

**Company Registration No. 01576093**

**The British Olympic Association**

(Limited by Guarantee)

**Report and Financial Statements**

**31 December 2017**

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**The British Olympic Association**  
**Report and Financial Statements 2017**

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# **The British Olympic Association**

## **Report and financial statements 2017**

### **Officers and professional advisers**

#### **Patron**

Her Majesty The Queen

#### **President**

Her Royal Highness The Princess Royal

#### **Chair**

Rt Hon Sir Hugh Robertson KCMG

#### **Vice Chair**

A Phelps CBE (appointed 23 February 2017)

#### **Chief Executive Officer**

W Sweeney

#### **Other Directors**

A Anson

H Chalmers

Sir Philip L Craven MBE (resigned 28 September 2017)

Baroness Margaret Ford (appointed 30 November 2017)

B Hawes

I Howard TD

D Joy (appointed 30 November 2017)

R Leman (resigned 30 November 2017)

T Miller OBE (resigned 17 May 2017)

A Pengilly (resigned 25 February 2018)

Sir Craig Reedie CBE

D Ross

D Sparkes OBE (resigned 30 November 2017)

S Treseder

V Venkatesham (appointed 30 November 2017)

L Wainwright (appointed 30 November 2017)

#### **Company Secretary**

S Uddin

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Officers and professional advisers (continued)**

#### **Main bankers**

Lloyds Bank plc  
25 Gresham Street  
London EC2V 7HN

#### **Auditor**

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB

#### **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 2017**

### **Strategic report**

#### **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. As part of its ongoing commitment to good governance and the integrity of sport more generally, the Company has carried out a wide ranging governance review. Whilst continuing to have structures which reflect what is regarded as good practice under the UK Corporate Governance Code, the Company will also align closely with the principles set out in 'A Code of Sports Governance', notwithstanding the fact that it does not expect to be in receipt of any Sport England or UK Sport funding. After an extensive consultation through the course of 2017, changes to the Articles of Association were formally approved by the Members in January 2018, these changes included an overall reduction in the number of directors and a general limitation of directors' terms to two appointments of four years, with some transitional arrangements put in place to retain relevant skills on the Board. As part of the ongoing review, the Company will revise the terms of references for each of its Committees and Commissions with a view to completing the governance review by mid-2018.

#### **Principal activities**

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

The BOA's vision is to unite and inspire the nation through the power of Olympic sport.

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 Olympic 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
- develop the Olympic Movement and promote the principles and values of Olympism in its territory; and
- remain financially autonomous and independent.

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 continued its planning for the PyeongChang 2018 Olympic Winter Games during the year, but during 2017 the organisation took Team GB to participate in two European Youth Olympic Festivals in the shape of Erzurum 2017 in Turkey and Győr 2017 in Hungary. There were also a number of reconnaissance trips to Tokyo ahead of the 2020 Games.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Strategic report (continued)**

#### **Erzurum 2017 European Youth Olympic Winter Festival**

Team GB took a team of 17 athletes to Turkey, to compete in five disciplines – snowboarding, alpine skiing, figure skating, short track speed skating and cross country skiing – between 12-17 February.

The athletes, all aged 15-17 years old, were led by speed skater Niall Treacy who took the union flag at the Opening Ceremony.

Team GB's first European Youth Olympic medal in four years was won on the snowboard cross course on Palandoken Mountain as Surrey's Ellie Soutter claimed bronze – the team's only medal at Erzurum 2017. As a result of her achievement, Soutter was also named as flagbearer at the Closing Ceremony.

#### **Győr 2017 European Youth Olympic Festival**

Team GB's young athletes returned from Győr 2017 after a successful nine days at the European Youth Olympic Festival in Hungary. The final medal tally for Team GB saw them collect ten medals overall: three gold, one silver and six bronze.

The 50-strong squad competed across six sports (canoe sprint, cycling, gymnastics, judo, swimming and tennis) during the six days of competition. Five out of the six sports in which Team GB competed saw medal success.

#### **PyeongChang 2018 Olympic Winter Games**

The BOA's preparations for the PyeongChang 2018 Olympic Winter Games continued throughout 2017.

Edinburgh's Heriot Watt University hosted the PyeongChang 2018 Athletes' Summit in August with 40 Olympic hopefuls attending the event. The athletes were given a comprehensive induction into the PyeongChang environment – the venues, transport, accommodation, culture, cuisine and events – as well as the One Team GB philosophy and values which are core to the way Team GB represent the nation at a major Games.

In October 2017 Chef de Mission Mike Hay led winter sports' Team Leaders and a delegation of HQ staff to South Korea for a final reconnaissance trip, to ensure the BOA's preparations were complete.

On 1 November 2017 the BOA launched the marketing campaign for Team GB, entitled 'Great Rewards the Brave', to mark 100 Days To Go to the Games. The campaign utilised a mix of traditional media coverage alongside a full social media campaign including the use of social media influencers across Team GB's three main channels, Facebook, Instagram and Twitter.

From a security perspective the BOA worked closely with the Foreign & Commonwealth Office to assess the landscape in South Korea given the ongoing tensions with North Korea. This included comprehensive intelligence gathering that supported the delegation's final preparations and crisis planning.

The immediate build up to the Games was dominated by the IOC Commissions looking into doping at the Sochi 2014 Olympic Winter Games. The BOA took a strong position in support of the ban imposed on the Russian Olympic Committee and individual athletes found proven guilty of doping offences.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Strategic report (continued)**

#### **Tokyo 2020 Olympic Games**

Preparation and planning for the Tokyo 2020 Games continued during the year with a number of significant agreements reached in the period.

Having previously signed a Memorandum of Understanding (MoU) with the Japanese Olympic Committee, further MoUs were confirmed with Yokohama City Government, Kawasaki City Government, and Keio University to secure exclusive training and preparation facilities to support athlete performance at Games-time.

Furthermore, the BOA entered into a contract for the use of the Ontake Highland Training Centre for an altitude training camp in the Gifu prefecture.

The BOA has continued to engage with the five new sports to be introduced to the 2020 programme, comprised of baseball / softball, karate, skateboarding, sports climbing and surfing. The new sports were presented to the first working group of Tokyo Team Leaders, who met in Loughborough in November to begin planning for the Tokyo 2020 Games.

In May 2018 the BOA will lead a full delegation of Team Leaders to Tokyo to continue to finalise individuals sports' plans.

#### **Business review**

Despite the challenges usually presented in the first year of a new Olympiad, the BOA enjoyed a healthy 2017 in which it delivered a strong commercial and brand performance, with notable success in the development of its digital strategy for the 2017-2020 quadrennium.

The Company's financial achievements are measured against a number of performance indicators including revenue, cost control, operating profit, cash flow, levels of borrowing and maintenance of sufficient reserves, as well as monitoring total contracted and pipeline revenues. Year-on-year comparisons are not meaningful due to the cyclical nature of the organisation.

The critical long term objective of the Company is to generate sufficient revenue to fund operations across each quadrennium. In relation to this, the key performance indicator is the level of secured income required for the four-year cycle which at the year-end was at 61% of the £61m required for the current quadrennium, versus 51% at the same point in the cycle, of the £47.0m earned in the previous four years.

The organisation finished 2017 in a positive financial position, yielding a £0.4m profit for the year. Ongoing strong cost control management, coupled with commercial renewals saw the BOA end the year with a turnover of £8.7m (2016: £23.0m, reflecting the Rio 2016 Olympic Games), a profit of £0.4m (2016: £0.7m) and a cash balance of £2.6m (2016: £2.3m) recorded.

This result means the BOA remains in a strong position to deliver against its core strategy and objectives for the 2017-2020 quadrennium, including the preparation and delivery of the elite performance environment required for Team GB at Tokyo 2020.

A number of commercial renewals were secured during 2017, including an agreement with existing sponsor DFS to extend the relationship as an official partner through to 2020. Similarly, Deloitte extended their agreement with the BOA by a further four years. The organisation will benefit from their strategic and functional expertise, particularly in the areas of programme and project management, digital and financial and business services.

# The British Olympic Association

## Report and financial statements 2017

### Strategic report (continued)

#### Business review (continued)

The agreement means Deloitte consolidate their relationship with the BOA as being the second longest serving partner behind adidas. The services will support Games-time delivery and enable the BOA to maintain the high standards that have been set in recent Games taking that on to both PyeongChang and Tokyo.

The BOA also announced a number of new partnerships including with Bridgestone – IOC TOP partner – who have signed agreements through to 2020.

Adidas unveiled the PyeongChang 2018 official kit to athletes during the Athletes' Summit in Edinburgh in August, with the range launched publicly in early January 2018.

Finally, alongside the British Paralympic Association and UK Sport, the BOA commissioned an independent, expert piece of work to audit the commercial activity across the Olympic and Paralympic system to identify any future collaborative commercial opportunities.

All of the BOA's patrons and partners continue to contribute to the organisation's activations and marketing promotion both in the run up to and during Games, particularly in the build up to PyeongChang 2018. During the year the BOA were supported by the following partners and suppliers:

#### Worldwide Partners:

Alibaba Group	ATOS	Bridgestone	Coca-Cola
Dow	GE	Intel	Omega
Panasonic	P&G	Samsung	Toyota
Visa			

#### Official Partners:

adidas	Aldi	Deloitte	DFS
Ocean Outdoor			

#### Official Suppliers:

Simon Jersey	STH
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### Staff development

The BOA is committed to being an employer of choice. Attracting, developing and retaining talent within the organisation is a strategic priority to ensure Team GB has a world class support infrastructure to enable athletes to perform to their very best on the field of play.

The BOA utilises a diverse portfolio of engagement tools that include incentive schemes, secondments, access to mentoring for all levels of staff, external training and development opportunities, personal development through games time experience including European and Youth Games and Youth festivals. The organisation has also undertaken a review of employee benefits and is researching a number of options to further engage the workforce on the journey to Tokyo 2020 and beyond.



# **The British Olympic Association**

## **Report and financial statements 2017**

### **Strategic report (continued)**

#### **Other highlights**

The BOA were delighted by the IOC decision simultaneously to confirm that Paris will host the 2024 Olympic Games and Los Angeles will host the 2028 edition of the Olympic Games. Knowing where the team will compete for the summer Games through to 2028 is a great benefit to the development of the commercial and financial model enabling the organisation to provide optimal support to the performance of Team GB.

Team GB's men's 4x400m relay team from the Beijing 2008 Olympic Games received a heroes' reception at the Müller Anniversary Games on 9 July when they were retrospectively awarded their bronze medals. The quartet of Martyn Rooney, Andrew Steele, Robert Tobin and Michael Bingham, who were moved up from fourth after Russia's disqualification, were awarded their medals by Sir Craig Reedie in the presence of Sir Hugh Robertson and Lord Coe.

The BOA elected Annamarie Phelps CBE to the position of Vice Chair of the Board, the Olympic rower having previously served as a National Governing Body Representative on the Board. A further four new appointments were made during the year with Baroness Margaret Ford and Vinai Venkatesham joining as independent non-executive directors, whilst Lisa Wainwright (Basketball) and David Joy (Canoeing) were appointed following elections at the November meeting of the National Olympic Committee. Sarah Treseder (Sailing) was also reappointed for a four-year term.

Sir Phillip Craven, Terry Miller, David Sparkes (Swimming) and Richard Leman (Hockey) were thanked for their service as departing Board members, whilst it was confirmed Leman will continue to serve the Olympic movement as a Trustee of the British Olympic Foundation. John James OBE was also confirmed as an Honourary Life Vice President of the BOA, following 34 years' service to the NOC.

Meanwhile, Bill Sweeney was elected to the Executive Committee of the European Olympic Committee (EOC), serving an initial four-year term. He was also invited to become a member of the Government's Sports Business Council.

The BOA's Athletes' Commission met six times in the year and discussed such important topics as anti-doping, the Duty of Care report - which has now become a standing item on their agenda - and a closer working collaboration with UK Sport and the British Athletes' Commission in regard to athlete alumni programmes and athlete transition.

Get Set, the BOA's youth engagement programme, is delivered by the British Olympic Foundation working in partnership with sponsors and other stakeholders. The programme reaches over 1 million young people year on year through the participation of over 25,000 schools and youth groups and over 40,000 teachers and leaders.

The BOA continues to administer the Athlete Medical Scheme, on behalf of UK Sport, for 1,300 current and future Olympians and Paralympians. The scheme gives nominated athletes access to private health care. Furthermore, the BOA extended its support to the Olympians' Association, ensuring activities are increasingly well coordinated for the benefit of Olympic athletes in the UK.

The BOA celebrated Olympic Day on 23 June with a host of UK-based Olympians joining members of the public on social media sharing their favourite Olympic moments. This activity was supplemented with BOA staff volunteering to tidy a kilometre stretch of the canal side at the Queen Elizabeth Olympic Park in Stratford.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Strategic report (continued)**

#### **Other highlights (continued)**

As has become customary, the year culminated with the 2017 Team GB Ball, held on 1 November to coincide with 100 Days To Go to PyeongChang 2018. The event was held at the Victoria & Albert Museum in London and was hosted by Olympic Gold medallist Amy Williams and television presenter Ben Shephard.

#### **Future developments**

During the year the Company reviewed and updated its strategy through to 2024. The medium to long-term strategic priorities of the BOA have been established as:

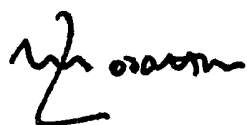
- Performance success for Team GB
- Financial independence and sustainability
- Engagement with the Team GB Brand
- Being a respected thought leader and effective independent voice in sport
- Promotion of the Olympic Values

As part of the refresh the Company engaged Deloitte Monitor to support its objective of creating and delivering a new digital strategy, focussed on enhancing and growing its digital media production and distribution with a view to increasing and engaging its audiences.

The spotlight on both the governance of sport and wider welfare issues within the industry was a continuous media narrative during the year. The response of the BOA included a review of its own governance arrangements to bring it into line with a number of the principles of the new sporting code. Furthermore, the BOA has taken measures to ensure welfare issues remain at the forefront of the organisation's thinking, including appointing a specific welfare officer for PyeongChang 2018.

The Senior Leadership Team of the BOA also introduced a series of NGB CEO workshops during the year, to increase communication and collaboration with its membership. Feedback from the CEOs has been positive and the initiative has led to a number of actions for the group including the development of a shared and aligned vision for Olympic sport.

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



Rt Hon Sir Hugh Robertson KCMG  
Chair

Date 3 May 2018

# The British Olympic Association

## Report and financial statements 2017

### Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

### Results

The result for the year was a profit after taxation of £357,327 (2016: profit of £738,401).

The financial results for the year are shown in the statement of comprehensive income on page 18.

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:

Athletes' Commission	Directors: B Hawes (Chair), A Pengilly Athletes' representatives: E Boateng, J Eley, S Gosling OBE, Dame K Grainger, C Hamilton, N Robertson, G Sayers, A Gemili, J Rodwell, J Rowsell-Shand, L Simmonds, E Yarnold.
Audit committee	Directors: D Ross (Chair), A Anson, S Treseder, I Howard TD Independent member: D Cox
Remuneration committee	Directors: T Miller OBE (Chair, resigned 17 May 2017), A Anson (Chair, appointed 28 September 2017), R Leman (resigned 30 November 2017), V Venkatesham (appointed 30 November 2017), L Wainwright (appointed 30 November 2017) Independent members: Dame D Ellis (deceased 18 May 2017), R Parnell (resigned 21 February 2017), R Leman (appointed 30 November 2017)

### 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:

	2017	2016
	£	£
British Olympic Foundation	208,218	269,025

# **The British Olympic Association**

## **Report and financial statements 2017**

### **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. The Company has established an ad-hoc 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, with no changes required to the Investment Policy.

#### **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 expecting to secure circa £55m of net revenue funding to meet the requirements of the 2017-2020 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 manages this 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 facilities totalling £4.6m comprised of cash at bank and in hand of £2.6m and a credit facility of £2.0m. The credit facility was renewed in April 2018 with an agreement to extend the facility to £3m until December 2019, reverting to £2m through until June 2019. 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 2017**

### **5. Credit risk**

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited, as cash is held with the Company's bank which 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 £500 (2016: £34,472) 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 and business as usual risks and mitigating actions are reviewed quarterly by the senior leadership team. The Games-related operational risks are reviewed monthly by the project area leaders. 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 provide the full risk register for review, at least annually.

### **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.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **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 performance indicators, as referenced within the business review in the strategic report.

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

1. The 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.
2. The 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 judgements 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 monitors and keeps under review the Company's internal financial controls and internal control systems. The Committee also oversees the relationship with the external auditor.
3. The Remuneration Committee determines and agrees, 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.

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

In addition, the Board has established an ad-hoc Investment Committee comprised of members of the Board and management to provide oversight over the investment portfolio. The Investment Committee meets at least bi-annually with the portfolio management company and reports to the Board on matters relating to the portfolio performance, including monitoring the BOA's responsible investment policy. As part of the wider governance review, the Board has agreed for the Investment Committee to be a formalised committee of the Board.

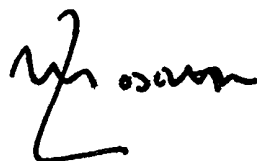
# The British Olympic Association

## Report and financial statements 2017

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 Board comprised of at least two independent non-executive directors.

During the year, the Company carried out an organisational review to determine the most appropriate structure to deliver the strategic plan. As a result of this review, it has maintained the senior leadership team, which has responsibility for recommending strategies to be approved by the Board and overseeing their implementation and has established cross-functional working groups which are responsible for the operational execution of the agreed strategies.

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



Rt Hon Sir Hugh Robertson KCMG  
Chair

Date 3 May 2018

# **The British Olympic Association**

## **Report and financial statements 2017**

### **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 2017**

### **Independent Auditor's Report to the Members of The British Olympic Association**

#### **Opinion**

We have audited the financial statements of The British Olympic Association (the 'Company') for the year ended 31<sup>st</sup> December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31<sup>st</sup> December 2017 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Independent Auditor's Report to the Members of The British Olympic Association (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Independent Auditor's Report to the Members of The British Olympic Association (continued)**

#### **Responsibilities of directors**

As explained more fully in the Statement of Director's Responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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.



Paul Clark, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

**150 Aldersgate Street  
London, EC1A 4AB**

19th Jun 2018

# The British Olympic Association

## Report and financial statements 2017

### Statement of Comprehensive Income For the year ended 31 December 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	3,5	<b>8,687,089</b>	<b>23,042,663</b>
Cost of sales		(2,094,935)	(15,653,815)
<b>Gross profit</b>		<b>6,592,154</b>	<b>7,388,848</b>
Administrative expenses		(6,596,904)	(7,201,026)
Income from fixed asset investments	12	291,137	521,825
Dividend income from equity instruments		87,526	75,433
Foreign exchange (loss)/gain		(5,034)	11,921
<b>Profit before interest</b>		<b>368,879</b>	<b>797,001</b>
Interest receivable and similar income		9,204	6,493
Interest payable and similar charges	7	(7,177)	(1,451)
<b>Profit before taxation</b>	8	<b>370,906</b>	<b>802,043</b>
Taxation	10	(13,579)	(63,642)
<b>Profit after taxation</b>	16	<b>357,327</b>	<b>738,401</b>

All activities derive from continuing operations.

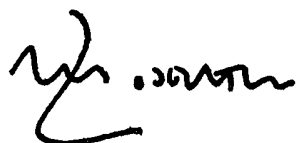
# The British Olympic Association

## Report and financial statements 2017

### Statement of Financial Position As at 31 December 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Property, plant & equipment	11	226,694	497,545
Investments: Financial assets measured at fair value through profit or loss	12	4,480,644	4,113,786
Other financial assets	13	54,304	22,964
<b>Total fixed assets</b>		<b>4,761,642</b>	<b>4,634,295</b>
<b>Current assets</b>			
Debtors	14	2,055,837	1,322,318
Other financial assets	13	194,089	556,578
Cash at bank and in hand		2,602,572	2,336,661
<b>Total current assets</b>		<b>4,852,498</b>	<b>4,215,557</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(4,000,412)</b>	<b>(3,636,805)</b>
<b>Net current assets</b>		<b>852,085</b>	<b>578,752</b>
<b>Total assets less current liabilities</b>		<b>5,613,728</b>	<b>5,213,047</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(54,304)</b>	<b>(22,964)</b>
<b>Provisions for liabilities</b>	18	<b>(376,955)</b>	<b>(364,941)</b>
<b>Net Assets</b>		<b>5,182,469</b>	<b>4,825,142</b>
<b>Reserves</b>	16	<b>5,182,469</b>	<b>4,825,142</b>

The financial statements of the British Olympic Association (registered number 01576093) were approved and authorised for issue by the Board of Directors on 3 May 2018 and signed on their behalf by Rt Hon Sir Hugh Robertson KCMG.



Rt Hon Sir Hugh Robertson KCMG  
Chair

# The British Olympic Association

## Report and financial statements 2017

### Statement of Changes in Equity For the year ended 31 December 2017

	General Reserve	Total Equity
	£	£
<b>At 1 January 2016</b>	<b>4,086,741</b>	<b>4,086,741</b>
Profit for the year	738,401	738,401
	<hr/>	<hr/>
<b>As at 31 December 2016</b>	<b>4,825,142</b>	<b>4,825,142</b>
Profit for the year	357,327	357,327
	<hr/>	<hr/>
<b>As at 31 December 2017</b>	<b>5,182,469</b>	<b>5,182,469</b>
	<hr/> <hr/>	<hr/> <hr/>

# The British Olympic Association

## Report and financial statements 2017

### Statement of Cash Flows

Year ended 31 December 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit before interest	368,879	797,001
Depreciation charges	277,232	280,520
Loss on disposal of property, plant & equipment	-	3,448
Income from fixed asset investments	(291,137)	(521,825)
Dividend income from equity instruments	(87,526)	(75,433)
Interest paid	(7,970)	(911)
Changes in working capital:		
Decrease / (increase) in trade and other receivables	(402,672)	1,637,718
(Decrease) / increase in trade and other payables	397,045	(1,055,604)
<b>Net cash generated from operating activities</b>	<b>253,851</b>	<b>1,064,914</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant & equipment	(6,382)	(369,810)
Purchases of financial assets	(248,772)	(596,296)
Proceeds from sale of property, plant & equipment	-	954
Proceeds from sale of financial assets	173,051	601,626
Interest received	9,507	6,493
Dividends received	87,526	75,433
Tax paid	(2,870)	(10,411)
<b>Net cash from investing activities</b>	<b>12,060</b>	<b>(292,011)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>265,911</b>	<b>772,903</b>
<b>Cash, cash equivalents and bank overdrafts at beginning of the year</b>	<b>2,336,661</b>	<b>1,563,758</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>2,602,572</b>	<b>2,336,661</b>

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Notes to the accounts**

#### **Year ended 31 December 2017**

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

The Company is a United Kingdom company (registered number 01576013) 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 Company is the NOC for Great Britain, Northern Ireland and 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 Olympic 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.

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. At the year end, the BOA had available a £2m bank credit facility, to meet its day to day working capital requirements. The credit facility was renewed in April 2018, with an agreement to extend the facility to £3m until December 2019, reverting to £2m through until June 2019. As disclosed in notes 12 and 15, this credit facility is secured on the BOA's investment portfolio.

During 2017 the BOA has concluded negotiations to renew a number of its existing sponsorship agreements 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 renewed 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 2017**

### **Notes to the accounts**

#### **Year ended 31 December 2017**

##### **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.

Grants are recognised over the period necessary to match the costs to which they relate. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be receivable.

Royalty revenue agreements include minimum guaranteed amounts receivable from licensed merchandise and retail sales. Minimum guaranteed amounts are recognised when receivable. Royalty revenue over and above the minimum guaranteed amount is recognised on an accrual basis in accordance with the substance of the relevant agreement provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income is recognised as it accrues using the effective interest rate method.

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
Website	- 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 date of the statement of financial position. Exchange profits and losses arising during the year are dealt with through the profit and loss account.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Notes to the accounts**

#### **Year ended 31 December 2017**

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

##### **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.

##### **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 statement of financial position 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 statement of comprehensive income, 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 statement of comprehensive income 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.

# **The British Olympic Association**

## **Report and financial statements 2017**

### **Notes to the accounts**

#### **Year ended 31 December 2017**

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

###### **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.

###### *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 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.

##### **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 VIK 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.

# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

### Year ended 31 December 2017

#### 5. Revenue

Revenue recognised in the statement of comprehensive income is analysed as follows:

	2017 £	2016 £
Sponsorship income	6,887,942	14,213,554
Royalty income	52,662	561,897
Olympic solidarity & EOC grant income (note 9)	442,218	1,508,663
Other grant income	-	1,504,741
Other income	1,304,267	5,253,808
	<u>8,687,089</u>	<u>23,042,663</u>

#### 6. Employees and directors

	2017 No.	2016 No.
The average number employed by the BOA was:	<u>52</u>	<u>51</u>
The costs incurred in respect of these employees (including directors) were:	£	£
Wages and salaries	3,607,079	3,694,727
Social security costs	427,057	382,723
Pension fund costs	288,178	274,121
Other staff costs	103,826	147,606
	<u>4,426,140</u>	<u>4,499,177</u>

Directors' emoluments during the year amounted to £436,674 (2016: £382,368). Directors' pension contributions were £10,380 (2016: £16,402). The highest paid director received £411,582 by way of remuneration during the year (2016: £374,924) and pension contributions of £10,380 (2016: £16,402).

The aggregate emoluments of key management staff amounted to £411,582 (2016: £374,924).

#### 7. Interest payable and similar charges

	2017 £	2016 £
Interest payable on overdrafts	<u>7,177</u>	<u>1,451</u>

# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

#### Year ended 31 December 2017

##### 8. Profit before taxation

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

	2017 £	2016 £
Foreign exchange loss/(gain)	5,034	(11,921)
Depreciation on owned assets	277,232	280,520
Operating leases	695,317	698,921

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	20,000	17,500
Total audit fees	20,000	17,500
Fees payable to the Company's auditor for other services to the Company		
Tax services	4,500	3,500
Total non-audit fees	4,500	3,500

##### 9. Olympic Solidarity & EOC grants

The aim of Olympic Solidarity & EOC is to organise financial assistance to all the National Olympic Committees (NOCs), through multi-faceted programmes to help develop Olympic sport and the Olympic Movement worldwide. The funds which are distributed are those funds raised from broadcasting rights at the Olympic and Olympic Winter Games. It enjoys financial, technical and administrative autonomy, and reports to the International Olympic Committee Executive Board and President. During the year, the following grants were receivable from Olympic Solidarity:

	2017 £	2016 £
Scholarship grants for athletes	304,053	47,752
Team Support Grants-EOC NOC activities	99,420	74,339
NOC administration and development	36,101	27,997
Olympic Games subsidies	2,644	1,305,623
Marketing Partner Recognition Programme	-	52,952
	442,218	1,508,663

# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

### Year ended 31 December 2017

#### 10. Taxation

	2017 £	2016 £
(i) <i>Current tax:</i>		
UK corporation tax at 19.25% (2016: 20%)	-	1,304
Adjustment in respect of prior years	1,565	-
Total current tax charge / credit	1,565	1,304
(ii) <i>Deferred tax (Note 18):</i>		
Current year relating to the origination and reversal of timing differences	12,014	62,338
Total deferred tax (credit) / charge	12,014	62,338
Total tax charge / (credit)	13,579	63,642
(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 19.25% (2016: 20%).		
The differences are explained below:		
	2017 £	2016 £
Profit / (loss) on ordinary activities before tax	370,906	802,043
Tax at 19.25% (2016: 20%) thereon:	71,399	160,409
Effects of:		
Expenses not deductible for tax purposes	238,396	219,291
Non-taxable UK dividend income	(16,849)	(15,087)
Chargeable gains	23,108	41,571
Utilisation of tax losses	(96,534)	(112,783)
Non-taxable income	(156,208)	(193,612)
Short term timing differences	(6,964)	5,881
Profit on sale of investments and similar income	(25,689)	(42,028)
Effect of tax rate change on deferred tax provision	(18,645)	-
Adjustments to tax charge in respect of prior period	1,565	-
Tax expense	13,579	63,642

# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

### Year ended 31 December 2017

#### 11. Property, plant & equipment

Cost:	Leasehold improvements £	Office furniture £	Website £	Equipment £	Total £
At 1 January 2017	399,828	249,004	304,569	1,000,076	1,953,477
Additions	-	340	-	6,041	6,382
Disposals	-	-	-	-	-
At 31 December 2017	<u>399,828</u>	<u>249,344</u>	<u>304,569</u>	<u>1,006,117</u>	<u>1,959,858</u>
<b>Depreciation:</b>					
At 1 January 2017	314,840	164,289	178,001	798,802	1,455,932
Charge for the year	44,396	24,926	101,523	106,388	277,232
Disposals	-	-	-	-	-
At 31 December 2017	<u>359,236</u>	<u>189,214</u>	<u>279,524</u>	<u>905,190</u>	<u>1,733,164</u>
<b>Net book value:</b>					
At 31 December 2016	<u>84,988</u>	<u>84,715</u>	<u>126,568</u>	<u>201,274</u>	<u>497,545</u>
At 31 December 2017	<u>40,592</u>	<u>60,130</u>	<u>25,045</u>	<u>100,927</u>	<u>226,694</u>

#### 12. Fixed asset investments

	Listed Investments £	Subsidiary undertaking £	Total Investment £
<b>Cost / Valuation:</b>			
At 1 January 2017	4,113,784	2	4,113,786
Additions	248,772	-	248,772
Disposals	(173,051)	-	(173,051)
Revaluation	291,137	-	291,137
At 31 December 2017	<u>4,480,642</u>	<u>2</u>	<u>4,480,644</u>

The BOA's credit facility is secured on the listed investments portfolio. The portfolio is held at fair value, with movements in fair value recognised in the statement of comprehensive income. The fair value has been determined using the quoted market price in an active market. Disposals are recognised using sales proceeds received.

The subsidiary undertaking relates to Team GB Limited, which is wholly owned by the BOA. Team GB Limited is a dormant company and the registered office is 60 Charlotte Street, London W1T 2NU

# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

#### Year ended 31 December 2017

#### 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) 2017 £	Fair value Asset / (Liability) 2016 £
Global Reach Partners	29/09/2017	\$1,000,000	-	(146,915)
Global Reach Partners	29/09/2017	\$1,000,000	-	(142,411)
Lloyds Banking Group	29/09/2017	\$1,000,000	-	(98,215)
Lloyds Banking Group	29/12/2017	\$2,200,000	-	(127,156)
Lloyds Banking Group	28/12/2017	\$1,100,000	-	(41,881)
Lloyds Banking Group	31/12/2018	\$3,400,000	192,976	-
Money Corp	31/12/2018	\$100,000	1,113	-
Current Financial Asset / (Liability)			194,089	(556,578)
Lloyds Banking Group	31/12/2018	\$3,400,000	-	(22,964)
Money Corp	31/12/2019	\$500,000	10,865	-
Money Corp	31/12/2020	\$1,450,000	43,439	-
Non-Current Financial Asset / (Liability)			54,304	(22,964)

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

Counterparty	Value Date	Nominal Value	Fair value Asset / (Liability) 2017 £	Fair value Asset / (Liability) 2016 £
International Olympic Committee	30/09/2017	\$3,000,000	-	387,542
International Olympic Committee	31/12/2017	\$3,300,000	-	169,036
International Olympic Committee	31/12/2018	\$3,478,600	(192,875)	-
Current Financial (Liability) / Asset			(192,875)	556,578
International Olympic Committee	31/12/2018	\$3,400,000	-	22,964
International Olympic Committee	31/12/2019	\$500,000	(10,865)	-
International Olympic Committee	31/12/2020	\$1,450,000	(43,439)	-
Non-Current Financial (Liability) / Asset			(54,304)	22,964



# The British Olympic Association

## Report and financial statements 2017

### Notes to the accounts

### Year ended 31 December 2017

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

	2017 £	2016 £
Trade receivables	430,615	549,007
Allowance for estimated irrecoverable amounts of trade receivables	(500)	(40,550)
Net trade receivables	430,115	508,457
Other debtors	23,997	11,493
Prepayments and accrued income	1,601,725	802,368
	<u>2,055,837</u>	<u>1,322,318</u>

#### 15. Creditors

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Trade payables	147,771	125,905
Other taxation and social security	128,034	689,960
Corporation tax	-	1,304
Other creditors	144,385	116,602
British Olympic Foundation	-	37,470
Current cumulative hedging gain (note 13)	192,875	-
Current derivative financial liability (note 13)	-	556,578
Accruals and deferred income	<u>3,387,347</u>	<u>2,108,986</u>
Amounts falling due within one year	<u>4,000,412</u>	<u>3,636,805</u>
<b>Amounts falling due after more than one year</b>		
Non-current cumulative hedging gain (note 13)	54,304	-
Non-current derivative financial liability (note 13)	-	22,964
Amounts falling due after more than one year	<u>54,304</u>	<u>22,964</u>

The BOA had a £2m credit facility (2016: £2m) with its bankers at the date of the statement of financial position. No value had been drawn against the facility at the year end (2016: Nil)

#### 16. Reserves

	General reserve £	Total £
At 1 January 2017	4,825,142	4,825,142
Profit for the year	<u>357,327</u>	<u>357,327</u>
At 31 December 2017	<u>5,182,469</u>	<u>5,182,469</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 44 (2016: 42).

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#### 17. Financial Instruments

	2017 £	2016 £
Financial assets:		
Financial assets measured at amortised cost	430,115	655,554
Financial assets measured at fair value through profit or loss account	4,480,644	4,113,786
Other financial assets	248,394	-
Cumulative hedging loss	-	579,542
	<u>5,159,153</u>	<u>5,348,882</u>
Financial liabilities:		
Financial liabilities measured at amortised cost	147,771	125,905
Cumulative hedging gain	247,179	-
Other financial liabilities	-	579,542
	<u>394,950</u>	<u>705,447</u>

#### 18. 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:

	Fair value gains	Total
<i>Deferred tax liabilities:</i>		
At 1 January 2016	302,603	302,603
Charged to the statement of comprehensive income	<u>62,338</u>	<u>62,338</u>
At 31 December 2016	364,941	364,941
Charged to the statement of comprehensive income	<u>12,014</u>	<u>12,014</u>
At 31 December 2017	<u>376,955</u>	<u>376,955</u>

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 £4.5m (2016: £5.0m). This in turn results in a deferred tax asset not recognised of £0.9m (2016: £1.0m) measured at the rate enacted for the following year.

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##### 19. Operating lease arrangements

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Within one year	596,584	596,584
Within two to five years	302,795	899,379
Total	<u>899,379</u>	<u>1,495,963</u>

##### 20. 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 £288,178 (2016: £274,121) and outstanding contributions as at 31 December 2017 were £30,170 (2016: £57,087).

##### 21. 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 support BOF on a part time basis. All appointments to the board of Trustees of BOF must be approved by the BOA.

The BOA is entitled to charge the BOF a license fee to occupy its office premises of £14,000 per annum and service charges of £2,124 per annum. This entitlement was waived in 2017; during the year £Nil (2016: £ Nil) was charged by the BOA to the BOF under this arrangement.

During 2017, a donation of £52,094 (2016: £52,901) was made to BOF in relation to staffing costs covering the employees of the BOA who provide a service to the BOF. The BOA also donated £16,124 in relation to waived licence fee and £140,000 non-restricted cash.

As at 31 December 2017 there was a balance due from the BOA to the BOF of £Nil (2016: £37,470).

###### 2016 Crest Holdings Limited

During 2016, in collaboration with the British Paralympic Association, the BOA formed a joint venture company, 2016 Crest Holdings Limited, a company limited by guarantee which has remained dormant since incorporation. The BOA's liability on winding up is limited to £10.

# The British Olympic Association

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#### Year ended 31 December 2017

##### 21. Related parties (continued)

###### Other related parties

David Ross is a director of the BOA and the David Ross Foundation. The Company and the David Ross Foundation have entered into a Charitable Gift Agreement and during the year £100,000 was paid to the BOA under this agreement (2016: £100,000). There were no amounts outstanding at 31 December 2017 (2016: £Nil).

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, under a value-in-kind arrangement, Simon Jersey Limited and the Company exchanged value-in-kind goods and services valued at £Nil (2016: £681,309) and cash goods and services valued at £Nil (2016: £16,720). As of 31 December 2017 £Nil was outstanding (2016: £4,225).

During the year Andrew Anson was a director of the BOA and Fanatics (International) Limited (previously Kitbag Limited) and resigned from his Fanatics post on 27 February 2017. In 2016 the BOA appointed Fanatics (International) as licensee to operate its online store. As of 31 December 2017 £Nil was outstanding (2016: £110,886).

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 (2016: £20,000) and £3,333 was outstanding at the year end (2016: £3,333).

As at 31 December 2017, there was £68 outstanding to directors who had served during the year (2016: £167).

##### 22. Subsequent events

There are no subsequent events to report.