

Sport Taekwondo UK Limited
Company Limited by Guarantee
Financial Statements
31 March 2020

BEEVER AND STRUTHERS
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Sport Taekwondo UK Limited

Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2020

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Sport Taekwondo UK Limited

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Directors' Report

Year Ended 31 March 2020

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

Principal Activities

The principal activities of the company in the year under review were those of the running of the elite athlete world class performance programmes (Olympic and Paralympic), hosting the World Taekwondo Championships, delivering the talent development programmes, and managing the international relations and development strategy.

Business review

With the continued support of our major funders, UK Sport and Sport England, and sponsors, income for the year ended 31 March 2020 increased by £329,235 to £3,137,984. Expenditure increased to £347,029 resulting in a deficit for the year of £7,023.

The retained reserves at 31 March 2020 were £56,960. The directors continue to be mindful of the need to increase reserves to an appropriate level for an organisation with income and expenditure exceeding £3m per annum, and the need to continue to invest in the programmes to ensure that medals at future major championships are obtained.

Hosting the World Taekwondo Championships - Manchester 2019

In May 2019 GB Taekwondo, in conjunction with partners (Manchester City Council, UK Sport, and British Taekwondo) hosted the World Taekwondo Championships, for the first time, on home soil. An impressive 126 nations and 777 athletes took part in the event.

The event was a spectacular success both on and off the mat reinforcing GBs international reputation and laying the foundation for successful event bids in the Paris 2024 cycle.

Performances at Major Championships

During the financial year 2019/20 our Olympic and Paralympic National Lottery funded athletes have competed in 2 major competitions:

2019 World Taekwondo World Championships Manchester (4 medals (3 Gold) - UK Sport target met)

2019 Para Taekwondo World Championships Antalya (1 medal (Gold) - UK Sport target met)

Results have been strong throughout the year and the team has qualified a record 5 Olympic places and 1 Paralympic place. We remain confident that we are on track to meet our Tokyo Olympic and Paralympic targets in the summer of 2021.

Culture Health Check 2019

Every year UK Sport conducts an anonymised survey of athletes, staff, and stakeholders. We are delighted to report that, yet again, we received sector leading feedback demonstrating the importance we place on athlete and staff welfare.

Sport Taekwondo UK Limited

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Directors' Report *(continued)*

Year Ended 31 March 2020

Directors

The directors who served the company during the year were as follows:

M W C Archibald	
Dr M P Loosemore	
J J Newton	
S J Sutcliffe	
G K Hall	
I F Gillis	
I Leafe	(Appointed 9 September 2019)
M P Mckenzie	(Resigned 24 April 2019)
S Ramasamy	(Served from 23 April 2019 to 7 September 2019)

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
 - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.
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Sport Taekwondo UK Limited

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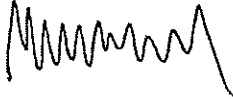
Directors' Report *(continued)*

Year Ended 31 March 2020

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 25 September 2020 and signed on behalf of the board by:



M W C Archibald
Director

Registered office:
National Taekwondo Centre
Ten Acres Sports Complex
Ten Acres Lane
Manchester
Lancashire
M40 2SP

Sport Taekwondo UK Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Sport Taekwondo UK Limited

Year Ended 31 March 2020

Opinion

We have audited the financial statements of Sport Taekwondo UK Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 other 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 opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to 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.

Sport Taekwondo UK Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Sport Taekwondo UK Limited *(continued)*

Year Ended 31 March 2020

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Sport Taekwondo UK Limited

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Independent Auditor's Report to the Members of Sport Taekwondo UK Limited *(continued)*

Year Ended 31 March 2020

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report to the Members of Sport Taekwondo UK Limited *(continued)*

Year Ended 31 March 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Chartered accountants & statutory auditor
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

5 October 2020

Sport Taekwondo UK Limited
Company Limited by Guarantee
Statement of Income and Retained Earnings
Year Ended 31 March 2020

	Note	2020 £	2019 £
Income		3,137,242	2,808,273
Operating surplus		<u>3,137,242</u>	<u>2,808,273</u>
Administrative expenses		3,145,007	2,797,978
Operating surplus		(7,765)	10,295
Other interest receivable and similar income		742	476
Surplus before taxation		<u>(7,023)</u>	<u>10,771</u>
Tax on surplus		—	—
(Loss)/profit for the financial year and total comprehensive income		<u>(7,023)</u>	<u>10,771</u>
Retained earnings at the start of the year		63,983	53,212
Retained earnings at the end of the year		<u>56,960</u>	<u>63,983</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Sport Taekwondo UK Limited
Company Limited by Guarantee
Statement of Financial Position
31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	101,989	-
Current assets			
Debtors	8	144,407	168,145
Cash at bank and in hand		<u>97,932</u>	<u>316,731</u>
		242,339	484,876
Creditors: amounts falling due within one year	9	<u>287,368</u>	<u>420,893</u>
Net current (liabilities)/assets		<u>(45,029)</u>	<u>63,983</u>
Total assets less current liabilities		<u>56,960</u>	<u>63,983</u>
Net assets		<u>56,960</u>	<u>63,983</u>
Capital and reserves			
Profit and loss account		<u>56,960</u>	<u>63,983</u>
Members funds		<u>56,960</u>	<u>63,983</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 25 September 2020, and are signed on behalf of the board by:



M W C Archibald
 Director

Company registration number: 04489466

The notes on pages 10 to 15 form part of these financial statements.

Sport Taekwondo UK Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year Ended 31 March 2020

1. General Information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is National Taekwondo Centre, Ten Acres Sports Complex, Ten Acres Lane, Manchester, Lancashire, M40 2SP.

2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The directors confirmed that an assessment of the impact of Covid-19 has been considered and these financial statements have been prepared on a going concern basis. Grant income from UK Sport and Sport England remains secured for the financial year 2020/21 and beyond. This is supported by the additional funding from Sport England of £362,487 which has been secured for the financial year 2021/22, and UK Sport are due to make an announcement in December 2020 in relation to the 4 year funding award for the period 2021 to 2025.

Sport Taekwondo UK Limited

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Notes to the Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not fully recoverable.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- An estimate of future expected cash flows is made in respect of trade debtors which have been identified as potentially unrecoverable. The estimate is based on managements' knowledge.

Sport Taekwondo UK Limited

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Notes to the Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

Revenue Recognition

Income comprises revenue from a number of sources, including grants, donations and sponsorship.

Grants for running the elite athlete programme and delivering the talent development programmes are awarded to the company for a maximum amount of agreed funding over a number of years and credited to income to match expenditure in the year to which they relate.

Sponsorship income represents net sales invoice raised.

Donations are recorded as income when received.

All income shown net of Value Added Tax.

Foreign Currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
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Sport Taekwondo UK Limited

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Notes to the Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Company Limited by Guarantee

Sport Taekwondo UK Limited is a company limited by guarantee and therefore does not have any share capital.

Each qualifying member undertakes to contribute a sum not exceeding £1 in the event of the company being wound up.

Sport Taekwondo UK Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2020

5. Auditor's Remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>5,100</u>	<u>5,000</u>

6. Employee Numbers

The average number of persons employed by the company during the year amounted to 33 (2019: 34).

7. Tangible Assets

	Fixtures and fittings £
Cost	
At 1 April 2019	148,269
Additions	<u>101,989</u>
At 31 March 2020	<u>250,258</u>
Depreciation	
At 1 April 2019 and 31 March 2020	<u>148,269</u>
Carrying amount	
At 31 March 2020	<u>101,989</u>
At 31 March 2019	<u>—</u>

8. Debtors

	2020	2019
	£	£
Trade debtors	11,342	85,681
Other debtors	<u>133,065</u>	<u>82,464</u>
	<u>144,407</u>	<u>168,145</u>

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	31,634	55,330
Other creditors	<u>255,734</u>	<u>365,563</u>
	<u>287,368</u>	<u>420,893</u>

Sport Taekwondo UK Limited

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Notes to the Financial Statements *(continued)*

Year Ended 31 March 2020

10. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	74,466	74,466
Later than 1 year and not later than 5 years	297,862	297,862
Later than 5 years	2,382,897	2,457,362
	<u>2,755,225</u>	<u>2,829,690</u>

11. Related Party Transactions

I F Gillis a director, works as a solicitor at Hill Dickinson LLP. The LLP provides legal support services and sponsorship to Sport Taekwondo during the year amounting to £8,000 (2019: £8,000). The full amount was received and there was £nil (2019: £nil) amount due from related party at year end.