

BRITISH CANOEING
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

BRITISH CANOEING
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	J. Coyne, Chairman M. Bache R. Boreham S. Craig C. Dallaway D. Joy B. Kennedy S. Linksted G. Smale D. Wakeling A. Lane (appointed 14 March 2020) M. Moon (appointed 14 March 2020)
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 LLP 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
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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

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 also set out its vision of a united British Canoeing, focused on its people and ambitions and striving for excellence in everything it does. In order for British Canoeing to realise its purpose and vision the organisation launched its four year strategy, Stronger Together in March 2017. The strategy contains 11 ambitions and 67 actions that set the agenda for action for the four years between 2017 and 2021.

During the 2018/2019 financial year British Canoeing Events Limited was incorporated. It is a wholly owned subsidiary of British Canoeing, established specifically to deliver current and future international events held in the UK that are awarded to British Canoeing by the International Federations of the sport.

The Directors of British Canoeing and British Canoeing Events Limited continue to apply the principles of good corporate governance. Whilst maintaining structures regarded as good practice under the UK Corporate Governance Code, British Canoeing is also compliant the UK Code of Sports Governance and British Canoeing Events Ltd will be fully compliant by the end of 2021.

The British Canoeing financial strategy is to maximise income and manage financial risks in order to deliver the strategic plan and optimise the services to the members of British Canoeing. The main sources of income for British Canoeing include grants from UK Sport and Sport England, earned income from membership and other initiatives and commercial partnership income.

BRITISH CANOEING
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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Business review

2019/2020 was an unprecedented year for both British Canoeing and British Canoeing Events as a result of the coronavirus pandemic. This produced significant challenges for the organisation and its members, but also presented some opportunities, through membership growth.

The number of members increased by 61% in the year, with 23495 new members joining British Canoeing between May 2020 and October 2020. This rapid growth was the major factor in increasing the operating surplus of the company.

The digital transformation which has taken place within British Canoeing since 2017, put the organisation in a good place to deal with the challenges of 2020. The introduction of cloud based technologies enabled a smooth transition to home working for the staff. The positioning of the new Go Paddling website attracted 400,000 unique visitors during the year and this was instrumental in the growth of membership. Strong social media and web messaging allowed British Canoeing to keep its members fully advised of the constantly changing government guidance during the year.

The impact of coronavirus on the clubs and centres was substantial and the level of activity was significantly reduced during the year. This impacted on affiliation income and quality mark income. Coaching revenues generated from courses and registration was also significantly impacted, with revenues falling by 51% during the financial year.

Grant income was reduced in the year in-line with operating costs, which were heavily impacted by travel restrictions limiting international training and competition and the postponement of the Tokyo 2020 Olympic and Paralympic Games. Grants received in advance are held as deferred creditors on the balance sheet and offset the increase in cash holdings.

Due to travel restrictions, lockdown and social distancing regulations, there were no international events held during the year and a minimal level of domestic competition. This impacted heavily on levy and event income which declined by 84%.

Although the ECA European Slalom Championships at Lee Valley and the ICF Freestyle World Cup at Holme Pierrepont were both cancelled due to coronavirus, British Canoeing and British Canoeing Events, managed to increase their commercial revenues and established five new commercial partnerships during the year, as well as maintaining the existing commercial event partners for the ICF Freestyle World Championships to be held in Nottingham in July 2021.

The additional costs to the organisation from salary and cost inflation has been absorbed during the year and for the third consecutive year membership fees remained static. All expenditures was carefully managed and remained within budget and aligned to the delivery of Stronger Together.

The group surplus for the year after taxation amounted to £528,037, this is made up of a surplus from British Canoeing of £511,047 and a surplus for British Canoeing Events Limited of £16,990.

British Canoeing considers it good practice to build financial reserves that will meet the future commitments or unforeseen expenses of the company, without a negative impact on the ability to deliver services or develop the businesses in line with the strategic plan. The reserve policy was revised last year to establish crucial, sustainable and investment reserve levels and the delivery of the 2019/20 surplus achieved the second level of Sustainable Reserves.

The consolidated reserves of £1,458,790 (2019 £958,193) enable British Canoeing to manage and withstand any future impacts of the on-going coronavirus pandemic, whilst still taking advantage of change and opportunity to secure the financial viability beyond the immediate future and provide reliable services over the longer term.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

The financial priority continues to be the delivery of the 11 ambitions within the strategy, whilst maintaining strong reserves to provide adequate and sustainable resources for the future development and delivery of the sport.

Key performance indicators

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

- Individual membership of British Canoeing 62,044 at October 2020 (38,549 - 2019)
- Increase the number of quality mark clubs – n/a - 2020 (137 - 2019)
- International medal success in all the major disciplines – nil medals won 2020 (68 medals 2019) due to Covid-19 and no competitions held.
- To comply with the UK Code of Sports Governance and annually retain its current "green" rating. – full compliance retained in 2020.

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 02 February 2021 and signed on its behalf.



M Bache
Director

BRITISH CANOEING
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their report and the financial statements for the year ended 31 October 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The surplus on profit and loss for the year, after taxation, amounted to £528,037 (2019 - £130,444).

Directors

The directors who served during the year were:

J. Coyne, Chairman
M. Bache
R. Boreham
S. Craig
C. Dallaway
J. Fry (resigned 14 March 2020)
D. Joy
B. Kennedy
S. Linksted
D. Paterson (resigned 14 March 2020)
G. Smale
D. Wakeling
A. Lane (appointed 14 March 2020)
M. Moon (appointed 14 March 2020)

BRITISH CANOEING
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

Following the emergence and spread of the coronavirus (Covid-19), the Directors have been monitoring the situation very closely to assess the potential impact on its operations.

Since the year end the government has put in place a full lockdown which has resulted in activities to cease including events and championships. Activities will not start again until the Government advice makes it possible.

The Company has introduced robust governance protocols in light of Covid-19 and risks identified have been factored into long term financial projections.

The Directors have prepared cash flow forecasts to plan for the above, including any reasonable foreseeable mitigating factors and the Directors are comfortable that the company can continue as a going concern for the foreseeable future.

Auditors

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

This report was approved by the board on 02 February 2021 and signed on its behalf.



M. Bache
Director

BRITISH CANOEING
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRITISH CANOEING

Opinion

We have audited the financial statements of British Canoeing (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 October 2020 and of the Group's surplus 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 Group 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 Group's or the parent 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 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

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

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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's shareholders 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 shareholders 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 shareholders for our audit work, for this report, or for the opinions we have formed.



Thomas Wilson (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

02 February 2021

BRITISH CANOEING
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Income	4	8,739,867	9,693,871
Operating Costs		(8,272,285)	(9,574,153)
Other operating income	5	57,287	-
Operating surplus		524,869	119,718
Interest receivable and similar income		10,677	19,541
Interest payable and expenses		(2,443)	(3,587)
Surplus before taxation		533,103	135,672
Tax on surplus	9	(5,066)	(5,228)
Surplus for the financial year		528,037	130,444

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 16 to 30 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	861,651	1,028,119
		<u>861,651</u>	<u>1,028,119</u>
Current assets			
Stocks		18,812	22,125
Debtors: amounts falling due after more than one year	12	13,072	-
Debtors: amounts falling due within one year	12	131,301	195,347
Cash at bank and in hand	13	6,644,989	4,537,302
		<u>6,808,174</u>	<u>4,754,774</u>
Creditors: amounts falling due within one year	14	(5,734,620)	(4,299,328)
Net current assets		<u>1,073,554</u>	<u>455,446</u>
Total assets less current liabilities		<u>1,935,205</u>	<u>1,483,565</u>
Creditors: amounts falling due after more than one year	15	(476,415)	(552,812)
Net assets		<u><u>1,458,790</u></u>	<u><u>930,753</u></u>
Reserves			
Designated reserves	16	30,827	30,827
Income and expenditure account	16	1,427,963	899,926
		<u>1,458,790</u>	<u>930,753</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02 February 2021.



J. Coyne
Chairman

The notes on pages 16 to 30 form part of these financial statements.

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	861,651	1,028,119
Investments	11	1	1
		<u>861,652</u>	<u>1,028,120</u>
Current assets			
Stocks		18,812	17,251
Debtors: amounts falling due within one year	12	122,704	112,584
Cash at bank and in hand	13	6,602,455	4,268,720
		<u>6,743,971</u>	<u>4,398,555</u>
Creditors: amounts falling due within one year	14	(5,692,393)	(3,948,098)
Net current assets		<u>1,051,578</u>	<u>450,457</u>
Total assets less current liabilities		<u>1,913,230</u>	<u>1,478,577</u>
Creditors: amounts falling due after more than one year	15	(476,415)	(552,812)
Net assets		<u><u>1,436,815</u></u>	<u><u>925,765</u></u>
Reserves			
Designated reserves	16	30,827	30,827
Income and expenditure account		1,405,988	894,938
		<u>1,436,815</u>	<u>925,765</u>

The surplus of the parent company in the year was £511,049.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02 February 2021.



J. Coyne
Chairman

The notes on pages 16 to 30 form part of these financial statements.

BRITISH CANOEING
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Designated reserves	Income and expenditure account	Total equity
	£	£	£
At 1 November 2018	118,072	682,237	800,309
Surplus for the year	-	130,444	130,444
Transfer to/from Income and expenditure account	(87,245)	87,245	-
At 1 November 2019	30,827	899,926	930,753
Surplus for the year	-	528,037	528,037
At 31 October 2020	30,827	1,427,963	1,458,790

The notes on pages 16 to 30 form part of these financial statements.

BRITISH CANOEING
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COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Designated reserves	Income and expenditure account	Total equity
	£	£	£
At 1 November 2018	118,072	682,237	800,309
Surplus for the year	-	125,457	125,457
Transfer to/from Income and expenditure account	(87,245)	87,245	-
At 1 November 2019	30,827	894,939	925,766
Surplus for the year	-	511,049	511,049
At 31 October 2020	30,827	1,405,988	1,436,815

The notes on pages 16 to 30 form part of these financial statements.

BRITISH CANOEING
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	528,037	130,444
Adjustments for:		
Depreciation of tangible assets	323,000	304,375
Loss on disposal of tangible assets	8,911	5,395
Interest paid	2,443	3,587
Interest received	(10,677)	(19,541)
Taxation charge	5,066	5,228
Decrease/(increase) in stocks	3,313	(6,086)
Decrease in debtors	50,974	3,091
Increase in creditors	1,364,459	559,257
Corporation tax (paid)	(10,630)	(2,827)
Net cash generated from operating activities	2,264,896	982,923
Cash flows from investing activities		
Purchase of tangible fixed assets	(165,443)	(105,051)
Interest received	10,677	19,541
Net cash from investing activities	(154,766)	(85,510)
Cash flows from financing activities		
Interest paid	(2,443)	(3,587)
Net cash used in financing activities	(2,443)	(3,587)
Net increase in cash and cash equivalents	2,107,687	893,826
Cash and cash equivalents at beginning of year	4,537,302	3,643,476
Cash and cash equivalents at the end of year	6,644,989	4,537,302
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,644,989	4,537,302
	6,644,989	4,537,302

The notes on pages 16 to 30 form part of these financial statements.

BRITISH CANOEING
(A Company Limited by Guarantee)

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 OCTOBER 2020

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	4,537,302	2,107,687	6,644,989
	<u>4,537,302</u>	<u>2,107,687</u>	<u>6,644,989</u>

The notes on pages 16 to 30 form part of these financial statements.

BRITISH CANOEING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

In assessing the company's ability to continue as a going concern, the Directors have in light of COVID-19, considered the liquidity position and reviewed cash flow forecasts for the foreseeable future. The company has adequate financial resources and as a consequence, the Directors believe that the company is well placed to manage its business risks successfully and meet its liabilities as they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.4 Revenue

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. Income 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 Income 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.

With regards to certain related third party expenditure this is considered more appropriate to be recognised when the commitment arises and to reflect the delivery of some services by the company over a period of time.

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.

Merchandise Income

Merchandise income is recognised in the year in which the product is sold.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.5 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 profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

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

2.8 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.

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 Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

2.10 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

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. Income

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

	2020	2019
	£	£
Grant income	5,789,048	7,018,852
Membership	2,594,880	1,734,742
Levies and Competition	54,287	388,126
Coaching and Qualifications	242,023	473,996
Commercial and Sponsorship	59,629	71,443
Other	-	6,712
	8,739,867	9,693,871

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NOTES TO THE FINANCIAL STATEMENTS
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5. Other operating income

	2020	2019
	£	£
Coronavirus Job Retention Scheme	57,287	-
	<u>57,287</u>	<u>-</u>

6. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	18,100	18,350
	<u>18,100</u>	<u>18,350</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	2,670	2,700
	<u>2,670</u>	<u>2,700</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

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

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Wages and salaries	3,622,174	3,617,213	3,622,174	3,617,213
Social security costs	336,860	333,630	336,860	333,630
Cost of defined contribution scheme	167,361	162,465	167,361	162,465
	4,126,395	4,113,308	4,126,395	4,113,308

Aggregate employee benefits paid to Key Management Personnel during the year were £683,249 (2019: £730,589).

Termination and redundancy payments during the year were £24,965 (2019: £25,127).

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Employees	119	<i>115</i>

8. Directors' remuneration

	2020	<i>2019</i>
	£	£
Directors' emoluments	148,589	<i>141,537</i>
Company contributions to defined contribution pension schemes	9,841	<i>9,130</i>
	158,430	<i>150,667</i>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The Non-executive directors did not receive remuneration for their duties in the year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

9. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on surplus for the year	5,066	10,630
Adjustments in respect of previous periods	-	(5,402)
Total tax charge for the year	5,066	5,228

Factors affecting tax charge for the year

The tax assessed for the year is higher than (*2019 - higher than*) the standard rate of corporation tax in the UK of 19% (*2019 - 19%*). The differences are explained below:

	2020	2019
	£	£
Surplus on ordinary activities before tax	533,103	135,672
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.41%)	101,290	25,778
Effects of:		
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(96,224)	(20,550)
Total tax charge for the year	5,066	5,228

Factors that may affect future tax charges

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

10. Tangible fixed assets

Group and Company

	Freehold property £	Motor vehicles £	Office equipment £	Sports Equipment £	Total £
Cost					
At 1 November 2019	1,097,493	363,265	306,541	1,835,803	3,603,102
Additions	-	-	4,646	160,797	165,443
Disposals	-	(101,753)	(11,480)	(305,791)	(419,024)
At 31 October 2020	<u>1,097,493</u>	<u>261,512</u>	<u>299,707</u>	<u>1,690,809</u>	<u>3,349,521</u>
Depreciation					
At 1 November 2019	446,418	308,794	272,546	1,547,225	2,574,983
Charge for the year on owned assets	78,078	15,489	20,458	208,975	323,000
Disposals	-	(101,753)	(9,485)	(298,875)	(410,113)
At 31 October 2020	<u>524,496</u>	<u>222,530</u>	<u>283,519</u>	<u>1,457,325</u>	<u>2,487,870</u>
Net book value					
At 31 October 2020	<u>572,997</u>	<u>38,982</u>	<u>16,188</u>	<u>233,484</u>	<u>861,651</u>
At 31 October 2019	<u>651,075</u>	<u>54,471</u>	<u>33,995</u>	<u>288,578</u>	<u>1,028,119</u>

Sport England holds three charges on grant funded land owned by British Canoeing totalling £320,000.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

11. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2019	1
At 31 October 2020	<u>1</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
British Canoeing Events Ltd	National Watersports Centre, Adbolton Lane, West Bridgford, Nottingham, NG12 2LU	Ordinary	100%

12. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due after more than one year				
Prepayments	13,072	-	-	-
	<u>13,072</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	21,104	47,730	21,104	42,299
Other debtors	42,945	18,312	42,945	13,917
Prepayments and accrued income	67,252	129,305	58,655	56,368
	<u>131,301</u>	<u>195,347</u>	<u>122,704</u>	<u>112,584</u>

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13. Cash and cash equivalents

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Cash at bank and in hand	6,644,989	4,537,302	6,602,455	4,268,720
	6,644,989	4,537,302	6,602,455	4,268,720

14. Creditors: Amounts falling due within one year

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Trade creditors	327,783	351,622	312,053	298,859
Corporation tax	5,026	10,630	5,026	9,921
Other taxation and social security	94,627	105,110	94,627	105,110
Other creditors	4,289,124	2,697,129	4,289,124	2,697,130
Accruals and deferred income	1,018,060	1,134,837	991,563	837,078
	5,734,620	4,299,328	5,692,393	3,948,098

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

	Group 2020	<i>Group 2019</i>	Company 2020	<i>Company 2019</i>
	£	£	£	£
Accruals and deferred income	476,415	552,812	476,415	552,812
	476,415	552,812	476,415	552,812

16. Reserves

Income and expenditure account

The Income and expenditure account includes all current and prior year retained surpluses and deficits.

Designated reserves

Designated reserves are made up of the Maurice Rothwell Legacy Fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

17. 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 they 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 31 October 2020 was 55,688 (2019: 32,928).

18. 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 £167,361 (2019 - £162,465). Contributions totalling £14,264 (2019 - £13,477) were payable to the fund at the balance sheet date

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FOR THE YEAR ENDED 31 OCTOBER 2020**

19. Commitments under operating leases

At 31 October 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Land and Buildings:				
In not later than 1 year	225,947	216,413	225,947	216,413
Later than 1 year and not later than 5 years	903,790	865,652	903,790	865,652
Later than 5 years	1,876,462	1,972,706	1,876,462	2,972,706
	3,006,199	3,054,771	3,006,199	4,054,771

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Other:				
Not later than 1 year	23,924	14,899	23,924	14,899
Later than 1 year and not later than 5 years	6,772	12,632	6,772	12,632
	30,696	27,531	30,696	27,531

During the year the company expenses costs of £254,557 (2019: £237,491) to the Statement of comprehensive income in respect of operating lease commitments.

20. Related party transactions

In the normal course of operations and under federal agreements, the Scottish Canoe Association, Canoe Wales, Canoe Association of Northern Ireland, International Canoe Federation, Holme Pierrepont Canoe Club, Elmbridge Canoe Club, Royal Canoe Club, Lee Valley Leisure Trust, Lee Valley Regional Park Authority, Reading Canoe Club and Ultimate Kayaks contributed £48,109, £47,190, £7,517, £230, £nil, £nil, £nil, £110, £320, £nil and £nil (2019: £70,066, £62,703, £16,940, £284, £nil, £nil and £460) of income towards UK activity and were recharged £4,000, £4,000, £2,034, £1,408, £nil, £13,750, £nil, £126,771, £121,978, £3,000 and £2,740 (2019: £284, £27, £nil, £5,008, £4,058, £18,400 and £18,370) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

21. Public sector funding and other income analysis 2020

	UK Sport £	Sport England £	Other Grants £	Other Income £	Total £
International Influence	18,236	-	-	-	18,236
Performance Grant	3,975,727	-	-	-	3,975,727
Major Events	140,606	-	-	3,000	143,606
Development Grant	-	1,001,635	33,200	-	1,034,835
Talent Grant	-	614,214	-	-	614,214
Coronavirus Job Retention Scheme Grant	-	-	57,287	-	57,287
Other Income	-	-	-	2,953,249	2,953,249
	4,134,569	1,615,849	90,487	2,956,249	8,797,154
International Influence	(18,236)	-	-	-	(18,236)
Performance Grant	(3,975,727)	-	-	-	(3,975,727)
International Events	(140,606)	-	-	(3,000)	(143,606)
Development Grant	-	(1,001,635)	(33,200)	-	(1,034,835)
<-- Enter row heading -->	-	-	-	-	-
Talent Grant	-	(614,214)	-	-	(614,214)
Coronavirus Job Retention Scheme Grant	-	-	(57,287)	-	(57,287)
Other Costs	-	-	-	(2,428,380)	(2,428,380)
	(4,134,569)	(1,615,849)	(90,487)	(2,431,380)	(8,272,285)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

22. Public sector funding and other income analysis 2019

	<i>UK Sport</i> £	<i>Sport</i> <i>England</i> £	<i>Other grants</i> £	<i>Other</i> <i>Income</i> £	<i>Total</i> £
International influence	25,955	-	-	-	25,955
Performance Grant	4,727,382	-	-	-	4,727,382
Major Event	220,339	-	-	103,713	324,052
Development Grant	-	1,192,409	8,200	-	1,200,609
Talent Grant	-	793,331	-	-	793,331
Other income	-	-	-	2,622,542	2,622,542
Grants receivable	4,973,676	1,985,740	8,200	2,726,255	9,693,871
International influence	(25,955)	-	-	-	(25,955)
Performance Grant	(4,727,382)	-	-	-	(4,727,382)
International Events	(220,339)	-	-	(103,713)	(324,052)
Development Grant	-	(1,192,409)	(8,200)	-	(1,200,609)
Talent Grant	-	(793,331)	-	-	(793,331)
Other Costs	-	-	-	(2,502,824)	(2,502,824)
Total expenditure	(4,973,676)	(1,985,740)	(8,200)	(2,606,537)	(9,574,153)

23. Post balance sheet events

Following the emergence and spread of the coronavirus (Covid-19), the Directors have been monitoring the situation very closely to assess the potential impact on its operations.

Since the year end the government has put in place a full lockdown which has resulted in activities to cease including events and championships. Activities will not start again until the Government advice makes it possible.

The Company has introduced robust governance protocols in light of Covid-19 and risks identified have been factored into long term financial projections.

The Directors have prepared cash flow forecasts to plan for the above, including any reasonable foreseeable mitigating factors and the Directors are comfortable that the company can continue as a going concern for the foreseeable future.

24. Controlling party

The Board consider there to be no controlling parties.

