



British Gymnastics

# Directors' Report and Financial Statements

Year ended 31st March 2009



# The British Amateur Gymnastics Association

(A company limited by guarantee)

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 March 2009

Registration number: 1630001

# The British Amateur Gymnastics Association

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**The British Amateur Gymnastics Association**  
**Company Information**

<b>Directors</b>	A Sommerville B Stocks K R Flynn P S Garber S J James L Milne J N Moss H M Phillips H R Phillips A S Spriggs I H Todd M Warren I D Fordham A G Wighton (appointed 12 September 2008)
<b>Secretary</b>	D Jones
<b>Registered office</b>	Ford Hall Lilleshall National Sports Centre Newport Shropshire TF10 9NB
<b>Bankers</b>	National Westminster Bank plc 19 High Street Newport Shropshire TF10 7AT
<b>Auditors</b>	RSM Bentley Jennison Chartered Accountants & Registered Auditors 3 Hollinswood Court Stafford Park 1 Telford TF3 3BD

**The British Amateur Gymnastics Association**  
**Directors' Report for the Year Ended 31 March 2009**

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2009.

**Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the income or expenditure of the company and group for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Principal activity**

The principal activity of the group is the encouragement, promotion and regulation of the sport of gymnastics including the organising of displays and events.

**The British Amateur Gymnastics Association**  
**Directors' Report for the Year Ended 31 March 2009**

..... continued

**Business review**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Turnover	10,081,662	8,923,877
Turnover growth	13%	(30)%
Gross profit margin	13%	13%
Profit before tax	(£211,810)	(£106,946)

British Gymnastics has had its most successful period in its history, with our first ever Olympic medal on Pommel Horse, won by Louis Smith in Beijing; an achievement which has not been seen for over 100 years. We also had outstanding success at the European Championships in Milan in 2009:-

Beth Tweddle - Gold medals on Asymmetric Bars and Floor  
Louis Smith - Silver medal on Pommel Horse  
Daniel Keatings – Bronze medal on Pommel Horse  
Daniel Keatings – Silver medal in the All-Around

This definitely has been the most successful twelve months to date and is a reflection of British Gymnastics' investment in to the performance side of the sport.

After three years of building up reserves, we are now in our second year of reinvestment into the sport. This reinvestment is being directed into strengthening World Class and new World Class activities and more money into the Regions.

The ongoing pension liability continues to be reflected in the accounts in accordance with accounting standards.

Membership numbers have, once again, increased this year with a record high of around 170,000, showing the strength of the services that British Gymnastics provides.

Going forward to 2009/10, we are undertaking a full staff review and evaluation, with the aim of driving down costs so that more money can be released for the sport. We have also restructured the membership package following consultation with clubs and members, with the aim of ensuring best value.

Reflecting our performance results and investment strategy, British Gymnastics has been awarded direct funding of £8m from UK Sport and £9m from Sport England for the period 2009-13. This funding is strictly ring-fenced to the areas of Olympic achievement and to significantly increased support for the development of participation in English clubs and regions.

The increase in membership and the Sports Council awards have only been achievable on the back of the efforts of the regions, clubs, coaches and staff, together with the tremendous band of volunteers who give their time freely, and without whose support, the running of British Gymnastics would not be possible. The Board would like to express its gratitude and appreciation.

**Results**

The results for the group are set out in the financial statements.

**The British Amateur Gymnastics Association**  
**Directors' Report for the Year Ended 31 March 2009**

..... *continued*

Approved by the Board and signed on its behalf by:

.....

D Jones  
Company Secretary

Date:.....

## **Independent Auditors' Report to the Members of The British Amateur Gymnastics Association**

We have audited the group and parent company financial statements (the "financial statements") of The British Amateur Gymnastics Association for the year ended 31 March 2009 set out on pages 6 to 26. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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 group'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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

RSM Bentley Jennison  
Chartered Accountants & Registered Auditors

Date:.....

3 Hollinswood Court  
Stafford Park 1  
Telford  
TF3 3BD



**The British Amateur Gymnastics Association**  
**Consolidated Income and Expenditure Account for the Year Ended 31 March 2009**

	Note	2009 £	2008 <i>as restated</i> £
<b>Income</b>	2	10,081,662	8,923,877
Cost of sales		<u>(8,818,086)</u>	<u>(7,770,973)</u>
<b>Gross surplus</b>		1,263,576	1,152,904
Administrative expenses		<u>(1,563,037)</u>	<u>(1,458,989)</u>
<b>Operating deficit</b>	3	(299,461)	(306,085)
Interest receivable and similar income		121,651	221,139
Interest payable and similar charges	6	<u>(34,000)</u>	<u>(22,000)</u>
<b>Deficit on ordinary activities before taxation</b>		(211,810)	(106,946)
Tax on deficit on ordinary activities	7	<u>(28,899)</u>	<u>(44,025)</u>
<b>Deficit on ordinary activities after taxation</b>		<u>(240,709)</u>	<u>(150,971)</u>
<b>Deficit for the financial year</b>	16	<u><u>(240,709)</u></u>	<u><u>(150,971)</u></u>

Income and operating deficit derive wholly from continuing operations.

The notes on pages 11 to 26 form an integral part of these financial statements.

**The British Amateur Gymnastics Association**  
**Consolidated Statement of Total Recognised Gains and Losses**  
**for the Year Ended 31 March 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<i>as restated</i> <b>£</b>
Net deficit for the year	(240,709)	(150,971)
Actuarial (loss)/gain	(155,000)	32,000
Total recognised losses for the year	<u>(395,709)</u>	<u>(118,971)</u>
Prior year adjustment	(45,600)	
Total recognised losses since the last annual report	<u>(441,309)</u>	

The notes on pages 11 to 26 form an integral part of these financial statements.

**The British Amateur Gymnastics Association**  
**Consolidated Balance Sheet as at 31 March 2009**

		2009		2008 <i>as restated</i>	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		380,231		345,458
<b>Current assets</b>					
Stocks	10	109,136		102,069	
Debtors	11	1,065,342		885,123	
Cash at bank and in hand		4,376,077		4,498,268	
		5,550,555		5,485,460	
<b>Creditors: Amounts falling due within one year</b>	12	(4,666,341)		(4,157,770)	
<b>Net current assets</b>			884,214		1,327,690
<b>Total assets less current liabilities</b>			1,264,445		1,673,148
<b>Creditors: Amounts falling due after more than one year</b>	13		(158,744)		(194,738)
<b>Provisions for liabilities</b>	14		(616,000)		(593,000)
<b>Net assets</b>			489,701		885,410
<b>Capital and reserves</b>					
Income and expenditure account	16		489,701		885,410
	17		489,701		885,410

Approved by the Board on .....and signed on its behalf by:

.....

B Stocks  
 Director

**The British Amateur Gymnastics Association**  
**Company Balance Sheet as at 31 March 2009**

		2009		2008 <i>as restated</i>	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		257,975		218,928
Investments	9		10,104		10,104
			268,079		229,032
<b>Current assets</b>					
Stocks	10	3,700		3,700	
Debtors	11	1,219,018		845,444	
Cash at bank and in hand		4,275,320		4,632,489	
		5,498,038		5,481,633	
<b>Creditors: Amounts falling due within one year</b>	12	(4,502,647)		(4,042,599)	
<b>Net current assets</b>			995,391		1,439,034
<b>Total assets less current liabilities</b>			1,263,470		1,668,066
<b>Creditors: Amounts falling due after more than one year</b>	13		(158,744)		(194,738)
<b>Provisions for liabilities</b>	14		(616,000)		(593,000)
<b>Net assets</b>			488,726		880,328
<b>Capital and reserves</b>					
Income and expenditure account	16		488,726		880,328
	17		488,726		880,328

Approved by the Board on .....and signed on its behalf by:

.....

B Stocks  
 Director

The notes on pages 11 to 26 form an integral part of these financial statements.

**The British Amateur Gymnastics Association**  
**Consolidated Cash Flow Statement for the Year Ended 31 March 2009**

		2009		2008 <i>as restated</i>	
	Note	£	£	£	£
Net cash flow from operating activities	20		34,477		(161,642)
Returns on investment and servicing of finance	21		87,651		199,139
Taxation paid			(53,013)		(46,579)
Capital expenditure and financial investment	21		(191,306)		(199,143)
<b>Net cash flow</b>			<u>(122,191)</u>		<u>(208,225)</u>

**Reconciliation of net cash flow to movement in net funds**

		2009		2008 <i>as restated</i>	
	Note	£	£	£	£
Decrease in cash in the year	22		(122,191)		(208,225)
Change in net funds resulting from cash flows			(122,191)		(208,225)
Net funds at the start of the year	22		4,498,268		4,706,493
<b>Net funds at the end of the year</b>	22		<u>4,376,077</u>		<u>4,498,268</u>

The notes on pages 11 to 26 form an integral part of these financial statements.

# The British Amateur Gymnastics Association

## Notes to the Financial Statements for the Year Ended 31 March 2009

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are set out below.

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2009. The acquisitions method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own income and expenditure account. Its deficit for the financial year was £236,602 (2008 - £159,194).

#### Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	over 5 to 10 years
Fixtures and fittings	over 5 to 10 years
Computer equipment	over 2 to 4 years

#### Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### Operating leases

Rentals payable under operating leases are charged in the income and expenditure account on a straight line basis over the lease term.

# The British Amateur Gymnastics Association

## Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

### Pensions

The group operates a defined contribution pension scheme. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the scheme.

The company operates two defined benefit pension schemes for certain employees. The assets are held separately from those of the Association and are independently administered.

Where assets are separately identifiable from liabilities the scheme assets are measured at fair value. The scheme liabilities are measured on an actuarial basis. Actuarial gains and losses arising from any new valuations and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the statement of total recognised gains and losses. Operating costs are recognised in the accounting period in which they are earned by the employees. Finance costs and any other changes in the value of assets and liabilities are recognised in the accounting period in which they arise.

Where assets are not separately identifiable from liabilities they are treated as a defined contribution scheme under FRS 17.

The company also contributes up to a maximum of 5% of salaries to personal pension plans of individuals excluded from the defined benefit schemes.

### Future events

Income and expenditure which relates to future events is carried forward and released during the year in which the event takes place.

## 2 Turnover

An analysis of the group's income, all of which arose within the United Kingdom, is shown below:

	2009	2008 <i>as restated</i>
	£	£
Membership	3,540,117	3,142,420
Grants received	4,196,739	3,346,995
Other	2,344,806	2,434,462
Total	<u>10,081,662</u>	<u>8,923,877</u>

## 3 Operating deficit

Operating deficit is stated after charging/(crediting):

	2009	2008 <i>as restated</i>
	£	£
Hire of plant and machinery (Operating Leases)	153,904	127,444
Auditors' remuneration	13,000	13,000
Loss/(profit) on sale of fixed assets	42	(381)
Depreciation of owned tangible fixed assets	<u>156,491</u>	<u>131,900</u>

## The British Amateur Gymnastics Association

### Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

#### 4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
Directors	14	11
British Amateur Gymnastics Association	61	58
Gymnastics England	36	33
World Class Performance	18	18
	129	120

The aggregate payroll costs of these persons were as follows:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
British Amateur Gymnastics Association	1,741,089	1,531,113
Gymnastics England	873,738	687,308
World Class Performance	689,633	629,704
	3,304,460	2,848,124
Social security	334,455	287,978
Other pension costs	71,809	86,611
Total	3,710,724	3,222,713

#### 5 Directors' emoluments

The directors' emoluments for the year are as follows:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Directors' remuneration (including benefits in kind)	197,664	76,565
Directors' pension contributions	22,995	4,008
Compensation for loss of office	26,000	-
	246,659	80,573

#### 6 Interest payable and similar charges

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>as restated</b>
	<b>£</b>	<b>£</b>
Pension scheme finance costs	34,000	22,000



**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**7 Taxation**

**Analysis of current period tax charge**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	22,391	44,000
(Over)/under provision in previous year	<u>6,508</u>	<u>25</u>
UK Corporation tax	<u><u>28,899</u></u>	<u><u>44,025</u></u>

**Factors affecting current period tax charge**

The tax assessed on the deficit on ordinary activities for the year is higher than (2008 - higher than) the standard rate of corporation tax in the UK of 21.00% (2008 - 20.00%).

The differences are reconciled below:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Deficit on ordinary activities before taxation	<u>(211,810)</u>	<u>(106,946)</u>
Standard rate corporation tax credit	(44,480)	(21,389)
(Over)/under provision in prior year	6,508	25
Tax losses arising and carried forward	-	6,898
Income not subject to tax	69,164	67,201
Capital allowances for period less than/(in excess) of depreciation	(2,184)	(8,606)
Profit/(loss) from sale of asset	-	76
Rounding	<u>(109)</u>	<u>(180)</u>
Total current tax for the year	<u><u>28,899</u></u>	<u><u>44,025</u></u>

**Factors which may affect future tax charges**

At 31 March 2009 the group has tax losses of approximately £116,289 (31 March 2008: £79,079) available for offset against future trading surpluses.

## The British Amateur Gymnastics Association

### Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

#### 8 Tangible fixed assets

##### Group

	Fixtures and fittings £	Office equipment £	Other tangibles £	Total £
<b>Cost</b>				
As at 1 April 2008	347,298	497,165	28,247	872,710
Additions	74,927	116,379	-	191,306
Disposals	-	(61,955)	-	(61,955)
As at 31 March 2009	<u>422,225</u>	<u>551,589</u>	<u>28,247</u>	<u>1,002,061</u>
<b>Depreciation</b>				
As at 1 April 2008	157,226	341,782	28,244	527,252
Eliminated on disposals	-	(61,913)	-	(61,913)
Charge for the year	55,724	100,767	-	156,491
As at 31 March 2009	<u>212,950</u>	<u>380,636</u>	<u>28,244</u>	<u>621,830</u>
<b>Net book value</b>				
As at 31 March 2009	<u>209,275</u>	<u>170,953</u>	<u>3</u>	<u>380,231</u>
As at 31 March 2008	<u>190,072</u>	<u>155,383</u>	<u>3</u>	<u>345,458</u>

##### Company

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
As at 1 April 2008	347,298	232,974	580,272
Additions	74,927	42,202	117,129
Disposals	-	(61,955)	(61,955)
As at 31 March 2009	<u>422,225</u>	<u>213,221</u>	<u>635,446</u>
<b>Depreciation</b>			
As at 1 April 2008	157,226	204,118	361,344
Eliminated on disposals	-	(61,913)	(61,913)
Charge for the year	55,724	22,316	78,040
As at 31 March 2009	<u>212,950</u>	<u>164,521</u>	<u>377,471</u>
<b>Net book value</b>			
As at 31 March 2009	<u>209,275</u>	<u>48,700</u>	<u>257,975</u>
As at 31 March 2008	<u>190,072</u>	<u>28,856</u>	<u>218,928</u>

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**9 Fixed asset investments**

**Company**

	<b>Group shares £</b>
<b>Cost</b>	
As at 1 April 2008 and 31 March 2009	10,104
<b>Net book value</b>	
As at 31 March 2009	10,104
As at 31 March 2008	10,104

The group holds more than 20% of the share capital of the following companies:

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class</b>	<b>%</b>
<b>Subsidiary undertakings</b>				
Gymnastics Enterprises Limited	England	Marketing and commercial activities associated with the Association	Ordinary	100
Gymnastics Performance and Potential Limited	England	Non-trading	Ordinary	100
Gymnaestrada Limited	England	Non-trading	Ordinary	100
		<b>Capital &amp; reserves £</b>		<b>Profit/(loss) for the period £</b>

<b>Subsidiary undertakings</b>				
Gymnastics Enterprises Limited			806	(4,107)
Gymnastics Performance and Potential Limited			169	-
Gymnaestrada Limited			10,100	-

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**10 Stocks**

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Finished goods	109,136	102,069	3,700	3,700

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

**11 Debtors**

	Group		Company	
	2009 £	2008 <i>as restated</i> £	2009 £	2008 <i>as restated</i> £
Trade debtors	664,599	340,703	564,330	215,451
Amounts owed by group undertakings	-	-	346,998	183,985
Advance expenditure on future events	73,301	162,197	73,301	162,197
Other debtors	86,228	117,885	84,976	104,313
Prepayments and accrued income	241,214	264,338	149,413	179,498
	1,065,342	885,123	1,219,018	845,444

**12 Creditors: Amounts falling due within one year**

	Group		Company	
	2009 £	2008 <i>as restated</i> £	2009 £	2008 <i>as restated</i> £
Trade creditors	1,021,866	484,180	926,968	443,777
Corporation tax	22,391	46,505	22,391	46,505
Social security and other taxes	116,694	95,882	107,146	95,882
Other creditors	66,976	85,498	7,728	10,730
Accruals and deferred income	3,438,414	3,445,705	3,438,414	3,445,705
	4,666,341	4,157,770	4,502,647	4,042,599

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**13 Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>as restated £</b>	<b>£</b>	<b>as restated £</b>
Government grants received	<u>158,744</u>	<u>194,738</u>	<u>158,744</u>	<u>194,738</u>

**14 Provisions for liabilities**

**Group**

	<b>Pension provision</b>
	<b>£</b>
Balance at 1 April 2008	547,400
Prior period adjustment	<u>45,600</u>
Balance at 1 April 2008 as restated	593,000
Pension provision movement	<u>23,000</u>
Balance at 31 March 2009	<u><u>616,000</u></u>

**Company**

	<b>Pension provision</b>
	<b>£</b>
Balance at 1 April 2008	547,400
Prior period adjustment	<u>45,600</u>
Balance at 1 April 2008 as restated	593,000
Pension provision movement	<u>23,000</u>
Balance at 31 March 2009	<u><u>616,000</u></u>

**Prior period adjustment**

The prior year adjustment has been introduced to recognise a deficit within one of the defined benefit pension schemes administered by the Local Government Superannuation Scheme (LPFA). The deficit is the shortfall of the scheme assets compared to scheme liabilities referred to within the 31 March 2009 interim valuation which has been updated to reflect conditions at the balance sheet date as at 31 March 2008. The accounts have been restated to reflect this valuation.

# The British Amateur Gymnastics Association

## Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

### 15 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

### 16 Reserves

#### Group

	<b>Income and expenditure account £</b>
Balance at 1 April 2008	931,010
Prior year adjustment	(45,600)
At 1 April 2008 as restated	<u>885,410</u>
Transfer from income and expenditure account for the year	(240,709)
Actuarial (loss)/gain	<u>(155,000)</u>
Balance at 31 March 2009	<u><u>489,701</u></u>

The prior year adjustment has been introduced to recognise a deficit within one of the defined benefit pension schemes administered by the Local Government Superannuation Scheme (LPFA). The deficit is the shortfall of the scheme assets compared to scheme liabilities referred to within the 31 March 2009 interim valuation which has been updated to reflect conditions at the balance sheet date as at 31 March 2008. The accounts have been restated to reflect this valuation.

#### Company

	<b>Income and expenditure account £</b>
Balance at 1 April 2008	925,928
Prior year adjustment	(45,600)
At beginning of the year as restated	<u>880,328</u>
Transfer from income and expenditure account for the year	(236,602)
Actuarial (loss)/gain	<u>(155,000)</u>
Balance at 31 March 2009	<u><u>488,726</u></u>

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... *continued*

**17 Reconciliation of movements in shareholders' funds**

	Group		Company	
	2009	2008	2009	2008
	£	<i>as restated</i> £	£	<i>as restated</i> £
Loss attributable to members of the group / company	(240,709)	(150,971)	(236,602)	(159,194)
Other recognised (losses)/gains for the year	(155,000)	32,000	(155,000)	32,000
Net reduction to funds	<u>(395,709)</u>	<u>(118,971)</u>	<u>(391,602)</u>	<u>(127,194)</u>
Opening funds (originally £931,010 before deducting prior year adjustment of £45,600)	<u>885,410</u>	<u>1,004,381</u>	<u>880,328</u>	<u>1,007,522</u>
Closing funds	<u><u>489,701</u></u>	<u><u>885,410</u></u>	<u><u>488,726</u></u>	<u><u>880,328</u></u>

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**18 Operating lease commitments**

**Group**

As at 31 March 2009 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and Buildings</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b> <i>as restated</i>	<b>2009</b>	<b>2008</b> <i>as restated</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	-	-	7,658	15,877
Within two and five years	87,910	48,839	23,860	105,630
Over five years	40,615	39,626	-	-
	<u>128,525</u>	<u>88,465</u>	<u>31,518</u>	<u>121,507</u>

**Company**

As at 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and Buildings</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b> <i>as restated</i>	<b>2009</b>	<b>2008</b> <i>as restated</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	-	-	7,658	15,877
Within two and five years	78,260	39,470	23,860	105,630
Over five years	40,615	39,626	-	-
	<u>118,875</u>	<u>79,096</u>	<u>31,518</u>	<u>121,507</u>

**19 Pension scheme**

**Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £25,952 (2008 - £45,097).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.



## The British Amateur Gymnastics Association

### Notes to the Financial Statements for the Year Ended 31 March 2009

..... continued

#### Defined benefit

The group contributes to two defined benefit pension schemes. The assets of the scheme are held separately from those of the Association and are independently administered. The association contributes up to a maximum of 5% of salaries to personal pension plans of individuals excluded from the defined benefit schemes.

Prior to 31 March 1991 members of the Associations staff were eligible to be admitted to the two approved superannuation schemes, namely:

- (a) The Local Government Superannuation Scheme via the London Residuary Body; and
- (b) The Teachers Superannuation Scheme via the Department of Education and Science.

Both schemes are defined benefit schemes, providing benefits based upon pensionable pay. Currently the Association's contribution is at the rate of 24.9% and 14.1% respectively of annual salary costs of the participating employees.

From 31 March 1991, new members of staff were entitled to a contribution to their personal pension plans, as detailed above. From that date the above superannuation schemes were only available to new staff who were already members of the scheme under previous employers.

Whilst the Teachers Superannuation scheme is a defined benefit scheme, the assets and liabilities are not separately identifiable between participating employers therefore the only way to treat the scheme for accounting purposes is as it were a defined contribution scheme.

#### Local Government Superannuation Scheme

In respect of the Local Government Superannuation scheme, the contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent formal valuation was at 31 March 2007 which has been updated to reflect conditions at the balance sheet date.

The principal assumptions made by the actuaries were:

	2009	2008	2007
Rate of increase in pensionable salaries	4.6%	5.1%	4.4%
Rate of increase in pensions in payment	3.1%	3.6%	3.1%
Discount rate	6.9%	6.9%	3.2%
Expected return on assets	6.4%	7.0%	6.3%

#### Mortality

Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non pensioners and 2017 for pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.6 years	22.5 years
Future Pensioners	20.7 years	23.6 years

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

The assets of the scheme and the weighted average expected rate of return were:

	<b>Long-term rate of return expected 31 March 2009</b>	<b>Value as at 31 March 2009</b>	<b>Long-term rate of return expected 31 March 2008</b>	<b>Value as at 31 March 2008</b>
	%	£'000	%	<i>as restated</i> £'000
Equities	7.0	454	7.5	513
Bonds	5.5	80	6.3	165
Property	6.0	199	6.7	154
Cash	4.0	64	4.8	26
<b>Total</b>		<u>797</u>		<u>858</u>

The estimated bid price of the funds assets as at 31 March 2009 is based on information provided by the Administration Authority and estimated adjustments for the difference between the mid-market value and low bid value of assets.

**Reconciliation of present value of scheme liabilities**

	<b>31 March 2009</b>	<b>31 March 2008</b>
	£'000	<i>as restated</i> £'000
Balance at 1 April	1,451	1,604
Current service cost	23	39
Interest cost	99	90
Contributions by members	7	10
Actuarial losses / (gains)	(103)	(119)
Past service costs	18	-
Estimated benefits paid	(82)	(173)
<b>Balance at 31 March</b>	<u>1,413</u>	<u>1,451</u>

**Reconciliation of fair value of scheme assets**

	<b>31 March 2009</b>	<b>31 March 2008</b>
	£'000	<i>as restated</i> £'000
Balance at 1 April	858	1,006
Expected return on assets	65	68
Contributions by members	7	10
Contributions by the employer	207	34
Actuarial gains / (losses)	(258)	(87)
Benefits paid	(82)	(173)
<b>Balance at 31 March</b>	<u>797</u>	<u>858</u>

Scheme assets do not include any of The British Amateur Gymnastics Association's own financial instruments, or any property occupied by The British Amateur Gymnastics Association.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The actual return on scheme assets in the year was (£195,000) (2008: (£20,000)).

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

..... continued

**Analysis of amount charged to operating deficit in respect of defined benefit schemes**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<i>as restated</i> <b>£'000</b>
Current service cost	23	39
Past service cost	18	-
Total operating charge	<u>41</u>	<u>39</u>

**Analysis of the amount charged to other finance income**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<i>as restated</i> <b>£'000</b>
Expected return on pension scheme assets	65	68
Interest cost	(99)	(90)
Net return	<u>(34)</u>	<u>(22)</u>

**Analysis of amount recognised in statement of total recognised gains and losses**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<i>as restated</i> <b>£'000</b>
Actual return less expected return on pension scheme assets	(258)	(87)
Experience gains and losses arising on the scheme liabilities	-	1
Changes in the assumptions underlying the present value of the scheme liabilities	103	118
Actuarial (loss) / gain recognised in statement of total recognised gains and losses	<u>(155)</u>	<u>32</u>

**History of experience gains and losses**

	<b>2009</b>	<b>2008</b>
		<i>as restated</i>
Difference between the actual and expected return on scheme assets: Amount (£'000)	(258)	(87)
Percentage of scheme assets	32%	10%
Experience gains and losses on scheme liabilities: Amount (£'000)	-	1
Percentage of the present value of the scheme liabilities	0%	1%
Total actuarial gains and losses recognised in statement of total recognised gains and losses: Amount (£'000)	(155)	32
Percentage of the present value of the scheme liabilities	<u>11%</u>	<u>2%</u>

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

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**20 Reconciliation of operating deficit to operating cash flows**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>as restated</b>
	<b>£</b>	<b>£</b>
Operating deficit	(299,461)	(306,085)
Depreciation, amortisation and impairment charges	156,491	131,198
Loss/(profit) on disposal of fixed assets	42	(381)
Increase in stocks	(7,067)	(9,765)
Increase in debtors	(180,219)	(101,875)
Increase in creditors	496,691	47,666
Increase in provisions	23,000	45,600
Defined benefit contribution in excess of charge	(155,000)	32,000
<b>Net cash inflow/(outflow) from operating activities</b>	<u>34,477</u>	<u>(161,642)</u>

**21 Analysis of cash flows**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>as restated</b>
	<b>£</b>	<b>£</b>
<b>Returns on investment and servicing of finance</b>		
Other interest paid	(34,000)	(22,000)
Interest received	121,651	221,139
	<u>87,651</u>	<u>199,139</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(191,306)	(201,503)
Sale of tangible fixed assets	-	2,360
	<u>(191,306)</u>	<u>(199,143)</u>

**22 Analysis of net funds**

	<b>At start of period</b>	<b>Cash flow</b>	<b>At end of period</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>4,498,268</u>	<u>(122,191)</u>	<u>4,376,077</u>

**The British Amateur Gymnastics Association**  
**Notes to the Financial Statements for the Year Ended 31 March 2009**

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**23 Related parties**

**Related party transactions**

The company has paid Mr I Fordham, a director, £31,250 of consultancy fees (2008: £87,500) and expenses of £2,872 (2008: £5,945). These fees were paid in respect of services provided.

**Director's loan account**

The following balance owed by the director was outstanding at the year end:

	<b>Maximum Balance £</b>	<b>2009 £</b>	<b>2008 £</b>
B Stocks	20,000	11,670	-

The loan was made in recognition of the fact that Mr Stocks does not have a company car. This is repayable over a 12 month period with no interest being charged.

**24 Grants from funding organisations**

In addition to the Grant Aid received against submission of the Forward Plan, grants have also been received from the funding organisations towards the cost of representation on International Committees and the appointment of specialist staff.



**British Gymnastics**

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