

Company Number: 1576093

**Deloitte
& Touche**

**THE BRITISH OLYMPIC ASSOCIATION
(Limited by Guarantee)**

Report and Financial Statements

31 December 1999

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

PATRON

Her Majesty The Queen

PRESIDENT

HRH The Princess Royal

DIRECTORS

CHAIRMAN

C C Reddie CBE

VICE CHAIRMEN

P M Pruszyński

A J Woods (appointed on 9/6/99)

OTHER DIRECTORS

Dame M A Glen Haig DBE

J C U James

R D A Dodds OBE

F W L Meredith (resigned on 8/12/99)

A M Clarkson

P R Duchesne OBE (deceased on 14/04/00)

D M Ellis

B Cookson (appointed on 8/12/99)

I C B Taylor (appointed on 8/12/99)

CHIEF EXECUTIVE

S P Clegg (appointed director on 8/12/99)

DIRECTOR OF FINANCE & ADMINISTRATION

N D R Aitken ACA (appointed director on 8/12/99)

HEADQUARTERS AND REGISTERED OFFICE

1 Church Row

Wandsworth Plain

London SW18 1EH

MAIN BANKERS

Lloyds TSB Bank PLC

HSBC plc

AUDITORS

Deloitte & Touche

Chartered Accountants

Hill House

1 Little New Street

London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The British Olympic Association (BOA) is involved in encouraging interest in the Olympic Games and fostering the aims and ideals of the Olympic Movement throughout Britain. It exploits its assets and connections with the Olympic Movement to generate income, which is expended to send the best possible Team to the Olympic Games.

Therefore, it is responsible not only for the organisation, and co-ordination, of Britain's participation in the Olympic Games but also for the technical development of the Team, its welfare and scientific and medical back up. It does this specifically in order to further the Team's accomplishments and thereby the Association's attractiveness as a promotional conduit for commercial organisations.

REVIEW OF ACTIVITIES IN 1999

During the year the British Olympic Association continued to provide unparalleled levels of direct support to the 35 Olympic sports and in particular their elite athletes.

In the earlier part of the year the BOA sent teams to the 1999 European Youth Olympic and Olympic Winter Days. At the former, the Great Britain team continued to demonstrate its ability at this age level by returning with 7 gold, 9 silver and 5 bronze medals, finishing 3rd on the overall medal table. There was no doubt that taking the team to our Warm Weather Training Site in Orlando through the British Airways Olympic Futures Camp had paid huge dividends. At the latter in Slovakia, Chemmy Alcott produced a display of precocious alpine talent by delivering silver medals in the Slalom Super G and Giant Slalom events.

The highlight of the year was the much praised 1999 Training Camp on the Gold Coast. 160 athletes from 14 sports passed through the BOA subsidised camp in September and early October with many sports attempting to mirror their timings for next year, prior to moving onto test events in Sydney or in one case, the World Championships. The constructive feedback will allow the BOA to further improve its arrangements for the considerable undertaking of next year's Holding Camp in the run in to Sydney.

Without any financial support from government, the BOA has proven its ability to show leadership and vision through targeted and relevant provision of direct support to athletes and their support teams. The BOA further enhanced its marketing potential in 1999 by creating the "Team GB" brand. The reaction from the market place has been extremely positive with, in particular, new Gold Club sponsors Rover and Kellogg's, keen to exploit the new brand. In addition Lloyds/TSB joined the BOA as a Gold Club sponsor and will head up the Nationwide Appeal aimed at raising £4 million to support the Olympic and Paralympic teams with their preparations for Sydney.

DONATIONS

During the year the company made the following donations:

| | £ |
|---------------------------------|---------|
| British Olympic Education Trust | 100,000 |
| Scholarships | 76,125 |
| | <hr/> |
| | 176,125 |
| | <hr/> |

DIRECTORS

The directors of the company are shown in the list of officers and professional advisers on page 1.

DIRECTORS' REPORT

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



S P Clegg

Chief Executive and Company Secretary

3 May 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS' REPORT TO THE MEMBERS OF

THE BRITISH OLYMPIC ASSOCIATION

We have audited the financial statements on pages 6 to 14 which have been prepared under the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

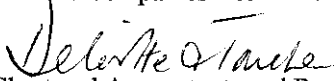
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors

8 May 2000

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 1999

| | Note | 1999 £ | 1998 £ |
|--|------|--------------------|--------------------|
| INCOME – continuing operations | | | |
| Commercial income | | 2,617,098 | 2,175,973 |
| Donations from appeals | | 70,174 | 6,941 |
| Income from investments | | 152,204 | 132,653 |
| Bank deposit interest | | 69,987 | 135,778 |
| Members' subscriptions and affiliation fees | | 4,741 | 5,214 |
| Profit on sale of investments | | 33,297 | 7,468 |
| Scholarships | | 81,000 | - |
| Olympic Solidarity Grants and Subsidies | | 24,619 | 24,386 |
| Sundry income | | 92,131 | 29,847 |
| | | <u>3,145,251</u> | <u>2,518,260</u> |
| EXPENDITURE – continuing operations | | | |
| Winter and Summer Games | | 52,812 | 188,315 |
| European Youth Olympic Days | | 67,023 | 20,726 |
| 1948 Games celebrations | | - | 52,480 |
| Athlete liaison services | | 24,796 | 45,477 |
| Direct expenditure on commercial activities | | 673,950 | 702,124 |
| Technical services (inc. Training Camps) | | 382,372 | 205,007 |
| Sports Science and medical services (inc. Olympicare) | | 158,598 | 219,599 |
| Grants and donations | | 176,125 | 250,150 |
| Agency commission paid | | 55,000 | - |
| General administration expenses | | 486,077 | 487,257 |
| Staff costs (exc. Appeals and sponsorship) | 2 | 1,240,744 | 1,216,279 |
| Auditors' remuneration: audit services | | 8,250 | 7,875 |
| other services | | 3,638 | 5,400 |
| Depreciation: owned assets | 4 | 139,932 | 101,801 |
| leased assets | 4 | 40,559 | 19,152 |
| Loss on disposal of fixed assets | | 12,797 | 5,702 |
| Finance charge on leased assets | | 2,946 | 4,688 |
| | | <u>(3,525,619)</u> | <u>(3,532,032)</u> |
| DEFICIT OF INCOME OVER EXPENDITURE FOR THE YEAR BEFORE TAXATION - continuing operations | | | |
| | | (380,368) | (1,013,772) |
| TAXATION CHARGE | 3 | (10,586) | (14,628) |
| TRANSFERRED FROM RESERVES | 9 | <u>(390,954)</u> | <u>(1,028,400)</u> |

A statement of the movement on reserves is shown in note 9.


There are no recognised gains or losses for the financial year or the preceding financial year other than as shown in the income and expenditure account. Therefore a statement of total recognised gains and losses is not given.

BALANCE SHEET
31 December 1999

| | Note | £ | 1999 £ | £ | 1998 £ |
|--|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 968,153 | | 1,097,885 |
| Investments | 5 | | 2,415,917 | | 2,374,610 |
| | | | <u>3,384,070</u> | | <u>3,472,495</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 1 | 2,599 | | 3,440 | |
| Debtors | 6 | 409,760 | | 112,352 | |
| Cash at bank and in hand | | 2,645,407 | | 2,108,414 | |
| | | <u>3,057,766</u> | | <u>2,224,206</u> | |
| CREDITORS: amounts falling due within one year | 7 | (2,828,890) | | (1,689,618) | |
| NET CURRENT ASSETS | | | <u>228,876</u> | | <u>534,588</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 3,612,946 | | 4,007,083 |
| CREDITORS: amounts falling due after more than one year | 8 | | (12,657) | | (15,840) |
| | | | <u>3,600,289</u> | | <u>3,991,243</u> |
| RESERVES | 9 | | <u>3,600,289</u> | | <u>3,991,243</u> |

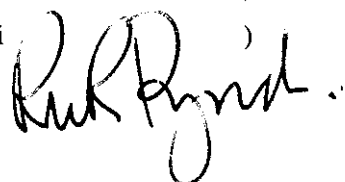
These financial statements were approved by the Board of Directors on 3 May 2000.

C Reddie



) Directors

P Pruszyński



CASH FLOW STATEMENT
Year ended 31 December 1999

CASH FLOW STATEMENT

| | 1999 £ | 1998 £ |
|---|------------------|------------------|
| Net cash inflow from operating activities (note A) | 398,788 | 137,419 |
| Returns on investment and servicing of finance (note C) | 216,917 | 249,115 |
| Taxation (note D) | 2,365 | (32,347) |
| Capital expenditure (note E) | (53,392) | (256,691) |
| Financing (note F) | (27,685) | (23,306) |
| | <u>536,993</u> | <u>74,190</u> |
| Increase in cash | | |
| Reconciliation of net cashflow to movement in net funds (note B) | | |
| Increase in cash for the year | 536,993 | 74,190 |
| Cash inflow from decrease in lease financing | 27,685 | 3,540 |
| | <u>564,678</u> | <u>77,730</u> |
| Change in net funds resulting from cash flows | | |
| New finance leases | (18,174) | - |
| Net funds at 1 January | 2,071,391 | 1,993,661 |
| Net funds at 31 December | <u>2,617,895</u> | <u>2,071,391</u> |

NOTES TO THE CASH FLOW STATEMENT

Year ended 31 December 1999

A. Reconciliation of deficit of income over expenditure to net cash outflow from operating activities

| | 1999 £ | 1998 £ |
|--|----------------|----------------|
| Deficit of income over expenditure before taxation | (380,368) | (1,013,772) |
| Gross income from investments received | (152,204) | (132,653) |
| Bank deposit interest received | (69,987) | (135,778) |
| Interest element of finance lease rental payment | 2,946 | 4,688 |
| Depreciation charges | 180,491 | 120,953 |
| Loss on disposal of fixed assets | 12,797 | 5,702 |
| Decrease/(increase) in stocks | 841 | (2,440) |
| (Increase)/decrease in debtors | (300,198) | 13,491 |
| Increase in creditors | 1,137,767 | 1,284,696 |
| Profit on disposal of investments | (33,297) | (7,468) |
| | <u>398,788</u> | <u>137,419</u> |

B Analysis of changes in net funds

| | 1 January 1999 £ | Cash flows £ | Other changes £ | 31 December 1999 £ |
|--------------------------|------------------------|--------------------|-----------------------|--------------------------|
| Cash at bank and in hand | 2,108,414 | 536,993 | - | 2,645,407 |
| Finance leases | (37,023) | 27,685 | (18,174) | (27,512) |
| Total | <u>2,071,391</u> | <u>564,678</u> | <u>(18,174)</u> | <u>2,617,895</u> |

C. Returns on investment and servicing of finance

| | 1999 £ | 1998 £ |
|---|----------------|----------------|
| Investment received | 69,987 | 135,778 |
| Net investment income | 149,876 | 118,025 |
| Interest element of finance lease rental payments | (2,946) | (4,688) |
| | <u>216,917</u> | <u>249,115</u> |

D. Taxation

| | 1999 £ | 1998 £ |
|------------------------------------|--------------|-----------------|
| UK corporation tax received/(paid) | <u>2,365</u> | <u>(32,347)</u> |

NOTES TO THE CASH FLOW STATEMENT
Year ended 31 December 1999

E. Capital Expenditure and financial investment

| | 1999 £ | 1998 £ |
|---|-----------------|------------------|
| Purchase of tangible fixed assets | (48,098) | (188,326) |
| Proceeds of disposal of tangible fixed assets | 2,716 | 7,002 |
| Purchase of investments | (534,324) | (297,660) |
| Disposal of investments | 526,314 | 222,293 |
| | <u>(53,392)</u> | <u>(256,691)</u> |

F. Financing

| | 1999 £ | 1998 £ |
|--|-----------------|-----------------|
| Capital element of finance lease rental payments | <u>(27,685)</u> | <u>(23,306)</u> |

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These accounts are prepared under the historical cost convention.

Income

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

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 |
| Office furniture | - | 10 years |
| Computer equipment | - | 3 years (previously 5 years) |

Stocks

Stocks representing clocks, ties, badges, etc. are valued at the lower of cost and net realisable value.

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 income and expenditure account.

Companies Act 1985

The directors are of the opinion that the formats of profit and loss accounts prescribed by Schedule 4 of the Companies Act 1985 are not relevant to the Association due to the special nature of its operation.

Pension fund costs

The Association operates a defined contribution pension scheme. The pension costs represent the contributions payable to the pension scheme in respect of the accounting period.

Investments

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

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

NOTES TO THE ACCOUNTS

Year ended 31 December 1999

2. EMPLOYEES AND DIRECTORS

| | 1999 No. | 1998 No. |
|--|------------------|------------------|
| The average number employed by the Association was: | 49 | 50 |
| The costs incurred in respect of these employees were: | £ | £ |
| Wages and salaries | 1,340,584 | 1,319,374 |
| Social security costs | 115,634 | 107,850 |
| Pension fund costs | 87,943 | 77,033 |
| | <u>1,544,161</u> | <u>1,504,257</u> |

£303,417 (1998 - £287,978) of the above costs are included in Direct Expenditure on Commercial Activities.

Directors' emoluments during the year amounted to £12,577 (1998 - £30,000). Pension contributions of £566 (1998 - £nil) were paid in respect of a director.

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

Payment for office facilities and other costs to D.L.Bloomer and Partners in which C.C.Reedie has a material interest - £18,000 (1998 - £nil). In addition a payment was made to D.L.Bloomer and Partners for secretarial costs - £8,623 (1998 - £6,877).

Payment for office facilities and other costs to Pruszyński and Partners in which P.M.Pruszyński has a material interest - £8,000 (1998 - £nil).

Payment for office facilities and other costs to Maltby Heating Engineers Ltd in which A.J.Woods has a material interest - £2,000 (1998 - £nil).

3. TAXATION

| | 1999 £ | 1998 £ |
|---|---------------|---------------|
| United Kingdom corporation tax | 8,258 | - |
| Tax suffered on franked investment income | <u>2,328</u> | <u>14,628</u> |
| | <u>10,586</u> | <u>14,628</u> |

The Schedule D Case VI losses carried forward at the end of the period are approximately £4,100,000. A tax charge arises because these losses can not be used against investment income.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

4. TANGIBLE FIXED ASSETS

| | Freehold property £ | Office furniture £ | Computer Equipment £ | Total £ |
|---------------------|---------------------------|--------------------------|----------------------------|------------|
| Cost: | | | | |
| At 1 January 1999 | 1,121,538 | 159,937 | 426,323 | 1,707,798 |
| Additions | 8,535 | 7,917 | 49,820 | 66,272 |
| Disposals | - | (12,208) | (26,335) | (38,543) |
| At 31 December 1999 | 1,130,073 | 155,646 | 449,808 | 1,735,527 |
| Depreciation: | | | | |
| At 1 January 1999 | 268,540 | 92,873 | 248,500 | 609,913 |
| Charge for the year | 22,601 | 11,992 | 145,898* | 180,491 |
| Disposals | - | (5,704) | (17,326) | (23,030) |
| At 31 December 1999 | 291,141 | 99,161 | 377,072 | 767,374 |
| Net book value: | | | | |
| At 31 December 1999 | 838,932 | 56,485 | 72,736 | 968,153 |
| At 31 December 1998 | 852,998 | 67,064 | 177,823 | 1,097,885 |

* The useful economic life for computer equipment was revised from five to three years for all equipment held at 31.12.99. If the useful economic life were still five years, the depreciation charge for the year would have been £75,215.

The net book value of fixed assets includes £21,425 (1998, £59,850) in respect of computer and office equipment held under finance leases.

5. FIXED ASSET INVESTMENTS

| | Listed Investments £ |
|----------------------|----------------------------|
| Cost: | |
| At 1 January 1999 | 2,374,610 |
| Additions | 534,324 |
| Disposals | (493,017) |
| At 31 December 1999 | 2,415,917 |
| Balance sheet value: | |
| At 31 December 1999 | 2,415,917 |
| At 31 December 1998 | 2,374,610 |
| Market value: | |
| At 31 December 1999 | 5,671,339 |
| At 31 December 1998 | 4,896,241 |

NOTES TO THE ACCOUNTS

Year ended 31 December 1999

6. DEBTORS

| | 1999 £ | 1998 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 284,203 | 11,970 |
| Other debtors | 34,369 | 18,864 |
| Prepayments and accrued income | 91,188 | 81,518 |
| | <u>409,760</u> | <u>112,352</u> |

All amounts are due within one year

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 1999 £ | 1998 £ |
|--|------------------|------------------|
| Trade creditors | 235,886 | 64,549 |
| Obligations under finance leases and hire purchase contracts | 14,855 | 21,183 |
| Corporation Tax | 7,832 | - |
| Other taxation and social security | 112,572 | 2,106 |
| Other creditors | 29,469 | 19,717 |
| Accruals and deferred income | 2,428,276 | 1,582,063 |
| | <u>2,828,890</u> | <u>1,689,618</u> |

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

| | 1999 £ | 1998 £ |
|--|---------------|---------------|
| Obligations under finance leases and hire purchase contracts | <u>12,657</u> | <u>15,840</u> |

The amounts payable under finance leases and hire purchase contracts are due for repayment within two to five years.

9. RESERVES

| | General reserve £ | Development And Contingency Reserve £ | Total £ |
|--|-------------------------|---|------------------|
| At 1 January 1999 | 1,991,243 | 2,000,000 | 3,991,243 |
| Transfer from income and expenditure account | <u>(390,954)</u> | <u>-</u> | <u>(390,954)</u> |
| At 31 December 1999 | <u>1,600,289</u> | <u>2,000,000</u> | <u>3,600,289</u> |

The liability of the members on winding up is limited to £10 per member. The company had 34 members at 31 December 1999 (1998:34)