reach of three million.

##### **2015 European Youth Olympic Festivals**

In January, two-time Olympic Sailing Champion Sarah Gosling (née Webb) was Chef de Mission, leading a 15 strong Team GB to compete in the European Youth Olympic Winter Festival in Vorarlberg, Austria. They competed across four sports: alpine skiing, cross country skiing, figure skating and snowboarding.

In July, Team GB participated in the European Youth Olympic Festival in Tbilisi, Georgia. Competing in five of the nine sports on the programme, the 44 strong squad returned home with an impressive 20 medals; four gold, eight silver and eight bronze. Modern Pentathlon Olympic silver medallist Heather Fell was Chef de Mission.

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Lillehammer 2016 Winter Youth Olympic Games**

During the year, preparations were made in conjunction with the BOA's charitable arm, the British Olympic Foundation (BOF), to support 16 members of Team GB in the Winter Youth Olympic Games, which took place after year-end in February 2016. Team GB competed in seven of the 15 sports disciplines and were able to bring back five medals; two gold, one silver and two bronze.

### **Rio 2016 Summer Games**

Preparations for Rio 2016 continue apace with a programme of key sports announcements and milestones planned to build anticipation ahead of the Games. Eight members of the Team GB sailing team were the first athletes selected for the Rio 2016 Olympic Games in September with four canoe slalom and six shooting athletes also named before the end of the year. At the date of approving this report, Team GB has secured 266 quota places for Rio and are well on the way to the circa 350 anticipated.

The Company's preparations are supported by Deloitte, as official professional services partner, who are playing a key role in delivering the project management programme.

The Rio Ready programme and Nearest and Dearest roadshows are firmly underway as part of the BOA's world class programme of preparation and support for the athletes and their friends and family.

### **Tokyo 2020 Summer Games**

After the year end, the BOA signed a Memorandum of Understanding (MOU) with the Japanese Olympic Committee, Yokohama City Government, Kawasaki City Government and Keio University as part of its preparation and planning for the Tokyo 2020 Olympic Games. The MOU provides access and introduction to facilities including the Yokohama International Swimming Pool, sports facilities of Keio Hiyoshi Campus and Todoroki Athletic Stadium in the city of Kawasaki for use as part of the pre-Games training strategy.

In addition, after the year-end, the BOA signed an MOU with Gifu Prefecture (GP) in support of its preparation for the 2020 Olympic Games. The BOA entered into the MOU to gain the support of GP in securing specific altitude performance facilities within the Prefecture.

## **Business review**

The BOA enjoyed a strong 2015 with commercial activity backing up sporting performance to complete a memorable year. The Company is on track to secure the circa £42m funding required over the quadrennium to deliver its objectives and the combination of this healthy commercial activity and the continued focus on controlling costs enabled the BOA to produce one of the most successful financial results in its history, with turnover of £10.1m (2014: £6.6m), profit of £1.2m (2014: loss of £0.7m) and a cash balance of £1.6m (2014: £0.5m).

This provides the BOA with a sound financial base to build upon and the ability to project profitability over the four year cycle, despite the very significant costs of preparing for and taking Team GB to Rio in 2016.

During the year, the BOA extended its partnership with adidas through to 2024, continuing the long-standing sponsorship and licensing relationship. Existing partners DFS, Fitness First and Nissan were also committed participants in 2015 being involved with various activations. In April, Aldi became the BOA's first-ever official supermarket partner. Aldi have worked with the BOA to deliver key initiatives including Get Set to Eat Fresh part of the organisation's youth engagement programme and Homegrown Heroes, an initiative to connect local athletes with their local community. Ocean Outdoor signed up to be Team GB's official outdoor media supplier, creating an additional platform to promote the Rio 2016 campaign, Bring On The Great, as well as Team GB merchandise and our joint marketing campaigns with our sponsors. Leading dairy brand Müller joined the BOA family in September, and as one aspect of the partnership, they will be giving consumers the chance to win Team GB experiences in the build-up to the Rio 2016 Olympics, with on-pack promotions across their portfolio of brands. During the Games, Müller are also sponsoring the nationwide Team GB FanZones. Breakfast and snacks giant Kellogg's joined the BOA's commercial portfolio in October 2015, followed by British Airways at the end of the year. The BOA also signed an activation deal in October 2015 with Swisse, a new P&G multivitamin brand, to promote their association with Team GB on website and social channels, taking place in the period between March and September 2016.

# The British Olympic Association

## Report and financial statements 2015

Since the turn of the year, Strongbow have signed up as the BOA's official Cider partner and they will also be an official supporter of the Team GB Clubhouse in London. In addition to their support of the Team GB Preparation Camp in Belo Horizonte, the National Lottery have become an official partner of the Team GB FanZones. The Company now has a strong portfolio of official partners and suppliers to support activations and marketing activity in preparation for Rio 2016.

### *Official Partners:*

adidas	Aldi	BP	Deloitte	DFS
Fitness First	Kellogg's	Müller	Nissan	Strongbow
The National Lottery				

### *Official Suppliers:*

British Airways	Jet Set Sports	Krow	Ocean Outdoor	Simon Jersey
-----------------	----------------	------	---------------	--------------

To deliver its merchandising programme, the BOA signed up 12 new licensees in 2015 and a further two in 2016 bringing the organisation's total to 18 at the time of approving these accounts, including Kitbag who were appointed as the BOA's e-commerce partner with the online shop launched in February 2016.

## Other highlights

Get Set, the BOA's youth engagement programme, delivered by the British Olympic Foundation working in partnership with sponsors and other stakeholders, continues to thrive. In the last year nearly four million young people have been reached by the initiative through the participation of 25,115 schools. In particular, over 25,000 hours of endeavour were recorded across 392 activities on the Road to Rio app, with participants travelling a total of 27,258,326 virtual km.

The BOA continues to administer the Athlete Medical Scheme, on behalf of UK Sport, for 1,400 current and future Olympians and Paralympians. The scheme gives nominated athletes access to private health care.

In 2015, the BOA Passport Scheme was relaunched as the Team GB Gold Club. Approximately 1,550 current and future Olympians and 440 Paralympians have benefited from the Gold Club which offers exclusive benefits and discounts to athletes. Examples of benefits include free access to local and national sport centres and discounts on sponsor products.

The Athlete Services team also created a Facebook group for the Gold Club members to stay up-to-date on offers. In addition, in April 2016 the BOA launched a new digital Athlete and Partner Hub with the intention of presenting information about athlete-focused programmes and promoting appearance opportunities for athletes, consistent with one of its objectives of being athlete-centric.

The BOA's Athletes' Commission, a Committee of the BOA Board, continues to bring the perspective and expertise of athletes to the many initiatives and programmes operated by the BOA. The Commission ensures that the athletes' voice is at the heart of everything the BOA does. The Commission held six meetings in 2015 with new Chair Ben Hawes, as well as four newly elected members. Three Athletes' Commission members were selected for Chef de Mission roles at youth events, with Sarah Gosling and Heather Fell elected for the European Youth Olympic Festivals in 2015 and Adam Pengilly taking up the post for the Lillehammer 2016 Winter Youth Olympic Games.

The re-branded 2015 Team GB Ball was hosted at the Royal Opera House by double Olympic gold medallist Victoria Pendleton. The Ball was supported by BP, Nissan and Aldi, with Aldi also supplying the food and drinks. The first selected athletes (sailors) for Rio 2016 were introduced to the guests and they were joined by a number of other Olympians, including Tom Daley, Beth Tweddle, Sir Ben Ainslie and Sir Steve Redgrave, to celebrate the countdown to the Rio 2016 Olympic Games.

# The British Olympic Association

## Report and financial statements 2015

### Future developments

During the year the Company embarked on a review of its strategy through to 2024, with the objective of being able to conclude the strategic plan for the next two quadrenniums ahead of the Rio 2016 Olympic Games.

The review developed the key strategic objectives which have previously been established for the BOA and considered the impact of the IOC's *Agenda 2020* and DCMS' *Sporting Futures: A New Strategy for an Active Nation* on the direction of the BOA.

As a result of the review, the medium to long-term strategic priorities of the BOA have been established as:

- Enabling performance success for Team GB
- Engagement with the Team GB Brand
- Respected thought leader and effective independent voice in sport
- Role model for independence, integrity and promotion of the Olympic Values

Aligned with these key strategic priorities, the major objectives for 2016 are:

- Preparing for and taking the best possible Team GB to represent the nation at the Rio 2016 Olympic Games.
- Promoting, upholding and developing the Olympic Values and Movement across the nation, particularly by educating young people through the Get Set programme.
- Maintaining and developing the relationships established with key stakeholders.
- Managing a financially sustainable business, by continuing to develop commercial opportunities and maintaining tight control over expenditure.

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



Lord Coe  
Chairman

Date 27 April 2016



# The British Olympic Association

## Report and financial statements 2015

### Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

### Results

The result for the year was a profit after taxation of £1,193,254 (2014: loss of £667,818).

The financial results for the year are shown in the statement of comprehensive income on page 15.

A review of the business is provided in the strategic report.

### Directors

The directors of the Company who served throughout the year, except as noted, are shown in the list of officers and professional advisers on page 1.

The members who served on the sub-committees of the Board during the year are as follows:

Audit committee	Directors: D Ross (Chair), A Anson, R Leman (resigned 20 October 2015), D Sparkes OBE, (resigned 20 October 2015), S Treseder (appointed 20 October 2015), N de Vos (resigned 20 October 2015) Independent member: D Cox (appointed 20 October 2015)
Remuneration committee	Directors: T Miller OBE (Chair), R Leman Independent members: D Ellis, R Parnell (appointed 28 July 2015)
Athletes' Commission	Directors: B Hawes (Chair), A Pengilly Athletes' representatives: E Boateng, J Cracknell, J Eley, H Fell, S Gosling, K Grainger, C Hamilton, C Malcolm, K Richardson-Walsh, N Robertson, G Sayers, L Taylor

### Directors' indemnity provision

The Company has taken out insurance in respect of claims against directors arising from the undertaking of their duties as directors of this company.

### Donations

During the year the Company made the following charitable donations:

	2015 £	2014 £
British Olympic Foundation	53,033	65,249

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Financial risk management objectives and policies**

The Company uses financial instruments including a bank credit facility, cash and various other financial assets and financial liabilities, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below.

The main risks arising from the Company's financial instruments are currency risk, interest rate risk, price risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised as follows.

#### **1. Currency risk**

The Company receives a portion of its revenues and incurs a portion of its costs in foreign currencies. The Company has established a policy of hedging to protect against exchange rate fluctuations and to provide the Company with increased certainty over its likely Sterling revenue and expense. The Company has entered into foreign currency derivative financial instruments to execute this policy.

#### **2. Interest rate risk**

The Company finances its operations through a combination of retained profits and bank borrowings. The Company's exposure to interest rate fluctuations on its borrowings is small compared to its overall operations. The directors do not consider it necessary to manage the risk through the use of financial instruments, but keep the position under review.

#### **3. Price risk**

The Company maintains a portfolio of listed investments, which is subject to risk from changes in market valuation. This risk is mitigated by utilising a regulated and expert portfolio management company to manage the risk on the BOA's behalf. During the year, the Company has established an Investment Committee comprised of members of the Board and management to provide oversight over the investment portfolio. The investment principles were reviewed by the Investment Committee with the portfolio management company, resulting in an amended Investment Policy which was approved by the Board in January 2016.

#### **4. Liquidity risk**

The principal liquidity risk facing the Company relates to its ability to raise sufficient funding to fully meet its objectives as described under 'Principal activities'.

The BOA continues to fund its programme of activities in support of Team GB and the Olympic Movement through a number of revenue initiatives and is on track to secure the circa £42m funding required over the quadrennium. The BOA manages the expenditure element of this cash flow risk through rigorous internal cost controls and pro-active cash flow management.

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through a bank credit facility. At the end of the financial year, the Company had access to undrawn facilities totalling £3,563,758, comprised of cash at bank and in hand of £1,563,758 and a credit facility of £2m, which was renewed in March 2016, through until March 2017. In addition, the Company has put in place contingency plans to deal with a shortfall in funding should the situation arise.

# **The British Olympic Association**

## **Report and financial statements 2015**

### **5. Credit risk**

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited, as the counterparty has a high credit rating. The principal credit risk arises, therefore, from its trade debtors.

In order to manage credit risk, the Company assesses customers based on a due diligence process including third party credit references. Outstanding balances are reviewed on a regular basis in conjunction with debt ageing and collection history. The directors recognise that there is an elevated risk of bad debts to the business in the current economic climate. The Company provided £16,997 in relation to bad and doubtful debts in the financial year being reported.

### **Strategic and operational risk management**

The BOA maintains a risk register which captures strategic risks and operational risks for both business-as-usual and Games related activities. The strategic risks and mitigating actions are reviewed quarterly by the senior leadership team. The business-as-usual and Games related operational risks are reviewed monthly by the management team and the project area leads respectively. The key operational risks are escalated internally as appropriate, to ensure that appropriate actions have been taken to manage those risks. Risks identified as being likely to cause a material impact on BOA operations are escalated immediately to the Audit Committee. Management report quarterly to the Audit Committee commenting on the key risks identified and providing the risk register for full review.

### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

### **Auditor**

The auditor, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Corporate governance**

The Board of directors, so far as is practicable and to the extent appropriate, continues to apply the principles of good corporate governance.

The Board holds regular meetings and is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of expenditure and key performance indicators. The Company's financial key performance indicators include revenue, costs, operating profit, cash flow, borrowings and total contracted and pipeline revenues.

# The British Olympic Association

## Report and financial statements 2015

The Board has established three committees to deal with specific aspects of the Company's affairs.

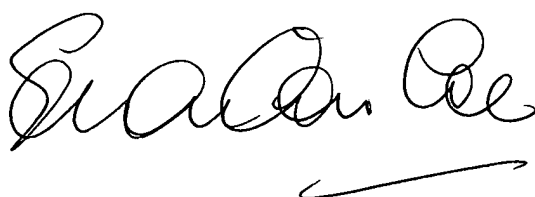
1. Audit Committee has the responsibility to support and add value in the areas of, amongst other things, Governance, Strategy, Finance and Risk Mitigation. The Committee monitors the integrity of the financial statements of the Company, including its annual reports and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain. The Committee monitors the adequacy and effectiveness of the Company's approach to risk management, keeping under review the Company's overall risk assessment systems and processes and its risk register. The Committee also oversees the relationship with the external auditor.
2. Remuneration Committee will determine and agree, in conjunction with the Board, the framework and policy behind the remuneration of the Company's management and staff to include an ongoing review of the appropriateness of the remuneration policy, review of staffing structure and headcount, approval of any performance-related pay schemes, and total annual payments made pursuant to such schemes.
3. Athletes' Commission has the responsibility to:
  - ensure that every decision taken by the Company is informed by the Olympic athletes' perspective and that the interests of the athletes are part of the DNA of the Company.
  - advise the Board and executive management on all matters relating to Olympic operations, performance and policy from the perspective of Olympic athletes.
  - represent agreed policy concerning athletes' interests within the Olympic Family and other forums, as approved by the Board.
  - help the Company ensure that a suitable and effective range of services exists to support athletes' lives during and beyond competitive sport.
  - as requested by the Board, choose individual members of the Commission to represent the views of the British Olympic athlete in Olympic Family forums as required.

The committee chairmen report regularly to the Board on matters pertaining to those committees.

The directors acknowledge that they are responsible for the Company's system of internal control and consider that the maintenance of effective internal controls is of fundamental importance to achieving the Company's objectives. The Company's system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company ensures that all transactions and commitments to pay or receive value are subject to appropriate review and approval, including scrutiny of all significant transactions by a sub-group of the Audit Committee.

The Company has formed two main management bodies to carry out the Company's activities: the senior leadership team, which has responsibility for recommending strategies to be approved by the Board and overseeing their implementation; and the management team, which is responsible for the operational execution of the agreed strategies.

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



Lord Coe  
Chairman

Date 27 April 2016

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The UK Companies Act 2006 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 that 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Independent auditor's 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 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and related notes 1 to 22. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2015 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 matters prescribed by the Companies Act 2006**

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

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Independent auditor's report to the members of The British Olympic Association (continued)**

#### **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.



Thomas Ward (Senior Statutory Auditor)  
for and on behalf of Moore Stephens LLP – Statutory Auditor,  
Chartered Accountants, London, United Kingdom

Date 28 April 2016

# The British Olympic Association

## Report and financial statements 2015

### Statement of Comprehensive Income For the year ended 31 December 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	3	<b>10,074,872</b>	<b>6,589,499</b>
Cost of sales		(2,472,185)	(2,009,958)
<b>Gross profit</b>		<b>7,602,687</b>	<b>4,579,541</b>
Administrative expenses		(6,496,212)	(5,442,360)
Income from liquidation of joint venture		-	2,303
Income from fixed asset investments		27,045	124,664
Dividend income from equity instruments		70,571	72,951
<b>Profit / (loss) before interest</b>		<b>1,204,091</b>	<b>(662,901)</b>
Interest receivable and similar income		311	98
Interest payable and similar charges	8	(9,881)	(10,952)
<b>Profit / (loss) before taxation</b>	6	<b>1,194,521</b>	<b>(673,755)</b>
Taxation	9	(1,267)	5,937
<b>Profit / (loss) after taxation</b>	16	<b>1,193,254</b>	<b>(667,818)</b>

All activities derive from continuing operations.



# The British Olympic Association

## Report and financial statements 2015

### Statement of Financial Position

As at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Property, plant & equipment	10	412,656	291,353
Investments: Financial assets measured at fair value through profit or loss	12	3,597,292	3,421,280
Other Financial Assets	13	23,164	-
<b>Total fixed assets</b>		<b>4,033,112</b>	<b>3,712,633</b>
<b>Current assets</b>			
Debtors	14	3,487,228	1,743,329
Other financial assets	13	29,185	-
Cash at bank and in hand		1,563,758	527,449
<b>Total current assets</b>		<b>5,080,171</b>	<b>2,270,778</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(4,700,775)</b>	<b>(2,779,124)</b>
<b>Net current assets / (liabilities)</b>		<b>379,396</b>	<b>(508,346)</b>
<b>Total assets less current liabilities</b>		<b>4,412,508</b>	<b>3,204,287</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(23,164)</b>	<b>-</b>
<b>Provisions for liabilities</b>	19	<b>(302,603)</b>	<b>(310,800)</b>
<b>Net Assets</b>		<b>4,086,741</b>	<b>2,893,487</b>
<b>Reserves</b>	16	<b>4,086,741</b>	<b>2,893,487</b>

The financial statements of the British Olympic Association (registered number 1576093) were approved and authorised for issue by the Board of Directors on 27 April 2016 and signed on their behalf by Lord Coe.



Lord Coe  
Chairman

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Statement of Changes in Equity For the year ended 31 December 2015**

	Profit and loss account £	Total Equity £
<b>At 1 January 2014</b>	<b>3,561,305</b>	<b>3,561,305</b>
Loss for the year	(667,818)	(667,818)
<b>As at 31 December 2014</b>	<b>2,893,487</b>	<b>2,893,487</b>
Profit for the year	1,193,254	1,193,254
<b>As at 31 December 2015</b>	<b>4,086,741</b>	<b>4,086,741</b>

# The British Olympic Association

## Report and financial statements 2015

### Statement of Cash Flows Year ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit / (loss) before interest	1,204,091	(662,901)
Depreciation charges	173,104	185,788
Income from liquidation of joint venture	-	(2,303)
Income from fixed asset investments	(27,045)	(124,664)
Dividend income from equity instruments	(70,571)	(72,951)
Interest paid	(9,881)	(10,952)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(1,796,249)	(661,735)
Increase/(decrease) in trade and other payables	1,953,241	1,491,705
<b>Net cash generated from operating activities</b>	<b>1,426,690</b>	<b>141,987</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(294,407)	(20,309)
Purchases of financial assets	(281,601)	(215,538)
Proceeds from sale of financial assets	132,634	317,116
Interest received	311	98
Dividends received	70,571	72,951
Income from liquidation of Team 2012	-	2,303
Tax paid	(17,888)	(24,153)
<b>Net cash from investing activities</b>	<b>(390,380)</b>	<b>132,468</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>1,036,309</b>	<b>274,455</b>
<b>Cash, cash equivalents and bank overdrafts at beginning of the year</b>	<b>527,449</b>	<b>252,994</b>
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>	<b>1,563,758</b>	<b>527,449</b>

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Notes to the accounts**

#### **Year ended 31 December 2015**

##### **1. General information**

The Company is a United Kingdom company with no share capital but limited by a guarantee from each member up to a maximum of £10 per member. It is incorporated and domiciled in England and Wales. Its registered office is at 60 Charlotte Street, London W1T 2NU.

The British Olympic Association ('BOA' and/or the 'Company') 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 all International Olympic Committee (IOC) and European Olympic Committees (EOC) accredited events. It is also responsible for the development of the Olympic Movement and ideals throughout its territory. The BOA provides services to the National Governing Bodies of Olympic Sports who are its members, to help support the development of their sports and the ultimate success of their athletes at the Games.

The financial statements are presented in Pounds Sterling (£), the Company's functional currency.

##### **2. Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to below as 'previous UK GAAP'. The financial effects of the transition to FRS 102 are set out at note 22.

The effective date of FRS 102 is accounting periods beginning on or after 1 January 2015.

The particular accounting policies adopted are described below.

The Company is exempt from the obligation to prepare and deliver group accounts on the grounds that its sole subsidiary, Team GB Limited, is immaterial under Schedule 4 to the Accounting Regulations.

These accounts are prepared under the historical cost convention, except for the revaluation of certain financial assets and liabilities.

##### **3. Principal accounting policies**

###### **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 Strategic Report on page 3. The BOA has available a £2m bank credit facility, to meet its day to day working capital requirements, which was renewed in March 2016 through until March 2017. As disclosed in notes 12 and 15, this credit facility is secured on the BOA's investment portfolio.

Since 1 January 2016 the BOA has successfully concluded a new sponsorship deal and is in negotiations with several others. As a result, the Company's forecasts and projections, after making reasonable provision for possible changes in performance and also taking account of uncertainty, show that it is expected 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.

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Notes to the accounts**

#### **Year ended 31 December 2015**

##### **3. Principal Accounting policies (continued)**

###### **Revenue**

Revenue received from sponsorship income in the form of cash is recognised on a straight-line basis over the life of the relevant contractual term. The specified period of time over which the related services are performed is the sponsorship term, as set out in each individual contract. Whilst the supply of certain rights and performance obligations of the Company are weighted towards the Olympic and Olympic Winter Games, the benefit that the sponsor receives from its association with the Company is spread evenly over the contract term.

Revenue received from sponsorship in the form of Value in Kind (VIK) is recognised on a straight-line basis over the life of the relevant contractual term. Where the VIK is directly related to the supply of goods or services linked to an event, income is recognised at the date of supply of those goods or services.

Income from fundraising, donations, members' annual subscriptions, affiliation fees and investments is taken to revenue when entitlement exists and amounts receivable can be estimated with reasonable accuracy.

###### **Depreciation**

Fixed assets are recorded at cost less accumulated depreciation. Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives, which are considered to be:

Leasehold improvements	- over the remaining lifetime of the lease
Office furniture	- 10 years
Equipment	- 3 years

###### **Foreign currency**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. 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 are able to 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 statement of financial position.

###### **Investments**

Investments in listed securities are classified as basic financial instruments, and are measured at fair value at the end of the reporting period, with the resulting changes recognised in profit or loss. Where their fair value cannot be reliably measured, they are recognised at cost less impairment.

# **The British Olympic Association**

## **Report and financial statements 2015**

### **Notes to the accounts**

#### **Year ended 31 December 2015**

##### **3. Principal 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 income statement, 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 income statement on a straight line basis over the period of the lease.

###### **Financial assets and liabilities**

###### *General*

Financial instruments are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below.

###### *Classification*

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

###### *Derecognition*

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

###### **Derivative financial instruments and hedging activities**

The Company uses derivative financial instruments to manage exposures to foreign currency risks, including exposures arising from unrecognised committed future transactions.

Derivative financial instruments are classified as other financial instruments.

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 3. Principal Accounting policies (continued)

###### *Hedging*

The Company uses derivative financial instruments to provide a fair value hedge.

This instrument hedges the exposure to changes in fair value of a recognised or unrecognised asset or liability.

The gain or loss on the hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item related to the hedged risk is recognised in profit or loss and as an adjustment to the carrying amount. This treatment is discontinued if the hedging instrument expires or is sold, terminated or exercised, once the company has elected to *discontinue and has documented that decision or the hedge no longer meets the criteria for hedge accounting*. Any gains or losses recognised as adjustments to the carrying amount of the asset or liability are amortised into profit or loss using the effective interest method if the asset or liability is a financial instrument carried at amortised cost.

###### **Transition to FRS 102**

These financial statements for the year ended 31 December 2015 are the Company's first financial statements that comply with FRS 102. The Company's date of transition to FRS 102 is 1 January 2014. The Company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014.

The transition to FRS 102 has resulted in changes to the entity's accounting policies compared to those used when applying previous UK GAAP, as follows:

Investments in listed securities are classified as basic financial instruments, and are measured at fair value at the end of the reporting period, with the resulting changes recognised in profit or loss. Under previous UK GAAP the investments were stated at cost less provision for impairment.

Derivative financial instruments are classified as other financial instruments, and are measured at fair value at the end of the reporting period, with the resulting changes recognised in profit or loss. Under previous UK GAAP the derivative financial instruments were not recognised in the financial statements.

The Company has adopted hedge accounting where the derivative financial instrument and hedged item meet the specified criteria. Under previous UK GAAP hedge accounting was not applied.

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 4. Significant judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

##### **Critical judgements in applying the Company's policies:**

In applying the Company's revenue recognition policy for sponsorship income, management has made the judgement that sponsors will fulfil their obligations to the BOA in terms of both cash and value-in-kind consideration which may be receivable at a future date. This is believed to be reasonable given the Company's good relationships with, and the sound financial standing of those sponsors.

##### **Critical accounting estimates and assumptions:**

There are no accounting estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### 5. Employees and directors

	2015 No.	2014 No.
The average number employed by the BOA was:	45	42
The costs incurred in respect of these employees (including directors) were:		
	£	£
Wages and salaries	3,017,889	2,275,687
Social security costs	365,478	291,271
Pension fund costs	245,100	210,013
Other staff costs	174,781	112,797
	3,803,248	2,889,768

Directors' emoluments during the year amounted to £284,593 (2014: £211,661). Directors' pension contributions were £17,763 (2014: £16,041). The highest paid director received £279,418 by way of remuneration during the year (2014: £185,657) and pension contributions of £17,763 (2014: £16,041).

The aggregate emoluments of key management staff amounted to £279,418 (2014: £185,657).



# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 6. Profit / (loss) before taxation

Profit / (loss) before taxation is stated after charging/(crediting):

	2015 £	2014 £
Foreign exchange loss / (gain)	66,390	(39,596)
Depreciation on owned assets	173,104	185,788
Operating leases	691,918	535,747

The analysis of auditor's remuneration is as follows:

Fees payable to the Company's auditor for the audit of the Company's annual accounts	17,500	17,500
--	--------	--------

Total audit fees	17,500	17,500
------------------	--------	--------

Fees payable to the Company's auditor for other services to the company

Tax services	5,000	3,000
Other services	3,000	-

Total non-audit fees	8,000	3,000
----------------------	-------	-------

##### 7. Olympic solidarity grants

During the year, the following grants were receivable from Olympic Solidarity:

	2015 £	2014 £
Scholarship grants for athletes – Sochi Games	75,724	139,494
Team Support Grants-EOC NOC activities	60,098	62,144
NOC administration and development	26,628	24,133
Olympic Games subsidies – Sochi	-	84,308
Olympic Games subsidies – Rio	3,256	10,132
	165,706	320,211

##### 8. Interest payable and similar charges

	2015 £	2014 £
Interest payable on overdrafts	9,881	10,952
	9,881	10,952

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

#### 9. Taxation

	2015 £	2014 £
(i) <i>Current tax:</i>		
UK corporation tax at 20 % (2014: 20%)	10,411	18,834
Adjustment in respect of prior years	(947)	(29,000)
Total current tax charge / credit	9,464	(10,166)
(ii) <i>Deferred tax (Note 19):</i>		
Current year relating to the origination and reversal of timing differences	(8,197)	4,229
Total deferred tax (credit) / charge	(8,197)	4,229
Total tax charge / (credit)	1,267	(5,937)
(iii) <i>Factors affecting tax charge for the current year</i>		
The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the year of 20% (2014: 20%).		
The differences are explained below:		
	2015 £	2014 £
Profit (loss) on ordinary activities before tax	1,194,521	(673,755)
Tax at 20% (2014: 20%) thereon:	238,904	(134,751)
Effects of:		
Expenses not deductible for tax purposes	165,737	150,525
Non-taxable UK dividend income	(14,114)	(14,590)
Chargeable gains	10,348	18,814
(Utilisation of) / increase in tax losses	(133,974)	157,706
Non-taxable income	(255,158)	(133,937)
Short term timing differences	4,077	-
Profit on sale of investments and similar income	(13,606)	(20,704)
Adjustments to tax charge in respect of prior period	(947)	(29,000)
Tax expense / credit	1,267	(5,937)

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 10. Property, plant & equipment

<b>Cost:</b>	<b>Leasehold improvements £</b>	<b>Office furniture £</b>	<b>Equipment £</b>	<b>Total £</b>
At 1 January 2015	420,051	206,716	1,504,552	2,131,319
Additions		35,063	259,344	294,407
Disposals			(687,138)	(687,138)
At 31 December 2015	420,051	241,779	1,076,758	1,738,588
<b>Depreciation:</b>				
At 1 January 2015	247,009	115,210	1,477,747	1,839,966
Charge for the year	42,005	24,178	106,921	173,104
Disposals			(687,138)	(687,138)
At 31 December 2015	289,014	139,388	897,530	1,325,932
<b>Net book value:</b>				
At 31 December 2015	131,037	102,391	179,228	412,656
At 31 December 2014	173,042	91,506	26,805	291,353

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 11. Financial Instruments

	2015 £	2014 £
Financial Assets		
Financial Assets measured at amortised cost	1,352,746	791,480
Financial Assets measured at fair value through profit or loss account	3,597,292	3,421,280
Cumulative hedging gain	52,349	-
	<u>5,002,387</u>	<u>4,212,760</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	481,092	633,851
Other financial liabilities	52,349	-
	<u>533,441</u>	<u>633,851</u>

##### 12. Fixed asset investments

	Listed Investments £	Subsidiary undertaking £	Total Investment £
<b>Cost / Valuation:</b>			
At 1 January 2015	3,421,278	2	3,421,280
Additions	281,601	-	281,601
Disposals	(130,557)	-	(130,557)
Revaluation	24,968		24,968
At 31 December 2015	3,597,290	2	3,597,292

The BOA's credit facility is secured on the listed investments portfolio. The portfolio is valued at fair value, with movements recognised in the income statement. The fair value has been determined using the quoted market price in an active market.

The subsidiary undertaking relates to Team GB Limited, which is wholly owned by the BOA. Team GB Limited is a dormant company.

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 14. Debtors: amounts falling due within one year

	2015 £	2014 £
Trade receivables	1,376,991	807,048
Allowance for estimated irrecoverable amounts of trade receivables	(24,245)	(15,568)
Other debtors	25,469	82,993
British Olympic Foundation	21,185	4,549
Prepayments and accrued income	2,087,828	864,307
	<u>3,487,228</u>	<u>1,743,329</u>

##### 15. Creditors

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Trade payables	481,092	633,851
Other taxation and social security	455,909	170,411
Corporation tax	10,411	18,834
Other creditors	89,090	34,353
Current derivative financial liability (note 13)	29,185	-
Accruals and deferred income	3,635,088	1,921,675
	<u>4,700,775</u>	<u>2,779,124</u>
<b>Amounts falling due after more than one year</b>		
Non-current derivative financial liability (note 13)	23,164	-
	<u>23,164</u>	<u>-</u>
<b>Amounts falling due after more than one year</b>	<u>23,164</u>	<u>-</u>

The BOA had a £2m credit facility (2014: £2m) with its bankers at the balance sheet date.

##### 16. Reserves

	General reserve £	Total £
At 1 January 2015	2,893,487	2,893,487
Profit (loss) for the year	1,193,254	1,193,254
At 31 December 2015	<u>4,086,741</u>	<u>4,086,741</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 (2014: 42)

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 13. Derivative financial instruments at fair value through profit or loss

The Company utilises forward exchange rate contracts to hedge the risk of variability in the Sterling value of foreign currency to be received due to variances in future GBP/USD foreign exchange rates. The financial instruments designated as hedging instruments and their fair values are shown below:

Counterparty	Value Date	Nominal Value	Fair value Asset / (Liability) 2015 £	Fair value Asset / (Liability) 2014 £
Lloyds Banking Group	30/12/2016	\$1,200,000	(22,653)	-
Global Reach Partners	30/12/2016	\$600,000	(6,532)	-
Current Financial Liability		<u>\$1,800,000</u>	<u>(29,185)</u>	<u>-</u>
Global Reach Partners	29/09/2017	\$1,000,000	(13,790)	-
Global Reach Partners	29/09/2017	\$1,000,000	(9,374)	-
Non-Current Financial Liability		<u>\$2,000,000</u>	<u>(23,164)</u>	<u>-</u>

The hedged items represent unrecognised committed future foreign currency receivables as shown below:

Counterparty	Value Date	Nominal Value	Fair value Asset / (Liability) 2015 £	Fair value Asset / (Liability) 2014 £
International Olympic Committee	31/12/2016	\$1,200,000	22,653	-
International Olympic Committee	31/12/2016	\$440,000	4,790	-
International Olympic Committee	31/12/2016	\$160,000	1,742	-
Current Financial Asset		<u>\$1,800,000</u>	<u>29,185</u>	<u>-</u>
International Olympic Committee	30/09/2017	\$1,000,000	13,790	-
International Olympic Committee	30/09/2017	\$1,000,000	9,374	-
Non-Current Financial Asset		<u>\$2,000,000</u>	<u>23,164</u>	<u>-</u>

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 17. Operating lease arrangements

Non-cancellable operating lease rentals are payable as follows:

	2015 £	2014 £
Within one year	597,749	600,197
Within two to five years	1,484,375	2,082,124
Total	<u>2,082,124</u>	<u>2,682,321</u>

##### 18. 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 £245,100 (2014: £210,013) and outstanding contributions as at 31 December 2015 were £28,906 (2014: £24,147).

##### 19. Deferred tax

The deferred tax assets and liabilities at the end of the reporting period arise on the following timing differences, tax losses or tax credits:

	Accelerated tax allowances	Fair value gains	Other	Total
<i>Deferred tax liabilities:</i>				
At 1 January 2014	-	306,571	-	306,571
Charged/(credited) to the income statement	-	4,229	-	4,229
At 31 December 2014	-	310,800	-	310,800
Charged/(credited) to the income statement	-	(8,197)	-	(8,197)
At 31 December 2015	-	302,603	-	302,603

Deferred taxation is provided on the liability method to take account of timing differences between certain items for accounts purposes and their treatment for tax purposes. 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 miscellaneous losses not recognised is £5.6m (2014: £6.4m). This in turn results in a deferred tax asset not recognised of £1.1m (2014: £1.3m) measured at the rate of 20% being the rate enacted at 31 December 2015.

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 20. Related parties

###### British Olympic Foundation (BOF)

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

A number of employees of the BOA also support BOF on a part time basis. All appointments to the board of Trustees of BOF must be approved by the BOA.

BOF pays the BOA a license fee to occupy its office premises of £14,000 per annum and service charges of £2,124 per annum. During the year, £16,124 (2014: £16,124) was charged by BOA to the BOF under this arrangement.

As at 31 December 2015 there was a balance due from BOF to the BOA of £21,185 (2014: £4,549).

During 2015, a donation of £53,033 (2014: £65,249) was made to BOF in relation to staffing costs covering the employees of BOA who provide a service to BOF.

###### Other related parties

Lord Coe is a director of the BOA and Chime Group Holdings Limited. During the year the Company entered into an agreement with iLuka Limited (after a tender process) to carry out a feasibility assessment in relation to the provision of a hospitality facility in Rio. iLuka Limited is a member of the Chime Group Holdings Limited group and was paid £32,000 under this agreement; there were no amounts outstanding at 31 December 2015..

David Ross is a director of the BOA and the David Ross Foundation. During the year the Company and David Ross Foundation entered into a Charitable Gift Agreement and £200,000 was paid to the BOA under this agreement. There were no amounts outstanding at 31 December 2015.

David Ross is also the ultimate controlling party of Simon Jersey Limited. Simon Jersey Limited has been appointed as an official supplier to the BOA. During the year, there were no financial transactions between the BOA and Simon Jersey Limited and there were no amounts outstanding at 31 December 2015.

Andrew Anson is a director of the BOA and Fanatics (International) Limited (previously Kitbag Limited). During the year the BOA appointed Kitbag Limited as licensee to operate its Online Store and related operations. During the year, there were no financial transactions between the BOA and Kitbag Limited and there were no amounts outstanding at 31 December 2015.

Ben Hawes is a director of the Company and Chair of the Athletes' Commission. The Company has entered into a consultancy agreement with Ben Hawes for the provision of services in relation to his role as Chair of the Athletes' Commission. During the year £20,000 was charged to the BOA under this agreement and £3,333 was outstanding at the year end.

As at 31 December 2015, there was £556 outstanding to other directors (2014: nil).



# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 21. Subsequent events

There are no subsequent events to report.

##### 22. Transition to FRS 102

These financial statements for the year ended 31 December 2015 are the company's first financial statements that comply with FRS 102. The company's date of transition to FRS 102 is 1 January 2014. The company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014.

The transition to FRS 102 has resulted in a small number of changes in the entity's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the equity and profit or loss presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 December 2014 (i.e. comparative information), as well as the equity presented in the opening statement of financial position (i.e. at 1 January 2014).

Investments were previously stated at cost less provision for impairment.

Under FRS 102, investments in listed securities are classified as basic financial instruments, and are measured at fair value at the end of the reporting period, with the resulting changes recognised in profit or loss.

On the adoption of the requirements of FRS 102, an increase in financial assets of £1,541,316 and corresponding deferred tax liability of £306,571 have been recognised on the balance sheet at the date of transition, 1 January 2014.

At 31 December 2014, the increase in financial assets was £1,562,462 and deferred tax liability was £310,800.

In accordance with the accounting policy the difference between the values of £16,917 has been recognised in profit and loss for the year ended 31 December 2014.

In the table below equity determined in accordance with FRS 102 is reconciled to equity determined in accordance with previous UK GAAP at both 1 January 2014 (the date of transition to FRS 102) and 31 December 2014.

##### Reconciliation of equity:

	At 1 January 2014		
	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£
Tangible assets	456,832		456,832
Investments	1,856,878	1,541,316	3,398,194
Debtors	1,052,593		1,052,593
Cash	252,994		252,994
<b>Total assets</b>	<b>3,619,297</b>	<b>1,541,316</b>	<b>5,160,613</b>
Creditors	(1,292,737)		(1,292,737)
Provisions for liabilities		(306,571)	(306,571)
<b>Total liabilities</b>	<b>(1,292,737)</b>	<b>(306,571)</b>	<b>(1,599,308)</b>
<b>Total equity</b>	<b>2,326,560</b>	<b>1,234,745</b>	<b>3,561,305</b>

# The British Olympic Association

## Report and financial statements 2015

### Notes to the accounts

#### Year ended 31 December 2015

##### 22. Transition to FRS 102 (continued)

###### Reconciliation of equity:

At 31 December 2014

	Previous UK GAAP restated	Effect of transition	FRS 102
	£	£	£
Tangible assets	291,353		291,353
Investments	1,858,818	1,562,462	3,421,280
Debtors	1,743,329		1,743,329
Cash	527,449		527,449
<b>Total assets</b>	<b>4,420,949</b>	<b>1,562,462</b>	<b>5,983,411</b>
Creditors	(2,779,124)	-	(2,779,124)
Provisions for liabilities	-	(310,800)	(310,800)
<b>Total liabilities</b>	<b>(2,779,124)</b>	<b>(310,800)</b>	<b>(3,089,924)</b>
<b>Total equity</b>	<b>1,641,825</b>	<b>1,251,662</b>	<b>2,893,487</b>

<b>Reconciliation of profit &amp; loss – year ended 31 December 2014</b>	<b>Previous UK GAAP</b>	<b>Effect of transition</b>	<b>FRS 102</b>
	£	£	£
Turnover	6,589,499		6,589,499
Cost of sales	(2,009,958)		(2,009,958)
<b>Gross profit</b>	<b>4,579,541</b>		<b>4,579,541</b>
Administrative expenses	(5,442,360)		(5,442,360)
Income from liquidation of joint venture	2,303		2,303
Profit on sale of investments	103,518		103,518
Gain on financial assets at fair value through profit and loss account		21,146	21,146
Income from other fixed asset investments	72,951		72,951
Interest receivable and similar income	98		98
Interest payable and similar charges	(10,952)		(10,952)
<b>Profit/(loss) on ordinary activities before tax</b>	<b>(694,901)</b>	<b>21,146</b>	<b>(673,755)</b>
Tax on profit/(loss) on ordinary activities	10,166	(4,229)	5,937
<b>Profit/(loss) from ordinary activities after tax and profit for the financial year</b>	<b>(684,735)</b>	<b>16,917</b>	<b>(667,818)</b>