

Registered number: 1525484

BRITISH CANOEING
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

BRITISH CANOEING
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors J. Coyne, Chairman (appointed 1 November 2016)
D. Belbin
R. Boreham
S. Craig
J. Fry
D. Joy
B. Kennedy (appointed 1 November 2016)
S. Linksted
C. Morgan
D. Paterson
G. Smale
D. Wakeling (appointed 11 June 2017)

Chief Executive David Paul Joy

Registered number 1525484

Registered office National Water Sports Centre
Adbolton Lane
West Bridgford
Nottingham
Nottinghamshire
NG12 2LU

Independent auditors haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Bankers Barclays Bank PLC
2 High Street
Nottingham
NG1 2EN

BRITISH CANOEING
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BRITISH CANOEING
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

Introduction

British Canoeing is the National Governing Body for Paddlesport in the United Kingdom. The purpose of British Canoeing is to inspire a passion for paddling for health, enjoyment, friendship, challenge and achievement.

British Canoeing has set out its vision of a united British Canoeing, focused on people and ambitions, excellent in delivery. In order for British Canoeing to realise its purpose and vision the organisation launched its 4 year strategy "Stronger Together" in March 2017. This strategy contains 11 ambitions that set the agenda for action for the next four years. Further details are on the website at www.britishcanoeing.org.uk.

The directors of British Canoeing remain committed to establishing and operating strong principles of governance and compliance policies and guidelines for all areas of responsibility to our members including, codes of conduct, duty of care requirements, safeguarding of adults and children and vulnerable adults and risk assessment. British Canoeing has achieved the Intermediate Standard for the Equality Standard for Sport and is currently working toward the Advanced Standard. In addition, we have achieved the Advanced Standard for Safeguarding Children in Sport and are current ranked green on the Safeguarding in Sport framework. Reflecting the continued commitment to maintain high standards of governance whilst improving practice and moving forward to adopt the latest sports governance standards British Canoeing is fully compliant with the UK Code of Sports Governance.

The British Canoeing financial strategy is to maintain robust financial systems and manage risk, to grow membership income, commercial revenues and maximise partnership funding in order to provide resources, activity and information to meet the objectives of the strategy and to support and benefit members and participants in the sport.

Business review

The break-even result for the year reflects the budget set and challenges felt by the organisation within the year. Although membership grew significantly during the year, the cuts in government funding most notably from Sport England participation funding led to a consultation process and some reduced staffing levels. British Canoeing undertakes a periodic VAT review with expert external advice against current income and activity and the application of the treatment from the most recent review impacted on the results for the year, as well as providing assurance for future plans and budgeting.

The accounting policy for the recognition of income has also been reviewed this year and, where applicable to the organisation's activity, has been aligned with current common practice for sports governing bodies and the most appropriate accounting principles. An adjustment to reflect the specific commitments and timing of delivering benefits and services has resulted in a reduction in net assets of £236,016 but does not impact on available cash resources or financial strength nor the continued approach to budgeting to deliver the services and development activity.

BRITISH CANOEING
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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017

Key performance indicators

The principal measures used by the board to assess performance against the Stronger Together strategic ambitions are as follows:

- Participant numbers measured by Active Lives which commenced in 2017 were 198,900.
- Individual membership of British Canoeing was 35,187 at October 2017 (32,818 - 2016)
- Increase the number of quality mark clubs and centres – 135 in 2017 (151 2016)
- International medal success in all the major disciplines – 90 medals won in 2017 (90 medals 2016) and 15 World Champions.
- To comply with the UK Code of Sports Governance and annually retain its current “green” rating.

Principal risks and uncertainties

British Canoeing faces a number of risks in common with other sporting governing bodies. The key risks are considered to be a significant reduction in government funding, major environmental and legislative changes or a failure to deliver the strategy and objectives. Major risks are assessed by the board with processes in place to manage and monitor these.

British Canoeing’s principal financial instruments comprise bank balances and other creditors. All bank balances are invested in interest bearing accounts with a major high street bank. The majority of the creditors relate to grants received in advance.

This report was approved by the board on 27 January 2018 and signed on its behalf.

D. Belbin
Director

BRITISH CANOEING
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 for the Company's financial statements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,207 (2016 - £1,627).

Directors

The directors who served during the year were:

J. Coyne, Chairman (appointed 1 November 2016)
A. Baker (resigned 24 March 2017)
D. Belbin
R. Boreham
S. Craig
J. Fry
D. Joy
B. Kennedy (appointed 1 November 2016)
S. Linksted
C. Morgan
D. Paterson
G. Smale
D. Wakeling (appointed 11 June 2017)

BRITISH CANOEING
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 January 2018 and signed on its behalf.

D. Belbin
Director

BRITISH CANOEING
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH CANOEING

Opinion

We have audited the financial statements of British Canoeing for the year ended 31 October 2017, set out on pages 8 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH CANOEING (CONTINUED)

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.

Opinion 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 and 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH CANOEING (CONTINUED)

Auditors' 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 Auditors' 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 Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' Report.

Thomas Wilson (Senior Statutory Auditor)
for and on behalf of
haysmacintyre
Statutory Auditors

27 January 2018

BRITISH CANOEING
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	2017 £	2016 £
Turnover	4	9,549,914	10,467,128
Administrative expenses		(9,539,929)	(10,463,085)
Operating profit	5	9,985	4,043
Interest receivable and similar income	9	2,849	12,262
Interest payable and expenses	10	(3,734)	(5,553)
Profit before tax		9,100	10,752
Tax on profit	11	(6,893)	(9,125)
Profit for the financial year		2,207	1,627

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 12 to 25 form part of these financial statements.

BRITISH CANOEING
(A Company Limited by Guarantee)
REGISTERED NUMBER: 1525484

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	12	1,409,801	1,690,406
		<u>1,409,801</u>	<u>1,690,406</u>
Current assets			
Stocks	13	16,402	25,852
Debtors: amounts falling due within one year	14	133,070	190,822
Cash at bank and in hand	15	3,573,465	3,712,515
		<u>3,722,937</u>	<u>3,929,189</u>
Creditors: amounts falling due within one year	16	(3,574,106)	(3,978,373)
Net current assets/(liabilities)		<u>148,831</u>	<u>(49,184)</u>
Total assets less current liabilities		<u>1,558,632</u>	<u>1,641,222</u>
Creditors: amounts falling due after more than one year	17	(794,604)	(879,401)
Net assets		<u><u>764,028</u></u>	<u><u>761,821</u></u>
Capital and reserves			
Designated reserves	19	122,183	116,625
Profit and loss account	19	641,845	645,196
		<u>764,028</u>	<u>761,821</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 January 2018.

J. Coyne

Chairman

The notes on pages 12 to 25 form part of these financial statements.

BRITISH CANOEING
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017

	Designated reserves	Profit and loss account	Total equity
	£	£	£
At 1 November 2015 (as previously stated)	117,241	878,969	996,210
Prior year adjustment (see note 2.2)	-	(236,016)	(236,016)
At 1 November 2015 (as restated)	117,241	642,953	760,194
Profit for the year	-	1,627	1,627
Transfer to profit and loss account	(616)	616	-
At 1 November 2016	116,625	645,196	761,821
Profit for the year	-	2,207	2,207
Transfer from profit and loss account	5,558	(5,558)	-
At 31 October 2017	122,183	641,845	764,028

The notes on pages 12 to 25 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	2,207	1,627
Adjustments for:		
Depreciation of tangible assets	399,374	472,097
Loss on disposal of tangible assets	38,939	-
Interest paid	3,734	5,553
Interest received	(2,849)	(12,262)
Taxation charge	6,893	9,125
Decrease in stocks	9,450	3,761
Decrease in debtors	57,752	272,615
(Decrease) in creditors	(486,832)	(522,986)
Corporation tax (paid)	(9,125)	(10,917)
Net cash generated from operating activities	19,543	218,613
Cash flows from investing activities		
Purchase of tangible fixed assets	(157,708)	(286,490)
Sale of tangible fixed assets	-	2,023
Interest received	2,849	12,262
Net cash from investing activities	(154,859)	(272,205)
Cash flows from financing activities		
Interest paid	(3,734)	(5,553)
Net cash used in financing activities	(3,734)	(5,553)
Net (decrease) in cash and cash equivalents	(139,050)	(59,145)
Cash and cash equivalents at beginning of year	3,712,515	3,771,660
Cash and cash equivalents at the end of year	3,573,465	3,712,515
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,573,465	3,712,515
	3,573,465	3,712,515

The notes on pages 12 to 25 form part of these financial statements.

BRITISH CANOEING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. General information

The company is a private company (registered number: 1525484) limited by guarantee and was incorporated in England and Wales. The company's registered office is National Water Sports Centre, Adbolton Lane, West Bridgford, Nottingham, Nottinghamshire, NG12 2LU.

British Canoeing is the National Governing Body for Paddlesport in the United Kingdom. The strategic objectives are set out on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Grants Receivable

Grants are accounted for when the related eligible expenditure is incurred under the accruals model with the deferred element of grants being included in creditors as deferred income. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates.

Grants of revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Membership Income

Membership income comprises a number of elements including affiliation, direct benefits and services. Affiliation income and income in respect of benefits are recognised at the point, usually on receipt, when there are no further conditions or services to be fulfilled by the company and when the cost can be reliably measured with a corresponding accrual made for any related third party fulfilment costs. Income in respect of services during the membership period is recognised straight line over that period.

A change in accounting policy has been applied retrospectively in these financial statements from the prior policy of membership income recognition in the year when received. It is considered more appropriate to reflect both certain related third party expenditure when the commitment arises and to reflect the delivery of some services by the company over a period of time. This has resulted in an increase in accruals of £131,486 and an increase in deferred income of £104,530. This is recorded as an opening adjustment for these financial statements and in creditors as of 31 October 2016 and 2017 as there was no significant impact on the reported results for either year presented.

Major Events Income

Major Events Income is recognised in the year in which the event takes place.

Levies and Competition Income

Levies and Competition Income is recognised in the year in which the competition takes place.

Coaching and Qualifications Income

Coaching and Qualifications Income is recognised in the year in which the coaching or qualification takes place.

Commercial and Sponsorship Income

Commercial and Sponsorship Income is recognised over the period of the sponsorship term. When the sponsorship is linked to a particular event or condition, income is recognised when the specific event has taken place or the condition has been met.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold and leasehold property-	2% straight line
Other freehold assets	- 10% straight line
Motor vehicles	- 10 - 25% straight line
Office equipment	- 20 - 33.33% straight line
Sports Equipment	- 10% - 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities in the nature of trade and other debtors and creditors.

Trade and other debtors and creditors are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Deferred Grants

Capital grants are treated as deferred income and released in equal annual instalments of the life of the relevant assets. Revenue grants are credited to income in the period to which they relate.

2.12 Other Reserves

Net income restricted to or designated for a specific purpose is transferred to other reserves which are utilised by expenditure incurred in respect of these purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of the revenues and expenses recognised during the reporting periods presented. On an ongoing basis, the Company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraphs detail the estimates and judgements the Company believes to have the most significant impact on the annual results under FRS 102.

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

Membership Income

The allocation of membership income between the various benefits and services provided are based on management's judgement and experience. When management identifies that actual costs are different to estimated, a change is made prospectively. Variances between actual and estimated will not have a material impact on the operating results.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017	2016
	£	£
Grant income	7,217,572	8,466,149
Membership	1,494,841	1,344,873
Levies and Competition	353,426	268,703
Coaching and Qualifications	346,540	249,411
Commercial and Sponsorship	97,942	90,622
Other	39,593	47,370
	9,549,914	10,467,128

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	399,374	472,096
Defined contribution pension cost	143,082	150,879
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,250	11,800
	<u> </u>	<u> </u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	1,250	2,000
	<u> </u>	<u> </u>
	<u>1,250</u>	<u>2,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	3,644,229	3,999,964
Social security costs	334,318	373,152
Cost of defined contribution scheme	143,082	150,879
	4,121,629	4,523,995

Aggregate employee benefits paid to Key Management Personnel during the year were £748,769 (2016: £585,203). The increase is due to a change in the structure of the senior management team.

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Employees	119	144

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	139,305	116,917
Company contributions to defined contribution pension schemes	8,097	6,708
	147,402	123,625

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

The 2016 comparative figures above represent a 10 month period.

BRITISH CANOEING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

9. Interest receivable

	2017	2016
	£	£
Bank interest receivable	2,849	12,262
	<u>2,849</u>	<u>12,262</u>

10. Interest payable and similar charges

	2017	2016
	£	£
Bank interest and similar charges payable	3,734	5,553
	<u>3,734</u>	<u>5,553</u>

11. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	6,893	9,125
	<u>6,893</u>	<u>9,125</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.41% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	9,100	10,752
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.41% (2016 - 20%)	1,766	2,150
Effects of:		
Non-taxable income less expenses not deductible for tax purposes.	5,127	6,975
Total tax charge for the year	<u>6,893</u>	<u>9,125</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

11. Taxation (continued)

Factors that may affect future tax charges

No significant timing differences arise in respect of the profits subject to tax and no material deferred tax asset or liability exists.

12. Tangible fixed assets

	Leasehold and freehold property £	Motor vehicles £	Office equipment £	Sports Equipment £	Total £
Cost					
At 1 November 2016	1,097,493	311,719	285,637	1,786,020	3,480,869
Additions	-	8,424	54,292	94,992	157,708
Disposals	-	-	(66,027)	(97,949)	(163,976)
At 31 October 2017	<u>1,097,493</u>	<u>320,143</u>	<u>273,902</u>	<u>1,783,063</u>	<u>3,474,601</u>
Depreciation					
At 1 November 2016	198,185	219,874	197,177	1,175,227	1,790,463
Charge for the year on owned assets	85,077	41,367	48,853	224,077	399,374
Disposals	-	-	(29,814)	(95,223)	(125,037)
At 31 October 2017	<u>283,262</u>	<u>261,241</u>	<u>216,216</u>	<u>1,304,081</u>	<u>2,064,800</u>
Net book value					
At 31 October 2017	<u><u>814,231</u></u>	<u><u>58,902</u></u>	<u><u>57,686</u></u>	<u><u>478,982</u></u>	<u><u>1,409,801</u></u>
At 31 October 2016	<u><u>899,308</u></u>	<u><u>91,845</u></u>	<u><u>88,460</u></u>	<u><u>610,793</u></u>	<u><u>1,690,406</u></u>

Sport England holds three charges on grant funded land owned by British Canoeing totalling £320,000. One further charge held by Nottingham County Council for the amount of £150,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

13. Stocks

	2017	2016
	£	£
Raw materials and consumables	16,402	25,852
	<u>16,402</u>	<u>25,852</u>
	<u>16,402</u>	<u>25,852</u>

Stock recognised in cost of sales during the year as an expense was £18,637 (2016: £21,295).

14. Debtors

	2017	2016
	£	£
Trade debtors	77,693	48,649
Other debtors	19,596	77,013
Prepayments and accrued income	35,781	65,160
	<u>133,070</u>	<u>190,822</u>
	<u>133,070</u>	<u>190,822</u>

15. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	3,573,465	3,712,515
	<u>3,573,465</u>	<u>3,712,515</u>
	<u>3,573,465</u>	<u>3,712,515</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2017	<i>As restated</i>
	£	2016
		£
Trade creditors	369,132	319,110
Corporation tax	6,893	9,125
Other taxation and social security	409,270	150,656
Deferred Income (see note 2.2)	2,149,565	2,861,678
Accruals (see note 2.2)	639,246	637,804
	<hr/> 3,574,106 <hr/>	<hr/> 3,978,373 <hr/>

17. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Deferred Income	794,604	879,401
	<hr/> 794,604 <hr/>	<hr/> 879,401 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

18. Financial instruments

	2017	2016
	£	£
Financial assets		
Cash at bank	3,573,465	3,712,515
Financial assets measured at amortised cost	97,289	69,097
	<u>3,670,754</u>	<u>3,781,612</u>
Financial liabilities		
Financial liabilities measured at amortised cost	369,132	319,110
	<u>369,132</u>	<u>319,110</u>

Financial assets that are measured at amortised cost comprise of trade and other non-tax debtors.

Financial liabilities measured at amortised cost comprise of trade and other creditors.

Financial Risk Management

Liquidity risk:

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows.

19. Reserves

Profit and loss account

The profit and loss account includes all current and prior year retained surpluses and deficits.

Designated reserves

Designated reserves are made up of the James Turner, Life Membership and Maurice Rothwell Legacy Funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

20. Company status

The company is a private company limited by guarantee and consequently does not have share capital.

Every qualifying member of British Canoeing undertakes to contribute to the assets of British Canoeing, in the event of the same being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of British Canoeing contracted before the cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount may be required not exceeding £1. The number of these members at 31st October was 31,409 (2016: 29,208).

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £143,028 (2016 - £150,879). Contributions totalling £10,904 (2016 - £13,007) were payable to the fund at the balance sheet date

22. Commitments under operating leases

At 31 October 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and Buildings:		
In not later than 1 year	194,603	222,028
Later than 1 year and not later than 5 years	727,713	728,432
Later than 5 years	2,049,659	2,238,489
	<u>2,971,975</u>	<u>3,188,949</u>
	2017 £	2016 £
Other:		
In not later than 1 year	21,015	21,762
Later than 1 year and not later than 5 years	40,753	23,779
	<u>61,768</u>	<u>45,541</u>

During the year the company expensed costs of £269,013 (2016: £326,173) to the Statement of comprehensive income in respect of operating lease commitments.

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FOR THE YEAR ENDED 31 OCTOBER 2017

23. Related party transactions

In the normal course of operations and under federal agreements, the Scottish Canoe Association, Canoe Wales and Canoe Association of Northern Ireland contributed £56,141, £65,599 and £6,462 (2016: £53,551, £60,113 and £8,668) of income towards UK activity and were recharged £100, £nil and £nil (2016: £9,537, £68 and £98) of coaching and other direct costs (net).

The three federal organisations are represented by common directors on the board of British Canoeing and their members are voting members of the company.

24. Grant income and expenditure

	UK Sport £	Sport England £	Other grants £	Total £
International influence	50,806	-	-	50,806
Performance grant	4,591,633	-	-	4,591,633
Capital grant	-	329,759	-	329,759
Development grant	-	1,502,766	12,233	1,514,999
Talent grant	-	691,685	-	691,685
Facilities grant	-	21,000	-	21,000
High Performing NGB grant	-	17,690	-	17,690
Grants receivable	4,642,439	2,562,900	12,233	7,217,572
International influence	(50,806)	-	-	(50,806)
Performance programme	(4,591,633)	-	-	(4,591,633)
Capital grant	-	(329,759)	-	(329,759)
Development grant	-	(1,502,766)	(12,233)	(1,514,999)
Talent grant	-	(691,685)	-	(691,685)
Facilities grant	-	(21,000)	-	(21,000)
High Performing NGB grant	-	(17,690)	-	(17,690)
Total expenditure	(4,642,439)	(2,562,900)	(12,233)	(7,217,572)