

# THE ROYAL PIGEON RACING ASSOCIATION INCLUDING THE BRITISH HOMING WORLD ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2021

'This is the draft account, the final accounts are pending on the the outcome of the purchases of new headquarters premises for corporation tax final calculation.'

## 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 2021. 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.  
L. Blacklock, 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 2021, 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.

## 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

## 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 Auditor's 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 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.

## Respective responsibilities of members and auditors

As explained more fully in Statements of Council's Responsibilities, set out above, 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.

## Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK). In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Association's financial statements or that had a fundamental effect on the Association's operations. We determined that the most significant laws and regulations included UK GAAP, and taxation laws.
  - We understood how the Association is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
  - We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur.
- Audit procedures performed by the engagement team included:
- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 October 2021 has been undertaken;
  - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
  - Challenging assumptions and judgements made by management in its significant accounting estimates.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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, 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.

<b>Appendix A</b>		
<b>ANALYSIS OF MISCELLANEOUS EXPENDITURE FOR THE YEAR ENDED 31st OCTOBER 2021</b>		
	<b>2021</b>	<b>2020</b>
Staff Christmas parties	–	481
Staff eye tests and contribution to glasses	325	270
Health & Safety	27	–
Staff Professional Subs	159	157
Bound volumes of BHW	–	664
Miscellaneous	163	26
	<u>£674</u>	<u>£1,598</u>

<b>Appendix B</b>		
<b>FUTURE OF THE SPORT RESERVE FOR THE YEAR ENDED 31st OCTOBER 2021</b>		
	<b>2021</b>	<b>2020</b>
At 1 November 2020	75,970	94,292
One-Loft Race profit	27,242	32,830
Yearling Race profit	10,075	–
Donations received	–	1,000
Development project	–	200
Other expenses	1 (45,657)	(48,433)
Loss on F.O.S.	(8,340)	79,889
Depreciation	(4,053)	(3,919)
	<u>£ 63,577</u>	<u>£ 75,970</u>
At 31 October 2021		
<b>1 OTHER EXPENSES</b>		
Donations	–	360
Miscellaneous	–	5
Development officer salaries and expenses	34,745	33,761
Public relation and consultancy fees	8,400	10,678
Young Fancier expenditure	2,504	2,329
UK Masters prize and photography	8	1,300
	<u>£ 45,657</u>	<u>£ 48,433</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st OCTOBER 2021

	Notes	2021 £	2020 £
<b>INCOME</b>			
Surplus on trading account (page 7)		519,660	544,750
Other income	1	773,387	141,208
		<u>1,293,047</u>	<u>685,958</u>
<b>EXPENDITURE</b>			
Advertising		–	616
Council meetings and travelling expenses	2	7,392	12,681
Car expenses	3	16,456	11,306
Legal and professional		28,685	5,518
Subscriptions		483	672
Wages and salaries	4	443,195	473,209
Employer's N.I.		31,074	34,724
Pension contributions		21,677	22,774
Maintenance of equipment		21,777	26,145
Printing, stationery, postage and telephone		18,624	21,794
Property expenses	5	60,295	50,307
Audit, accountancy and taxation		14,556	12,650
Depreciation		18,681	19,343
Sundries	7	2,783	34,113
Insurance		15,373	32,670
President's allowance		2,000	2,000
Finance charges	6	9,326	10,822
		<u>(712,387)</u>	<u>(771,344)</u>
Loss for the year before taxation		580,660	(85,386)
Taxation charge	8	(11,657)	(7,453)
Retained profit (loss) for the year		<u>£ 569,003</u>	<u>£ (92,839)</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 loss for the year before taxation and the retained loss for the year stated above, and their historical cost equivalents.

BALANCE SHEET - 31st OCTOBER 2021

FIXED ASSETS

Tangible assets	9	80,101	117,191
Investments	10	17,680	17,680
		<u>97,781</u>	<u>134,871</u>

CURRENT ASSETS

Stocks		66,275	72,223
Debtors	11	153,938	113,534
Cash at bank and in hand		1,373,837	793,329
		<u>1,594,050</u>	<u>979,086</u>

CURRENT LIABILITIES

Cash received in advance		215,578	237,860
Creditors: amounts falling due within 1 year	12	166,592	135,439
		<u>382,170</u>	<u>373,299</u>

NET CURRENT ASSETS

1,211,880 605,787

NET ASSETS

£ 1,309,661 £ 740,658

Financed by

RESERVES

Profit and loss reserve	13	1,246,084	664,688
Future of Sport reserve	13	63,577	75,970

£ 1,309,661 £ 740,658

The financial statements on pages 3 to 11 were approved December 2021 – L. Blacklock, President

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2021

<b>1. OTHER INCOME</b>									
Subscriptions and licences					2021				2020
Online auction hosting for customers					136,225				107,483
Appeal receipts					5,427				49
Federation registration fees					60				93
Interest receivable					820				727
Credit card handling charge					3,181				5,941
Paypal handling charge					-				597
Worldpay handling charge					-				-
Sundry income					222				-
Donations received					-				-
Profit on sale of Reddings House					614,601				-
Advertising					-				-
Late payment surcharge					9				-
Uncashed cheques written back					-				8
Other income					-				33
Coronavirus Job Retention Scheme Grant					12,842				26,277
					<u>£ 773,387</u>				<u>£ 141,208</u>
<b>2. COUNCIL AND TRAVELLING EXPENSES</b>									
Council meetings					7,025				9,269
Hotel & overseas expenses					367				3,412
					<u>£ 7,392</u>				<u>£ 12,681</u>
<b>3. CAR EXPENSES</b>									
Car lease					12,302				8,790
Fuel					57				256
Maintenance and parking					2,468				1,068
Insurance and tax					1,629				1,192
					<u>£ 16,456</u>				<u>£ 11,306</u>
<b>4. WAGES &amp; SALARIES</b>									
Chief Executive Officer					44,751				44,751
Editor					43,163				43,163
Other staff					349,287				401,613
One-Loft Race staff admin costs					(10,472)				(7,995)
Show of the Year contribution					-				(8,323)
Redundancy pay					16,466				-
					<u>£ 443,195</u>				<u>£ 473,209</u>
<b>5. PROPERTY EXPENSES</b>									
Rates					33,542				24,372
Light and heat					5,834				7,203
General maintenance					650				970
Repairs and maintenance					8,931				6,399
Selby House					2,316				4,410
Canteen and cleaning					3,247				6,953
Storage					5,775				-
					<u>£ 60,295</u>				<u>£ 50,307</u>
<b>6. FINANCE CHARGES</b>									
DCM fees					634				1,095
Card processing charges					8,471				8,156
Bad debts					(499)				1,001
Direct debit charges					720				570
					<u>£ 8,326</u>				<u>£10,822</u>
<b>7. SUNDRIES</b>									
Blackpool Show costs					27				27,107
Prize money and awards					1,086				2,555
Commemorations and celebrations					-				1,000
Miscellaneous expenses (Appendix A)					674				1,598
Olympiad expenses					-				23
Gifts and bereavement					1,006				576
Dinner costs					-				565
Books and publications					-				135
Western European Union Show Costs					-				644
					<u>£ 2,793</u>				<u>£ 34,113</u>
<b>8. TAXATION</b>									
UK Corporation tax									
									11,657
					<u>£ 11,657</u>				<u>£ 7,453</u>
<b>9. FIXED ASSETS</b>									
	One-Loft Race Assets	Land and buildings	Publishing Rights	Collections & books	Computer Equipment & Fittings	Motor vehicles	Mobile Display Unit	Total	
Cost	£	£	£	£	£	£	£	£	
At 1st November 2020	28,171	169,518	7,104	121	127,208	15,226	489	347,835	
Additions	1,322	-	-	-	5,619	-	-	6,941	
Disposals	-	(22,596)	-	-	(13,852)	-	-	(36,448)	
At 31st October 2021	<u>29,493</u>	<u>146,922</u>	<u>7,104</u>	<u>121</u>	<u>118,973</u>	<u>15,226</u>	<u>489</u>	<u>318,328</u>	

Depreciation								
At 1st November 2020	8,381	99,104	500	-	106,944	15,226	489	230,644
Charge for the year	2,949	3,090	-	-	12,641	-	-	18,680
Disposals	-	-	-	-	(11,097)	-	-	(11,097)
At 31st October 2021	<u>11,330</u>	<u>102,194</u>	<u>500</u>	<u>-</u>	<u>108,488</u>	<u>15,226</u>	<u>489</u>	<u>238,227</u>
Net book value at								
31st October 2021	<u>18,163</u>	<u>44,728</u>	<u>6,604</u>	<u>121</u>	<u>10,485</u>	<u>-</u>	<u>-</u>	<u>80,101</u>
at 31st October 2020	<u>19,790</u>	<u>70,414</u>	<u>6,604</u>	<u>121</u>	<u>20,262</u>	<u>-</u>	<u>-</u>	<u>117,191</u>

#### 10. INVESTMENTS

Medals at 1st November 2020 and 31st October 2021	2021	2020
	£ 17,680	-

#### 11. DEBTORS

Trade debtors	55,493	17,791
Prepayments and accrued income	89,359	80,323
Other debtors	9,086	15,420
	<u>£ 153,938</u>	<u>£ 113,534</u>

#### 12. CREDITORS: Amounts falling due within one year

Trade creditors	79,535	73,441
Corporation tax	11,657	7,453
Other taxation including social security payable	34,596	35,580
Accruals and deferred income	20,960	15,296
Other creditors	100	263
Liberation sites recharge	19,754	3,406
	<u>£ 166,592</u>	<u>£ 135,439</u>

#### 13. STATEMENT OF MOVEMENT ON RESERVES

	Profit & Loss Reserve £	Future of Sport Reserve £	Total £
Balance at 1st November 2020	664,688	75,970	740,658
Retained Profit for the year	581,396	(12,393)	569,003
Balance at 31st October 2021	<u>£ 1,246,084</u>	<u>£ 63,577</u>	<u>£ 1,309,661</u>

#### TRADING ACCOUNT FOR THE YEAR ENDED 31st OCTOBER 2021 – RECEIPTS FROM SERVICES PROVIDED

	2021	2020
Life Rings	166,416	166,052
Direct cost of sales	(53,973)	(55,637)
	112,443	110,415
Rubber Racing Rings	14,360	16,420
Direct cost of sales	(11,787)	(13,880)
	2,573	2,540
Transfers	28,091	35,645
Direct cost of service	(9,573)	(10,434)
	18,518	25,211
Distances	2,252	2,136
Direct cost of service	(359)	(173)
	1,893	1,963
Continental racing	431	7,690
Direct cost of shipping	(14)	(1,342)
	417	6,348
Seals and pliers	11,378	11,606
Direct cost of sales	(6,158)	(6,308)
	5,220	5,298
Paper and other sales	756,346	819,141
Direct cost of sales including postage and carriage	(369,507)	(394,550)
	386,839	424,591
British Olympiad Show	-	2,795
Direct cost of sales	-	(18,376)
	-	(15,581)
Inland Liberation	8,115	6,785
Direct cost of sales (incl postage)	(625)	(328)
	7,490	6,457
Lost bird expenditure	(7,395)	(8,088)
Future of the Sport income	222,662	179,315
Donations	-	1,199
Expenditure including prizes	(185,345)	(146,485)
Other expenditure	(45,655)	(48,433)
	(8,338)	(14,404)
<b>SURPLUS CARRIED TO PROFIT AND LOSS ACCOUNT (page 5)</b>	<u>£ 519,660</u>	<u>£ 544,750</u>