

THE ROYAL PIGEON RACING ASSOCIATION INCLUDING THE BRITISH HOMING WORLD ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2020

Statement of Council's responsibilities

The rules of The Royal Pigeon Racing Association require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association as at the end of the financial year and of the profit or loss of the Association for that period.

The Council confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 October 2020. The Council also confirms that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The Council is responsible for keeping proper accounting records which 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 rules. They are 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.

By order of the Council.

D. Bridges, President

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF THE ROYAL PIGEON RACING ASSOCIATION INCLUDING THE BRITISH HOMING WORLD

We have audited the financial statements of The Royal Pigeon Racing Association including The British Homing World for the year ended 31 October 2020, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 Council of the Association, as a body. Our audit work has been undertaken so that we might state to the Council of the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of the Association and the Council of the Association as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in Statements of Council's Responsibilities, the Council is 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 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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council of the Association; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Andrew Harris (Senior Statutory Auditor) for and on behalf of Hazlewoods LLP

HAZLEWOODS LLP

Chartered Accountants and Registered Auditors
Windsor House
Bayshill Road
Cheltenham
Gloucestershire GL50 3AT

Statement of accounting policies: The accounting policies that the Association has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure are shown below. They have been consistently applied and are in accordance with applicable Accounting Standards.

Basis of accounting: The financial statements have been prepared on the historical cost basis of accounting.

Income: Income, which excludes VAT, represents subscriptions, licences and receipts from services provided to members and is accounted for on the accruals basis.

Fixed assets: Fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation: Depreciation is calculated so that fixed assets are written off over their estimated useful lives in annual instalments on the following basis: Freehold buildings 2% of cost per annum; pigeon loft 33.3% of cost per annum; computer equipment 33.3% of cost per annum; office furniture, fittings and equipment 10% and 15% of net book value per annum; motor vehicles 25% of cost per annum; mobile display unit 25% of cost per annum, one-loft race assets 10% of cost per annum. The freehold land, publishing rights and collections and books are not depreciated as their estimated residual values are expected to be higher than their carrying amounts.

Stocks: Stocks are stated in the balance sheet at the lower of cost and net realisable value, after making due allowances for obsolete and slow-moving items. Cost is based on original purchase price and is calculated using the first-in, first-out method.

Pension costs: The Association participates in defined contribution money purchase pension schemes. The assets are held separately from those of the Association in independently administered funds. The pension charge in the accounts represents the contributions payable to the funds during the year.

Government Grants: Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st OCTOBER 2020

	Notes	2020 £	2019 £
INCOME			
Surplus on trading account (page 7)		544,760	624,170
Other income	1	141,208	125,020
		<u>685,958</u>	<u>749,190</u>
EXPENDITURE			
Advertising		616	1,017
Council meetings and travelling expenses	2	12,681	28,869
Car expenses	3	11,306	17,894
Legal and professional		5,518	3,891
Subscriptions		672	1,027
Wages and salaries	4	473,209	477,100
Employer's N.I.		34,724	36,226
Pension contributions		22,774	23,134
Maintenance of equipment		26,145	25,525
Printing, stationery, postage and telephone		21,794	21,745
Property expenses	5	50,307	52,656
Audit, accountancy and taxation		12,650	12,400
Depreciation		19,343	16,339
Sundries	7	34,113	31,983
Insurance		32,670	42,103
President's allowance		2,000	2,000
Finance charges	6	10,822	9,233
		<u>(771,344)</u>	<u>(803,142)</u>
Loss for the year before taxation		(85,386)	53,952
Taxation charge	8	(7,453)	(9,102)
Retained loss for the year		<u>£ (92,839)</u>	<u>£63,054</u>

All of the above results derive from the continuing operations of the Association.

The Association has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit for the year before taxation and the retained profit for the year stated above, and their historical cost equivalents.

BALANCE SHEET - 31st OCTOBER 2020

FIXED ASSETS

Tangible assets	9	117,191	125,879
Investments	10	17,680	17,680
		<u>134,871</u>	<u>143,559</u>

CURRENT ASSETS

Stocks		72,223	80,314
Debtors	11	113,534	114,984
Cash at bank and in hand		793,329	859,938
		<u>979,086</u>	<u>1,055,236</u>

CURRENT LIABILITIES

Cash received in advance		237,860	222,381
Creditors: amounts falling due within 1 year	12	135,439	142,917
		<u>373,299</u>	<u>365,298</u>

NET CURRENT ASSETS

		<u>605,787</u>	<u>689,938</u>
NET ASSETS		<u>£ 740,658</u>	<u>£ 833,497</u>

Financed by

RESERVES

Profit and loss reserve	13	664,688	739,205
Future of Sport reserve	13	75,970	94,292

		<u>£ 740,658</u>	<u>£ 833,497</u>
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The financial statements on pages 3 to 10 were approved December 2020 – D. Bridges, President

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2020

1. OTHER INCOME	2020	2019
Subscriptions and licences	107,483	113,874
Online auction hosting for customers	49	-
Appeal receipts	93	30
Federation registration fees	727	756
Interest receivable	5,941	10,244
Credit card handling charge	597	62
Uncashed cheques written back	8	8
Other income	33	46
Coronavirus Job Retention Scheme Grant	26,277	-
	£ 141,208	£ 125,020
2. COUNCIL AND TRAVELLING EXPENSES		
Council meetings	9,269	22,689
Hotel & overseas expenses	3,412	6,180
	£ 12,681	£ 28,869
3. CAR EXPENSES		
Car lease	8,790	10,120
Fuel	256	576
Maintenance and parking	1,068	5,475
Insurance and tax	1,192	1,723
	£ 11,306	£ 17,894
4. WAGES & SALARIES		
Chief Executive Officer	44,751	44,057
Editor	43,163	42,316
Other staff	401,613	408,561
One-Loft Race staff admin costs	(7,995)	(9,674)
Show of the Year contribution	(8,323)	(8,160)
	£ 473,209	£ 477,100
5. PROPERTY EXPENSES		
Rates	24,372	24,106
Light and heat	7,203	7,885
General maintenance	970	1,388
Repairs and maintenance	6,399	7,490
Selby House	4,410	3,897
Canteen and cleaning	6,953	7,890
	£ 50,307	£ 52,656
6. FINANCE CHARGES		
Cardnet charges	3,025	3,119
DCM fees	1,095	1,084
Worldpay charges	5,131	5,030
Bad debts	1,001	-
Direct debit charges	570	-
	£ 10,822	£ 9,233
7. SUNDRIES		
Blackpool Show costs	27,107	22,210
Prize money and awards	2,555	953
Commemorations and celebrations	1,000	-
Miscellaneous expenses (Appendix A)	1,598	2,525
Olympiad expenses	23	5,020
Gifts and bereavement	576	554
Dinner costs	565	461
Books and publications	135	260
Western European Union Show Costs	644	-
	£ 34,113	£ 31,983
8. TAXATION		
UK Corporation tax		7,453
		£ 7,453
		9,102
		£ 9,102

9. FIXED ASSETS	One-Loft Race Assets	Land and buildings	Publishing Rights	Collections & books	Computer Equipment & Fittings	Motor vehicles	Mobile Display Unit	Total
Cost	£	£	£	£	£	£	£	£
At 1st November 2019	27,815	160,783	7,104	121	116,907	15,226	489	337,180
Additions	356	-	-	-	10,299	-	-	10,655
At 31st October 2020	28,171	169,518	7,104	121	127,206	15,226	489	347,835
Depreciation								
At 1st November 2019	5,564	96,018	500	-	93,504	15,226	489	211,301
Charge for the year	2,817	3,086	-	-	13,440	-	-	19,343
At 31st October 2020	8,381	99,104	500	-	106,944	15,226	489	230,644
Net book value at 31st October 2020	19,790	70,414	6,604	121	20,262	-	-	117,181
at 31st October 2019	22,251	73,500	6,604	121	23,403	-	-	125,879

10. INVESTMENTS	2020	2019
Medals at 1st November 2019 and 31st October 2020	£ 17,680	
11. DEBTORS		
Trade debtors	17,791	20,976
Prepayments and accrued income	80,323	93,273
Other debtors	15,420	735
	£ 113,534	£ 114,984
12. CREDITORS: Amounts falling due within one year		
Trade creditors	73,441	71,927
Corporation tax	7,453	9,102
Other taxation including social security payable	35,580	40,860
Accruals and deferred income	15,296	19,230
Other creditors	263	318
Liberation sites recharge	3,406	1,480
	£ 135,439	£ 142,917

13. STATEMENT OF MOVEMENT ON RESERVES	Profit & Loss Reserve £	Future of Sport Reserve £	Total £
Balance at 1st November 2019	739,205	94,292	833,497
Retained Profit for the year	(74,517)	(18,322)	(92,839)
Balance at 31st October 2020	£ 664,688	£ 75,970	£ 740,658

TRADING ACCOUNT FOR THE YEAR ENDED 31st OCTOBER 2020 – RECEIPTS FROM SERVICES PROVIDED			
	2020	2019	
Life Rings	166,052	170,884	
Direct cost of sales	(55,637)	(53,741)	
	110,415		117,143
Rubber Racing Rings	16,420	20,994	
Direct cost of sales	(13,880)	(18,593)	
	2,540		2,401
Transfers	35,645	65,438	
Direct cost of service	(10,434)	(17,358)	
	25,211		48,080
Distances	2,136	2,623	
Direct cost of service	(173)	(237)	
	1,963		2,386
Continental racing	7,690	13,836	
Direct cost of shipping	(1,342)	(3,648)	
	6,348		10,188
Seals and pliers	11,606	13,773	
Direct cost of sales	(6,308)	(7,094)	
	5,298		6,679
Paper and other sales	819,141	875,474	
Direct cost of sales including postage and carriage	(394,550)	(411,778)	
	424,591		463,696
British Olympiad Show	2,795	£8,028	
Direct cost of sales	(18,376)	(19,437)	
	(15,581)		(11,409)
Inland Liberation	6,785	7,533	
Direct cost of sales (incl postage)	(328)	(782)	
	6,457		6,751
Lost bird expenditure		(8,088)	
Future of the Sport income	179,315	186,473	
Donations	1,199	5,783	
Expenditure including prizes	(146,485)	(152,035)	
Other expenditure	(48,433)	(54,397)	
	(14,404)		(14,176)
SURPLUS CARRIED TO PROFIT AND LOSS ACCOUNT (page 5)	£ 544,750		£ 624,170

Appendix A		
ANALYSIS OF MISCELLANEOUS EXPENDITURE FOR THE YEAR ENDED 31st OCTOBER 2020		
	2020	2019
Staff Christmas parties	481	608
Staff eye tests and contribution to glasses	270	215
Events	-	50
Data recorder	-	312
Bound volumes of BHW	664	635
Miscellaneous	183	705
	£1,598	£2,525

Appendix B		
FUTURE OF THE SPORT RESERVE FOR THE YEAR ENDED 31st OCTOBER 2020		
	2020	2019
At 1 November 2019	94,292	112,605
One-Loft Race profit	32,830	34,438
Donations received	1,000	5,783
Development project	200	-
Other expenses	(48,433)	(14,176)
Surplus on One-Loft race	(14,403)	(2,539)
Depreciation	(3,9197)	(4,137)
At 31 October 2020	£ 75,970	£ 94,292
1 OTHER EXPENSES		
Donations	360	350
Miscellaneous	5	87
Development officer salaries and expenses	33,761	34,145
Public relation and consultancy fees	10,678	12,558
Young Fancier expenditure	2,329	7,257
UK Masters prize and photography	1,300	-
	£ 48,433	£ 54,397