



British Parachute Association Limited

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Annual Report and Accounts 2018-2019

BRITISH PARACHUTE ASSOCIATION LIMITED

(A Company Limited By Guarantee and not having a
Share Capital under the Companies Act 2006)

Company Registration No. 875429 (England and Wales)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Directors

P Applegate
M Bayada
A Bond
N Bunting
S Lee
N Higman
Y Molazadeh
C Poxon
M Soulsby
S Stanhope
B Vacher
G Vacher

Secretary

J D Gretton

Company number

875429

Registered office

5 Wharf Way,
Glen Parva,
Leicester,
LE2 9TF

Auditors

Haines Watts,
Chartered Accountants and
Statutory Auditors,
Sterling House,
97 Lichfield Street,
Tamworth,
Staffordshire,
B79 7QF

Business Address

5 Wharf Way,
Glen Parva,
Leicester,
LE2 9TF

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COUNCIL'S REPORT FOR THE YEAR ENDED 30TH JUNE 2019

COUNCIL

Chairman	M Soulsby	
Vice Chairman	C Poxon	
Treasurer	D Carter	
Other Members	P Applegate M Bayada A Bond N Bunting S Lee	N Higman Y Molazadeh S Stanhope B Vacher G Vacher

PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The principal activity of the Association continues to be that of the promotion and encouragement of sport parachuting and maintenance of safety standards.

Income in 2019 was broadly in line with the previous year, the exception being the £25,000 increase in the valuation of our investments which under current accounting standards must be shown as income.

The major changes in expenditure are a £49,000 decrease in Competitions which fluctuates with the timing of funding, an increase in staff costs with employee changes and the provision of additional benefits, and a charge of £13,000 for providing against bad debts from the EPU.

Overall, this has resulted in a surplus of £49,801 (2018 - £36,143) to be carried forward.

BUSINESS OVERVIEW

The expectations on National Governing Bodies of Sport continue to grow in terms of compliance with an extension in legislative provision. More broadly, compliance involves fair play on a level playing field. This requires a suite of policies and arrangements that encourage best practice and reflect our values, and which can be applied, where necessary, through robust, transparent and fair grievance and disciplinary procedures. There are, of course, resource implications to supporting these growing expectations on us.

Council agreed a significant increase in budget for competitions to help meet several of its strategic objectives and agreed to adopt zero-based budgeting from the next financial year.

GOVERNANCE

Council established a working party on committee structure and frequency of meetings. It is expected to report in the autumn. The services of Amanda Bennett have been retained as external adviser on sports governance. A routine external governance audit was commissioned to take place in July, soon after the end of the financial year. Council has faced issues in seeking to adopt and adapt 'off the shelf' policies to be reasonable and proportionate for our small, specialist sport with famously strong esprit de corps.

REGULATORY COMPLIANCE

An external data compliance audit was conducted in March, and a new professional adviser engaged to support our ongoing work in this area. The role of Compliance Officer has been reviewed and re-advertised, with an appointment made after the date of this report.

RISK

Work has continued in developing our business and finance risk register. We thank Council Member Tash Higman for her expertise in co-ordinating this project.

SAFETY AND TRAINING

Safety within the sport continues to be a primary function of BPA. The Safety and Training Committee (STC), whose membership comprises the Chief Instructors of the 28 BPA Affiliated PTOs, work with the BPA's technical team, Tony Butler (Chief Operating Officer) and Jeff Montgomery (Safety and Technical Officer).

There was one fatal sport parachuting accident at an Affiliated Parachute Training Organisation (PTO) during the year to 30 June 2019. This fatality was investigated by BPA and the report submitted to HM Coroner and STC. The investigation resulted in updates to the Operations Manual and other safety provisions were implemented. STC convened a canopy working party, chaired by Mark Bayada, that is carrying out extensive research and consultation both in the UK and internationally and is expected to report in spring 2020.

Tony Knight, our Aviation Adviser, and Dr John Carter, our Medical Adviser, provide advice on aviation and airspace and medical issues to our Council, Committees, staff and our Affiliated Parachute Training Organisations.

SAFEGUARDING

Sara Orton, our Honorary Safeguarding Adviser, has continued to provide advice on our safeguarding policies and procedures to our Council, Committees, staff and our Affiliated Parachute Training Organisations.

INFORMATION TECHNOLOGY

The membership software specialist Eudonet (UK) was selected from our open invitation to tender for development of our new Personal Information Management System (PIMS) and web hub. Since their engagement in September 2018, work has progressed apace with a view to launch in the final quarter of 2019. We are grateful for the expertise of member Graham Spicer who wrote the PIMS specification and has been client-side adviser to the project throughout. We also thank our staff for bearing the additional work of checking and validating the new system through its developmental phases.

COMMUNICATIONS

We were pleased to welcome our first Communications Manager in Angel Fernandez who joined our staff team in April. Among the first impacts of his new role has been a step-change in our social media activity and engagement. He is also co-ordinating our new web hub and rebranding project.

REBRANDING

Norwich-based branding agency Creative Sponge was selected from our open invitation to tender for rebranding to our new trading name of British Skydiving. They began with an in-depth discovery phase and the new brand will start to appear later in 2019, in time for a formal launch at the AGM in January 2020.

COMMERCIAL PARTNERS

Our insurance partners are Romero Sports and Leisure (brokers) and AXA XL (underwriters). Our nine-year commercial partnership with Archant Dialogue, part of Archant Community Media Ltd, is due to finish in September 2019. From 1 October, Warners Group Publications plc will be our new publishing partner for BPA Skydive the Mag and associated publications.

MEMBERSHIP

	2018/19	2017/18	Variance
Full	5,853	6,010	-3%
Temporary (including Joint Services Adventurous Training)	2,629	2,544	+3%
Student Provisional	55,599	55,124	+1%

AUDITORS

A resolution proposing that Haines Watts Chartered Accountants be reappointed as auditors of the Association will be put at the Annual General Meeting.

STATEMENT OF COUNCIL'S RESPONSIBILITIES

The Council is responsible for preparing the Council's report and the financial statement in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council have elected to prepare the accounts in accordance with United Kingdom Generally Accepted

Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Council 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 Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the Council is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgements and estimates that are reasonable and prudent.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Council is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Council is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Association's auditors are unaware, and the Council have taken all the necessary steps that they ought to have taken as a Council in order to make themselves aware of all relevant audit information and to establish that the Association's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

The report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE COUNCIL:

D Carter
Treasurer

1 October 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRITISH PARACHUTE ASSOCIATION LIMITED

OPINION

We have audited the financial statements of the British Parachute Association Limited ('the Association') for the year ended 30th June 2019 which comprise the Income Statement, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 Association's affairs as at 30th June 2019 and of its 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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 Council are responsible for the other information. The other information comprises the information in the Council's Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Council's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council's 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 Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Council's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council's remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the Council were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Council's Report.

COUNCIL'S RESPONSIBILITIES

As explained more fully in the Council's Responsibilities Statement set out on page 3, the Council 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 Council determines 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 Council is responsible for assessing the Association'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 Council either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 a Report of the Auditors 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 Report of the Auditors.

USE OF OUR REPORT

This report is made solely to the Association'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 Association's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Butler BA FCA (Senior Statutory Auditor)
For and on behalf of Haines Watts

Chartered Accountants and Statutory Auditors
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2019

	Note	£	2019 £	£	2018 £
INCOME					
Members' subscriptions					
- Full			735,983		736,893
- Temporary			4,066		3,894
Sales of manuals, safety information, badges			1,979		3,964
Magazine subscriptions			102		102
Club affiliation			4,800		4,640
Instructor training					
- Courses			6,265		11,732
- Administration			17,560		22,839
Other income			14,764		13,030
Fair value gain on uplift of investments	6		25,205		(4,165)
Credit card commission receivable			674		439
Display team administration			1,250		1,350
TOTAL INCOME			812,648		794,718

INSURANCE

Insurance received		739,542		765,022	
Insurance paid		740,728		766,285	
			1,186		1,263

EXPENDITURE

Operating costs	7	208,975		197,982	
Staff costs	8	333,449		286,519	
Website costs		1,783		2,320	
I.P.C conference		3,429		3,476	
Manuals, safety information and badges		1,395		741	
Magazine		39,800		41,000	
Good governance		1,584		400	
Miscellaneous meetings		5,822		2,400	
Safety		2,129		4,865	
Instructor training		24,865		29,348	
Development		332		1,524	
Competitions		138,098		186,737	
			761,661		757,312

SURPLUS FOR THE FINANCIAL YEAR

49,801 36,143

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible Assets	9		358,423		370,745
Investments	10		2,657,167		2,626,093
			3,015,590		2,996,838

CURRENT ASSETS

Stock		1,354		2,321	
Debtors	11	228,112		154,597	
Cash at bank and in hand	12	832,299		795,378	
		1,061,765		952,296	

CREDITORS – amounts

falling due within one year	13	898,880		820,460	
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NET CURRENT ASSETS

162,885 131,836

TOTAL ASSETS LESS CURRENT LIABILITIES

3,178,475 3,128,674

ACCUMULATED FUND

Balance at 1st July 2018		3,128,674		3,092,531	
Surplus for the year		49,801		36,143	
Balance at 30th June 2019		3,178,475		3,128,674	

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements were approved by the Council on 1 October 2019 and were signed on its behalf by:

M Soulsby – **Chairman**

D Carter – **Treasurer**

1. STATUTORY INFORMATION

British Parachute Association Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office can be found on page 2.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the company's accounting policies, the Council are required to make judgement, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Turnover

Annual membership subscriptions are brought into account on an accruals basis, whilst temporary memberships are brought into account only when received. The accruals concept is also applied to the insurance premium which is incorporated into each membership regardless of type.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	2% on cost
Office fixtures	20% on cost
Exhibition equipment	25% on cost
Training equipment	20% on cost
Office equipment	25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leasing

All leases are 'operating leases' and the relevant annual rentals are charged wholly to the income and expenditure account.

Taxation

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable on taxable investment income using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Grants

Grants received from the Sports Council are dealt with as follows:

- Grants relating to specific capital expenditure are matched with expenditure when it is incurred.
- Grants relating to specific revenue expenditure are matched with expenditure when it is incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Investments

Investments are recognized initially at cost. Subsequently they are measured at fair value through statement of comprehensive income if the shares are publicly traded or can otherwise be measured reliably.

4. EMPLOYEES AND COUNCIL

The average number of employees during the year was 10 (2018 – 10).

5. OPERATING SURPLUS

	2019	2018
	£	£
Operating surplus is stated after charging:		
Auditors' remuneration	4,203	3,760
Depreciation – owned assets	17,829	23,764
Operating Lease Rentals	3,669	3,914

6. GAINS ON FAIR VALUE OF INVESTMENTS

	2019	2018
	£	£
Gain on fair value of investments and gross interest received	31,845	3,565
Provision for Corporation Tax at 19% (2018 – 19%)	(6,640)	(7,730)
	<u>25,205</u>	<u>(4,165)</u>

7. OPERATING COSTS

	2019	2018
	£	£
Rates, heat and light	8,170	6,831
Depreciation of fixed assets	17,829	23,764
Loss/(gain) on disposal of fixed assets	(12,713)	-
Staff and council expenses	10,764	9,548
Postage	15,608	13,906
Telephone and fax	4,408	3,956
Printing and stationery	15,594	15,894
General expenses	14,322	9,062
Hire of office equipment – operating leases	3,669	3,914
Audit fee	4,203	3,760
Insurance	6,032	5,822
Legal and professional	16,382	15,049
Subscriptions	9,479	9,432
Bank charges	1,882	2,057
Credit card commissions	11,800	11,494
Bad and doubtful debts	13,421	-
General meetings	8,213	5,841
Repairs and renewals	26,649	21,620
Office cleaning	3,606	3,749
Election of Council	601	3,984
CAA approval charge	29,056	28,299
	<u>208,975</u>	<u>197,982</u>

8. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	291,808	250,382
Social security costs	22,708	20,281
Pension contributions	10,369	8,764
Health insurance and death in service	8,564	7,092
	<u>333,449</u>	<u>286,519</u>

9. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Office Fixtures & Equipment	Competitions, Training & Exhibition Equipment	Total
	£	£	£	£
COST OR VALUATION:				
At 1st July 2018	384,177	186,367	34,856	605,400
Additions	7,922	9,115	1,185	18,222
Disposals	-	(25,425)	-	(25,425)
At 30th June 2019	<u>392,099</u>	<u>170,057</u>	<u>36,041</u>	<u>598,197</u>
Being:				
Cost	421,099	170,057	36,041	627,197
Valuation – 1996	(29,000)	-	-	(29,000)
As at 30th June 2019	<u>392,099</u>	<u>170,057</u>	<u>36,041</u>	<u>598,197</u>
DEPRECIATION				
At 1st July 2018	42,510	161,391	30,887	234,788
Charge for the year	7,842	8,409	1,448	17,699
Disposals	-	(12,713)	-	(12,713)
At 30th June 2019	<u>50,352</u>	<u>157,087</u>	<u>32,335</u>	<u>239,774</u>
NET BOOK VALUE:				
At 30th June 2019	<u>341,747</u>	<u>12,970</u>	<u>3,706</u>	<u>358,423</u>
At 30th June 2018	<u>341,667</u>	<u>24,976</u>	<u>3,967</u>	<u>370,610</u>

10. INVESTMENTS

The Association holds units in 4 (2018 – 4) investment bonds at a total cost of £2,516,667 (2018 £2,516,667). These investments are for terms of 3 to 6 years. During the year £0 (2018 £466,000) of investments reached maturity and were cashed in. The Association also had new investments of £0 (2018 £950,000) during the year.

At the Balance Sheet date the units were valued and carried at their fair value. This represents a current valuation only and not a surrender value if the units were sold at the Balance Sheet date, as there would be costs associated with a disposal before maturity. It is the intention of the Association that these investments are held until maturity thus avoiding any costs associated with early redemption.

11. DEBTORS

	2019	2018
	£	£
Trade debtors	134,456	138,024
Other debtors	899	225
Prepayments and Accrued Income	92,757	16,348
	<u>228,112</u>	<u>154,597</u>

12. CASH – at bank and in hand

	2019	2018
	£	£
HSBC account balance	832,064	795,272
Petty cash account	235	106
	<u>832,299</u>	<u>795,378</u>

13. CREDITORS – amounts falling due within one year

	2019	2018
	£	£
Trade creditors	115,776	50,158
Corporation tax	7,138	8,227
Taxation and social security	6,894	5,745
Other creditors	197,664	197,649
British Team Fund	45,419	43,494
Accruals	310,611	303,295
Subscriptions in advance	145,160	143,765
Drop zone defence fund	33,643	33,010
Risk Management Fund	36,575	35,117
	<u>898,880</u>	<u>820,460</u>

14. LEASING COMMITMENTS

Annual commitments under non-cancellable operating leases are:-

	Office equipment	
	2019	2018
	£	£
Operating leases which expire:		
Within one year	1,528	1,528
In the second to fifth year	5,348	6,112
In over five years	-	764
	<u>6,876</u>	<u>8,404</u>

15. CAPITAL COMMITMENTS

The Association had capital commitments for freehold land and buildings of £0 (2018 - £0) at the year end.

16. RESERVES

The Association aims to hold sufficient reserves to enable it to continue its activities as a going concern irrespective of any financial or operational difficulty and thus the continuance of sport parachuting in the UK.

17. LIMITATION BY GUARANTEE

The Association is limited by guarantee. Each member has guaranteed a maximum of £1.

18. PENSIONS

The Association operates a defined contribution pension scheme. The assets of the scheme are held in a separate trustee administered fund. At the Balance Sheet date contributions of £0 (2018 - £0) were outstanding.

19. NON AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.