

BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Paul Abrahams Julia Bracewell Thomas Cadman Clare Halstead Alp Orge Graham Paul William Pitt David Teasdale John Troiano Georgina Usher
Registered number	01917099
Registered office	1 Baron's Gate 33 Rothschild Road London W4 5HT
Independent Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY

BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)

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BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activities and review of business

British Fencing's principal activity remains the strategic management of the sport of fencing in the United Kingdom, as the national governing body.

This year a major focus was the 2012 Olympic Games, the first Olympics hosted in the UK since 1948, which was impeccably organised and raised the profile of fencing.

In contrast, British Fencing's financial results were very disappointing . A deficit after tax of £216,000 was recorded, which reflected a series of exceptional costs, including legal fees, write offs of bad debts from prior years, and a significant deficit incurred on events run by British Fencing. The Board's immediate priority is to address and improve the financial situation of the Company.

It was also a year of change, as the Board completed the restructure agreed in 2011/12, with all eight elected Directors stepping down, and being replaced by eight new Directors in elections held in October and March. New auditors, haysmacintyre, were also appointed.

British Fencing continued to benefit from its excellent relationship with its major sponsor, the specialist insurer, Beazley, who supported a range of projects. The year also marked the start of a new four year funding cycle for our partners Sport England and UK Sport. British Fencing was successful in bidding for increased funding from both these bodies for 2013-17, although these vital new funds are subject to review at the end of 2013.

The Board has considered and reaffirmed British Fencing's "3G" strategy of Green, Grow, Gold, and expressed the ambition to become the world's leading fencing nation by 2024.

The Directors recognise the challenges in the coming year and beyond to restore financial stability, and deliver on the strategic vision, and as a Board are fully committed to achieving this.

BRITISH FENCING ASSOCIATION LTD
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013

Results

The deficit for the year, after taxation, amounted to £216,000 (2012 - deficit £82,536).

Directors

The directors who served during the year were:

Julia Bracewell (appointed 20 October 2012)
Andrew Brannon (resigned 20 October 2012)
David King (resigned 5 April 2013)
Piers Martin (resigned 20 October 2012)
Charles Morrison (resigned 5 April 2013)
Alp Orge
Graham Paul (appointed 20 October 2012)
Elizabeth Payne (resigned 5 April 2013)
William Pitt (appointed 16 November 2012)
Keith Smith (resigned 20 October 2012)
Penelope Spink (resigned 20 October 2012)
David Teasdale
Michael Thornton (resigned 20 October 2012)
John Troiano (appointed 20 October 2012)
Georgina Usher (appointed 20 October 2012)

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

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 16 September 2013 and signed on its behalf.

(Signed)

David Teasdale
Director

BRITISH FENCING ASSOCIATION LTD
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH FENCING ASSOCIATION LTD

We have audited the financial statements of British Fencing Association Ltd for the year ended 31 March 2013, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRITISH FENCING ASSOCIATION LTD
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH FENCING ASSOCIATION LTD

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jeremy Beard (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

Fairfax House

15 Fulwood Place

London

WC1V 6AY

16 September 2013

BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	As restated 2012 £
Income	1,2	2,070,863	2,087,339
Administrative expenses		<u>(2,292,137)</u>	<u>(2,174,588)</u>
OPERATING DEFICIT	3	(221,274)	(87,249)
Interest receivable and similar income		<u>6,598</u>	<u>5,891</u>
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(214,676)	(81,358)
Tax on deficit on ordinary activities	6	<u>(1,324)</u>	<u>(1,178)</u>
DEFICIT FOR THE FINANCIAL YEAR	13	<u><u>(216,000)</u></u>	<u><u>(82,536)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Income and Expenditure Account.

The notes on pages 7 to 14 form part of these financial statements.

BRITISH FENCING ASSOCIATION LTD
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01917099

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013		As restated 2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		127,903		163,658
Investments	8		458,870		458,870
			<u>586,773</u>		<u>622,528</u>
CURRENT ASSETS					
Stocks	9	1,000		9,268	
Debtors	10	314,544		348,156	
Cash at bank and in hand		181,189		203,721	
		<u>496,733</u>		<u>561,145</u>	
CREDITORS: amounts falling due within one year	11	(790,858)		(675,025)	
NET CURRENT LIABILITIES			<u>(294,125)</u>		<u>(113,880)</u>
NET ASSETS			<u>292,648</u>		<u>508,648</u>
RESERVES					
Income and Expenditure account	13		<u>292,648</u>		<u>508,648</u>
	15		<u>292,648</u>		<u>508,648</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 September 2013.

(Signed)

David Teasdale
 Director

The notes on pages 7 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the inherent uncertainties in relation to the company's future funding and are confident of the company's ability to continue as a going concern. The company relies upon grant income when considering the scale of its operations and closely monitors its working capital accordingly.

1.3 Income

Income comprises of grant income, sponsorship income and subscription income. Grant income is recognised and matched against the appropriate expenditure when incurred. Sponsorship income is recognised in accordance with the underlying agreement.

Subscription income is recognised for one year from date of receipt. This is a change in accounting policy in the period as income was previously recognised on receipt. A prior year adjustment has been made to account for this change in accounting policy and the impact is fully explained in note 14.

Sponsorship income is recognised straight line across the term of the agreement. This is a change in accounting policy in the period as income was previously recognised on receipt. A prior year adjustment has been made to account for this change in accounting policy and the impact is fully explained in note 14.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings and equipment	-	10-33% straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Income and Expenditure Account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Income

All income arose within the United Kingdom.

3. OPERATING DEFICIT

The operating deficit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	39,030	22,469
Auditors' remuneration	6,950	11,105
Difference on foreign exchange	406	-
	<u> </u>	<u> </u>

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

4. STAFF COSTS

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

	2013 £	2012 £
Wages and salaries	354,644	370,753
Social security costs	35,678	37,177
Other pension costs	13,563	9,670
	<u>403,885</u>	<u>417,600</u>

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

	2013 No.	2012 No.
	<u>11</u>	<u>12</u>

5. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>62,500</u>	<u>67,020</u>

The above figures include an amount totalling £12,000 (2012: £12,000) in respect of directors fees.

6. TAXATION

	2013 £	2012 £
UK corporation tax charge on loss for the year	<u>1,324</u>	<u>1,178</u>

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Deficit on ordinary activities before tax	(214,676)	(81,358)
Deficit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(42,935)	(16,272)
Effects of:		
Non-taxable income	44,259	17,450
Current tax charge for the year (see note above)	1,324	1,178

Factors that may affect future tax charges

There are no other factors which may affect future tax charges.

The company only pays corporation tax on its investment income.

7. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings and equipment £	Total £
Cost			
At 1 April 2012	144,873	149,585	294,458
Additions	-	2,164	2,164
At 31 March 2013	144,873	151,749	296,622
Depreciation			
At 1 April 2012	62,307	68,493	130,800
Charge for the year	2,892	35,027	37,919
At 31 March 2013	65,199	103,520	168,719
Net book value			
At 31 March 2013	79,674	48,229	127,903
At 31 March 2012	82,566	81,092	163,658

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Other investments £	Total £
Cost or valuation			
At 1 April 2012 and 31 March 2013	1	458,869	458,870
Net book value			
At 31 March 2013	1	458,869	458,870
At 31 March 2012	1	458,869	458,870

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Copperdale Limited	Ordinary	100%

Other investments

The market value of the listed investments at 31 March 2013 was £645,773 (2012 - £635,890).

9. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	1,000	9,268

10. DEBTORS

	2013 £	2012 £
Trade debtors	212,982	87,511
Amounts owed by group undertakings	14,957	14,800
Other debtors	24,772	4,401
Prepayments and accrued income	61,833	241,444
	<u>314,544</u>	<u>348,156</u>

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

11. CREDITORS:
Amounts falling due within one year

	2013 £	As restated 2012 £
Trade creditors	164,492	241,719
Corporation tax	1,320	1,178
Other taxation and social security	29,958	24,178
Other creditors	69,394	-
Accruals and deferred income	525,694	407,950
	<u>790,858</u>	<u>675,025</u>

12. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

13. RESERVES

	Income and expenditure account £
At 1 April 2012	508,648
Loss for the financial year	(216,000)
	<u>292,648</u>

BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

14. PRIOR YEAR ADJUSTMENT

Comparative figures have been restated to reflect two changes in accounting policies:

Subscription income

Subscription income is accounted on for the accruals basis whereby any monies received are initially deferred and then released to the income and expenditure account over the life of the membership term. Previously membership income was accounted for on a cash receipts basis. The accounting policy has been changed as the directors consider the new policy gives a fairer presentation of the group's results and cash flows as they arise during the course of the accounting period.

As a result of this the brought forward reserves and the accruals and deferred income within the comparative figures have been adjusted by £93,594 to reflect this change.

The impact on the 31 March 2013 financial statements is a reduction in income of £2,511 as a result of the release of the 31 March 2012 deferred membership balance and the inclusion of the 2013 deferred membership balance.

Sponsorship income

Sponsorship income is accounted on for the accruals basis whereby any monies received are initially deferred and then released to the income and expenditure account over the life of the sponsorship term. Previously sponsorship income was accounted for on a cash receipts basis. The accounting policy has been changed as the directors consider the new policy gives a fairer presentation of the group's results and cash flows as they arise during the course of the accounting period. During 2011 sponsorship of £100,000 was recognised on a receipts basis whereas £50,000 has now been deferred to reflect the change in accounting policy.

This change in accounting policy has impacted 2012 by decreasing sponsorship income by £11,500. There is no impact on the 2013 income figures recognition on the receipts basis matches the accruals basis. However, as a result of this the brought forward reserves and the accruals and deferred income within the comparative figures have been adjusted by £50,000 to reflect this change.

The group's reserves at 1 April 2012 prior to these adjustments were £652,242. The prior year adjustment for periods prior to 31 March 2011 resulted in an adjustment of £132,094, this gave adjusted brought forward reserves at 1 April 2011 of £591,184 as shown within note 15. The prior year adjustment for the year to 31 March 2012 has resulted in adjustment to profit of £11,500 with amended profit for the period of £82,536.

15. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2013 £	2012 £
Opening members' funds	508,648	723,278
Prior year adjustments (note 14)		(132,094)
		<hr/>
Opening members' funds (as restated)		591,184
Loss for the financial year	(216,000)	(82,536)
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Closing members' funds	292,648	508,648
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BRITISH FENCING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

16. PENSION COMMITMENTS

The company operates a defined contribution 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 £13,563 for the year (2012: £9,670). At March 2013 the amount of unpaid pension contributions was £nil (2012: £nil).

17. RELATED PARTY TRANSACTIONS

The company Chairman, D Teasdale, receives a fee of £12,000 per annum and was paid expenses of £8,090. An amount totalling £2,086 was due to D Teasdale at the balance sheet date.

The Chairman's spouse is the Chief Executive Officer of Sport England. During the period the company received grant income of £400,249 from Sport England.

As the company wholly owns its only subsidiary, Copperdale Limited, it has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities which form part of the group.

18. CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.