

THE BRITISH PARALYMPIC ASSOCIATION
(Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 MARCH 2019

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity name: The British Paralympic Association

also known as: ParalympicsGB
BPA

Charity registration number: 802385

Company registration number: 02370578

Registered office

101 New Cavendish Street
London
W1W 6XH

Trustees and Directors

| | |
|------------------------|-----------------------------|
| Nick Webborn OBE | Chair |
| Geoff Newton | Vice Chair |
| Emma Boggis | Senior Independent Director |
| Kate Adams | (appointed 26/03/19) |
| Chris Brown | (appointed 01/11/18) |
| David Clarke | |
| Forbes Dunlop | |
| David Hadfield | (resigned 07/11/18) |
| Greg Nugent | (resigned 25/03/19) |
| Dee Paterson | (resigned 06/03/19) |
| Helen Rowbotham | (appointed 07/11/18) |
| Anne Wafula Strike MBE | (appointed 07/11/18) |

Chief Executive Officer

Tim Hollingsworth OBE (to 12 November 2018)
Mike Sharrock (from 16 January 2019)

Company Secretary

Elaine Battson

Executive Team

Tim Hollingsworth OBE (to 12 November 2018)
Mike Sharrock (from 16 January 2019)
Elaine Battson, Director of Finance and Corporate Services
Penny Briscoe OBE, Director of Sport
Verity Naylor, Director of Operations (from 1 July 2018)
Karl Reynolds, Commercial Director
Anna Scott-Marshall, Director of Communications

Auditors

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

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LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

HSBC
21 High Street
Purley
Surrey
CR8 2RW

Solicitors

Hogan Lovells
Atlantic House
Holborn Viaduct
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Website address

<http://paralympics.org.uk>

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

CHAIR'S MESSAGE

I am delighted to introduce the 2018–2019 annual report and financial statements.

This year has been a busy year coming out of the most successful Winter Paralympic Games. With a record number of medals and personal bests across more winter sports and with Nordic Para Skiing back after a twenty-year break and the new sport of Para snowboard added to the programme, Great Britain is becoming a winter sport nation.

The continued focus on preparation for the Tokyo 2020 Paralympic Games has absorbed much of the British Paralympic Association's (BPA) time. Significant progress has been made to ensure that a suitable Preparation Camp for Tokyo can be delivered, working with a number of Japanese stakeholders including Yokohama, Kawasaki and Keio University to ensure that our athletes will be best prepared. Each host city has unique challenges and Tokyo is no exception. There is no doubt that there is the enthusiasm to address and embrace a 'barrier-free' environment across Tokyo and Japan. Great Britain as a leading National Paralympic Association (NPC) is amongst one of many seeking to support Japan in making that a reality.

This has been possible with significant support from the British Embassy in Tokyo alongside the International Paralympic Committee (IPC) and Organising Committee amongst others. Together we will ensure a fit for purpose environment for athletes and staff ahead of the Tokyo 2020 Paralympic Games. Japan is keen to make the most of hosting the Paralympic Games and in particular celebrating the fact that they are the first city to host the Paralympic Games for a second time. There is no doubt that Tokyo will contribute to the evolution and growth of the Paralympic movement.

There has been a continued focus also on our role as a leading NPC within the Paralympic movement. We were delighted to host the IPC Governing Board here in the UK and continue to forge good relationships across NPCs, International Federations and within the IPC itself. The IPC Gathering is a good place to enable some of that discussion to take place and with a focus on changes to IPC Governance there will be some changes made at the forthcoming IPC General Assembly. The European Paralympic Committee General Assembly also took place in Israel in May with a big focus on increasing opportunities to compete in multi-sport competition across Europe with the EPC Youth Games.

I have been pleased to see that two key programmes which utilise the inspiration of the Paralympic Games to achieve social impact in the UK have been given extra emphasis, resource and dedication this year. The 'Parasport powered by Toyota' website creates a community and a resource for disabled people look for opportunities to take part in sport and physical activity. The launch of Parasport is only the start and this programme will seek to engage disabled people across the country with opportunities. The Get Set youth and education programme which the BPA runs together with our partners the British Olympic Foundation has secured significant investment from Sport England to run a Travel to Tokyo programme which has an emphasis on taking part in sport and physical activity, both in schools, and at home with families. Both are hugely valuable to demonstrate the impact Paralympic sport can have.

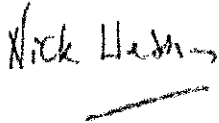
I continue to be hugely impressed by the dedication and commitment of everyone involved in the BPA. I would like to thank the members of the Board for their continuing support and engagement and, in particular, to Board members who have recently left the Board. I would like to thank too the members of the NPC for their continued commitment to the organisation. The staff at the BPA have worked very hard this year. I would like to recognise, in particular, Tim Hollingsworth who stood down as Chief Executive in November 2018. Tim led the organisation through London 2012, Sochi 2014, Rio 2016 and PyeongChang 2018. Tim's dedicated focus on demonstrating the power of Paralympic sport to achieve significant social change in the UK has led the BPA to evolve its approach to how it articulates its vision and demonstrates its impact. Mike Sharrock started at the BPA in January 2019 and has joined with enthusiasm borne from his conviction and dedication to the Paralympic movement over a number of years as a sponsor with BP.

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The cyclical nature of the BPA's funding structure does leave remaining challenges, and achieving a balanced budget by the end of the four years is yet to be realised. Our long-term cyclical funding remains a strategic issue we are seeking to address. Whilst we try to build a more sustainable funding model for future cycles, I remain optimistic we can respond to these challenges and continue to lead the Paralympic movement in the UK. I am confident of achieving our goal to demonstrate outstanding Games delivery alongside achieving real change in delivering on our wider vision of "through sport, inspire a better world for disabled people".

As a charity raising over 85% of its funds each cycle directly from individuals and organisations, I would like to thank our corporate partners, fundraisers, major donors and trusts and foundations for working with the BPA to help us achieve our vision.

A handwritten signature in black ink, appearing to read 'Nick Webborn', with a horizontal line drawn underneath it.

Professor Nick Webborn OBE
Chair

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the audited financial statements for the year ended 31 March 2019.

This Trustees Report is a Directors Report as required by s417 of the Companies Act 2006.

All legal and Administrative information relating to the British Paralympic Association can be found on page 2 of the annual accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Association is a charitable company limited by guarantee and registered as a charity. The Association is bound by its Articles of Association. These were most recently updated at the Annual General Meeting on 6 October 2017 (copies available on the Company's website).

The development of the Association is the responsibility of the Board with advice from the National Paralympic Committee (membership of the Association). The management team under the CEO holds executive responsibility for implementing the policies and strategies approved by the Board. All five Board meetings were well attended and quorate in the year.

The Board may delegate all or any of the powers conferred on them under the Articles to a committee consisting of one or more of the Directors. A Finance and Audit Committee is established under this power. Delegated authority also resides currently with a Qualification and Selection Panel, whilst other Board sub-groups such as the Sport Committee, Social Impact Committee, International Relations Committee, Development Committee, Awards and Protocols Panel, Deals Panel, Remuneration Committee, Nominations Committee and Classification Advisory Group, exist in an advisory capacity to the Board. This structure was reviewed, updated and implemented by the BPA Board in 2019/20.

The corporate membership of the Association (voting or non-voting) is open to any British governing body, sports specific body, disability sports body and disability body, subject to the constraints of the constitution and acceptance by the Board. Individual membership of the Association (voting or non-voting), is open to honorary members, life members and ordinary members, subject to the constraints of the constitution and acceptance by the Board.

The Trustees of the Association are also the directors for the purposes of company law and comprise:

- a) The Chair (current incumbent elected, but in future the Chair will be appointed)
- b) Six other individuals elected by the Voting Members.
- c) Up to four additional co-opted members appointed by the Board following an open recruitment procedure (this is following a skills assessment of the Board within two months of any election meeting)

The term of office for all Directors is four years. However, to ensure that the change of personnel on the Board is staggered, an election (for six directors) and an appointment process (the Chair plus four) is held every two years. Four representatives will be elected for the Summer Quad (from end of one Summer Paralympic Games to the next) and two will be elected after the end of the Winter Paralympic Games. Elections for the four places are not later than nine months after each Summer Paralympic Games, and for the two places not later than nine months after the Winter Paralympic Games. Trustees are elected at an election meeting following nomination from the membership. The appointment of the Chair will always follow in the period following a Summer Paralympic Games, through an open recruitment process. Similarly, the other appointed directors to the Board are recruited through an open process in a three-to-one ratio following the Summer and Winter Games and a skills gap analysis.

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Nominations of individuals proposed for election as Trustees and Directors have to be made in writing to the Company Secretary of the Association not later than one calendar month before the Election Meeting. Retiring Trustees and Directors are eligible for re-election providing that they have not already completed two consecutive terms.

As part of the BPA's commitment to equality and diversity, nominations for elected and applications for co-opted Trustees and Directors are encouraged from groups that are under-represented on the Board. This is in line with, and intended to support, the objectives set out in the BPA's Diversity Action Plan.

New Trustees are provided with an information pack of policies and procedures and meet with the Chair, Chief Executive, Company Secretary and other key BPA personnel. These meetings cover the decision-making process, Trustee legal obligations under charity and company law, the content of the Articles and the business plan. At the first Board meeting, there is an opportunity to meet members of staff and all Trustees are encouraged and supported to attend appropriate external training events where these facilitate the undertaking of their role.

OBJECTS, MISSION AND ACTIVITIES

'Inspiring Excellence' is the British Paralympic Association's Strategic Plan for the period 2016-2021. This Report covers the third year of its delivery. It presents the organisation's vision, mission, values and priorities for the cycle of activity that encompasses both the PyeongChang 2018 Winter Paralympic Games and Tokyo 2020 Summer Paralympic Games.

In Inspiring Excellence, the organisation's vision is stated as "through sport, inspire a better world for disabled people".

The vision is driven by the BPA's belief that, through the power and inspiration of the Paralympic Games, and the world class achievements of Paralympians, real change can be achieved in the perception of society as a whole and the way people individually think, feel and behave towards disabled people.

The British Paralympic Association's mission through to 2021 is "To make the UK world leading in Paralympic Sport on and off the field of play". It further states that it will achieve this:

- Through the excellence of the team at the Games; and
- Advocacy of the Movement.

Our vision and mission therefore fit within the objects set out in our Articles:

- I. To relieve people with physical, sensory and learning disabilities by encouraging and facilitating their participation in sporting activities and assisting in the provision of training, facilities and equipment for this purpose; and
- II. The relief of poverty and the advancement of education and such other purposes for the benefit of the community as shall be exclusively charitable.

ACHIEVEMENTS AND PERFORMANCE

The start of this financial year was celebrating and reviewing the team's performance at the PyeongChang 2018 Paralympic Winter Games. Having enjoyed the most successful ever Winter Paralympic Games in terms of medals won the team focused on celebrating success with a Games review publication as well as analysing performance to support planning for the next Winter Games in Beijing 2022.

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Focus for 2018/19 has been on the planning and preparation for the Tokyo 2020 Paralympic Games, with a number of recces spending time on the ground and working with Japanese partners Yokohama, Kawasaki, Keio University and the Tokyo 2020 Organising Committee.

Alongside this, the BPA has continued to represent the movement domestically. The National Paralympic Heritage Trust has continued to build its development – launching the first permanent exhibition outlining the Paralympic story beginning in Stoke Mandeville in 1948.

Also, in the period since September 2016 the BPA staff and Board have been hugely active in planning for the cycle ahead with considerable focus given to business planning and budgeting for the Tokyo cycle and the staffing structure needed to deliver it. This has been accompanied by a major income generation drive – all the commercial partnerships signed for Rio 2016 formally ended due to contractual requirements in December 2016. The BPA therefore has to act quickly and strategically to ensure that it has both the income projected to cover the period ahead and the necessary cashflow to continue to operate as a going concern.

Alongside this the BPA is proud to have ensured a strong focus on its finance and governance – ensuring robust financial control, continued compliance with A Code for Sports Governance, and working towards the next level of the Intermediate level of the Equality Standard for Sport (submission in early 2019/20).

All the above was carried out professionally by the small dedicated staff team and the many partners, volunteers, secondees and fixed-term contracted staff that joined to support both the BPA and ParalympicsGB during the year, overseen by the BPA Board. The BPA's three core organisational values drive everything the staff team delivers and is measured by:

- **Excellence** Everything we do as the BPA should be of the highest possible standard, and reflective of an ambition to be world leading. We are committed to a flexible, proactive, challenging approach to all activity – recognising how our own commitment to 'being better' can support the similar ambitions of our athletes and team;
- **Honesty** We will ensure that all engagement and communication is fair, open and grounded in an appreciation of others and their view, seeking to set and manage expectations of ourselves and others to ensure consistency and transparency; and
- **Trust** Our interaction with each other, with key partners and the wider community will be characterised by respect and will seek to engender a belief in the value, ethics and integrity of the BPA.

Inspiring Excellence highlights four key Strategic Priorities for the organisation in its activity and delivery of its aims. The summary below outlines our achievements against those four strategic priorities:

Strategic priority 1: To define and deliver a 'best prepared' approach to the selection, management, delivery and leadership of ParalympicsGB at the Summer and Winter Paralympic Games

Winter Games

The PyeongChang 2018 Paralympic Winter Games, ParalympicsGB's most successful ever Winter Games, ended on 18th March 2018 but related activity continued well into 2018. The post-Games evaluation process was completed with the National Governing Bodies (NGBs) for British Para SnowSport (responsible for Alpine Skiing, Snow Board and the Nordic disciplines of Biathlon and Cross Country Skiing) and British Curling. These sport specific post-Games review meetings focussed on team performance, explored areas that worked well and less well and reflected upon lessons learned. All athletes and staff (both NGB and core team) were invited to input into the process.

A summary of key lessons included:

- Refine the BPA's new 'Games Readiness' approach and implement a rolling programme of induction, education and development to support readiness of the whole delegation

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- Importance of 'time in the environment' including appropriately scheduled reces and prioritised attendance at test events/other major championships
- Identified need to develop and implement a new Games Induction module to be delivered to all NGBs early in the cycle to: 'introduce the BPA, share the Games Master Plan and set expectations around services and support'
- Ensuring timely 'stress testing' - a central strand for the development of all Team members
- Review BPA's sport engagement strategy to ensure ways of working with NGBs accurately reflect opportunities and challenges of Beijing environment.

In May 2018 the BPA and British Olympic Association (BOA) held a joint recce to Beijing and were the first NPC and National Olympic Committee to be hosted by the Beijing 2022 Organising Committee (OCOG). The OCOG were hugely impressive in their state of readiness and were able to share detailed plans across all functional areas.

Beijing will, however, be a challenging Winter Games with the ParalympicsGB team spread across three village and venue clusters. Further challenges were identified including culture and the resource required to deliver a best prepared team in this environment.

During the 2018/19 season, British Para SnowSport was incorporated in to a new, integrated NGB - GB Snowsport. UK Sport funding was confirmed for the Beijing cycle and the Para programmes had a successful winter including a silver World Championship medal for Snowboard and eight World Championship medals and multiple World Cup medals in Alpine Skiing. Similar success was experienced by the Scottish Wheelchair Curling team who bounced back from the disappointment in PyeongChang to claim silver at the home World Championships in February 2019.

Summer Games (Tokyo 2020 & Paris 2024)

The BPA team also had a busy year working hard on laying the foundations for a successful Tokyo campaign, and also held a first recce to Paris. Penny Briscoe, Director of Sport (and Chef de Mission 2014, 2016 & 2018), was invited to share her Paralympic Games experiences at the IPC - Paris 2024 Organising Committee Orientation Workshop which took place in early July 2018. Penny was also part of the IPC's Expert Group which contributed to an IPC-OCOG workshop in Tokyo in October 2018, and also presented to the group at the 7th IPC - Tokyo 2020 Project Review in March 2019.

Strong relationships with both the IPC and Organising Committees (at all levels) are a critical part of being best prepared and remain a key part of this strategy.

The key work areas over the last year are as follows:

Performance

Core Team Development – the core support structure for Tokyo was identified and recruitment is now well underway. From a BPA staffing team of c35 the ParalympicsGB core support team grows to c130 at Games-time across: Sport, Operations, Communications, President & Secretary General and London Hub teams.

Roles will continue to be filled through a combination of internal and external processes with partner engagement and collaboration as a critical part to this mammoth task. A development strategy supporting all staff team members is also underway and will continue to be rolled out through to Tokyo.

Games Readiness – the development and implementation of a new Games Readiness approach to cross-directorate working with NGBs on all aspects of Games planning and delivery took place this year in preparation for Tokyo 2020. Developed in conjunction with UK Sport's Sport Intelligence Team this approach centres on themed questions to build a picture of Games Readiness at NGB and Team level.

This approach is also being adopted with Winter NGBs in line with the BPA's established principle of similar and proportionate levels of support across both Summer and Winter programmes.

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The Paralympic High-Performance Conference took place in Manchester in February 2019. Planned and developed by BPA, UK Sport and EIS the event attracted over 200 delegates from Summer and Winter sports. Feedback was overwhelmingly positive with 90% rating the overall conference as "excellent" or "good" and 82% of attendees responding "Yes" to the conference adding value to their role.

Team Preparation – Summer NGB success over the last year has continued with strong major championship results in both 2018 and in the early part of 2019. This augurs well for forthcoming team qualification with 28 ParalympicsGB team slots currently qualified across six sports. The current projected team size for Tokyo is in the region of 240-260 athletes (a similar number to Rio 2016).

To support understanding of the Games-environment, a number of reces have taken place over the last year for BPA and NGB staff. This included a five-day Team Leaders and core staff recce and included Tokyo orientation and team development activities alongside meetings with the Organising Committee and venue tours. Time in environment is a key part of not only developing understanding but also progressing Games Readiness across the team.

Games Education – The approach to Games Education has been reviewed with the BPA's new Athlete Services Manager taking forward a number of collaborative, cross agency initiatives as a result.

New for this cycle is a Games Induction module designed to introduce, inform and inspire all athletes and staff with Tokyo potential. Delivery of this module has already commenced along with some exciting developments around NGB specific athlete and staff education modules which will be rolled out over the coming year. BPA's Sport and Communications teams have been working collaboratively on these initiatives to ensure high quality capture of content that is current, specific and appealing.

Classification – The BPA, as part of its responsibilities under the UK Athlete Classification Code, published last year, launched an online education course: An Introduction to Classification. It is aimed at practitioners and other support personnel working regularly with Para athletes. The course, which went live at the end of the year, provides learners with a clear understanding of what classification is and their individual responsibilities towards it. The course is the first of its kind in the world and will be compulsory for all ParalympicsGB staff. A number of NGBs have already started the process of completing this course as best practice.

Preparation – the challenges of preparing and operating in the Tokyo environment include time zone shift (+8 hours at Games-time), flight duration and travel fatigue, climate, culture, accessibility and cost. Preparation Manager, Anneli MacDonald, has been working closely with colleagues in Tokyo, Yokohama and Kawasaki to secure ParalympicsGB's multi-sport preparation base, including the requirement for world class facilities alongside good quality, fully accessible accommodation and transport.

A key issue has related to securing enough accessible rooms for the preparation camp. The issues have been resolved by working with Japanese colleagues and modifying accessible rooms to make them more accessible. We have also implemented a multi hotel solution for the Preparation Camp in Yokohama, utilising three hotels in close proximity to each other, with one hotel acting as the central Team hub.

Despite the challenges, all NGBs have confirmed plans in place; some of whom will have testing opportunities in the summer of 2019.

Presentation – Team presentation is a hugely important part of a best prepared team. Throughout the year the operations team have been working closely with colleagues at adidas (team wear and competition wear) and ASOS (formal wear and ceremonies wear) to ensure the high level of team presentation seen in recent Games is maintained.

Potential climate challenges – heat, humidity and precipitation – were flagged early in the planning process and detailed briefings on optimal functionality and appearance were provided to both kit providers ahead of the design process. adidas have developed new fabric technologies to address heat and humidity. Both adidas and ASOS have considered the colour, weight and types of fabrics used in the design and manufacture of all garments.

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Strategic Priority 2. To influence positively the direction and impact of the Paralympic movement both in the UK and internationally.

With a domestic political focus on BREXIT the BPA's engagements with key Ministers of Sport and for Disabled People have continued and new briefings required for those new into role from Tracey Crouch MP to Mims Davies MP as Minister for Sport, and Sarah Newton MP to Justin Tomlinson MP for Minister for Disabled People.

The BPA celebrated its 30th anniversary at a reception at the British Museum. Mims Davies MP spoke at the reception alongside Andrew Parsons, IPC President, athlete Sophie Christiansen and Nick Webborn, Chair of the BPA. Attending the celebration were BPA's family of members, stakeholders, partners and media partners as well as athletes and staff.

The 30th anniversary celebration was timed to coincide with the IPC Governing Board which the BPA hosted in London. Governing Board members alongside senior Tokyo 2020 representatives attended both the 30th anniversary celebrations as well as a dinner at Wimbledon.

The BPA was represented by Nick Webborn and Tim Hollingsworth at the IPC Gathering which took place in Madrid in September 2018. The Gathering was attended by IPC members and is used for discussion outside of the more formal General Assembly meetings. A focus on classification, governance and improving representation across the Paralympic movement were a few of the topics discussed. Discussions on these issues, particularly the IPC's review of governance will lead to recommendations at the IPC General Assembly in 2019.

The BPA worked with the All-Party Parliamentary Groups (APPG) on Sport and on Disability to host a reception in parliament to launch the new Parasport powered by Toyota programme. Despite taking place on the evening of crucial Brexit votes the Secretary of State for Digital, Culture, Media and Sport Jeremy Wright MP spoke alongside the APPG chairs Lisa Cameron MP and Philip Lee MP and a panel of ParalympicsGB athletes chaired by the BPA's member of staff and Paralympian Susie Rodgers.

Research into public insight about the BPA, ParalympicsGB athletes and its impacts was conducted as a mid-cycle marker in January 2019 by agency ComRes. Research has now been conducted mid-cycle in 2014, 2016 and 2019 giving good insight of trends and changes in public perceptions. Positive sentiment toward ParalympicsGB athlete and the team has maintained and increased, and for the first time responses around the impact on attitudes towards disabled people and participation in sport and physical activity were measured.

Strategic Priority 3. To promote the success of the ParalympicsGB team and its athletes demonstrating the positive power of the Paralympic brand to inspire wider change.

Without a Games it has historically been a quiet time for ParalympicsGB channels at this point in the cycle but a reinvigorated website, which won a prestigious Webby award this year, and the continued investment in content for ParalympicsGB social media channels have continued to build with features and reviews covering all Para sport and thereby cementing the ParalympicsGB website and social media channels as the place to go for Para sports news. New strands of content launched this year focused on gaining further insight into athletes by focusing on features and first person content. The new #tbh series (To be honest) has explored varied and in-depth issues led by athletes and the new ParalympicsGB podcast launched, the first of its kind. Focusing on this content alongside comprehensive coverage of World and European Championships in every Paralympic sport gives extra depth and understanding for existing and new ParalympicsGB fans and has ensured that the audience has continued to grow rather than diminish.

The National Paralympic Heritage Trust, of which the BPA is a member, launched its first permanent exhibition at Stoke Mandeville. Building on successful temporary exhibitions in Norwich and Bradford, this exhibition tells the story of Stoke Mandeville and its historic connection as the birthplace of the Paralympic Games.

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Parasport powered by Toyota launched in March 2019 hosting opportunities for disabled people to take part in sport and physical activity across the country. The website was launched with media featuring Jonnie Peacock including a session at a school and a launch film which was aired across social media and on air around the Last Leg and on demand Channel 4 TV. Increasing the number of opportunities available on the site is a focus for the ongoing phases and working with providers to ensure that opportunities that are accessible are available. The BPA is working with the Open Data Institute to work up a data standard for accessibility ensuring that all data made more widely available has meaningful accessibility information as standard. The BPA will be also ensuring that engaging content inspiring people to take part is also generated and hosting 'Win a Paralympian' competitions to incentivise clubs to take part and to show the wide range of sports and activities available.

Get Set, the BPA and BOA's education programme piloted a Travel to Tokyo education programme with funding from Sport England focused on getting primary school children and their families and communities active, particularly from low socio-economic backgrounds. The pilot was a success and the full programme will roll-out from June 2019 until Tokyo 2020. Other programmes this year included a partnership with Sport England and UK Anti Doping 'Think Real' aimed at secondary children focusing on making health choices. The materials were used extensively by teachers and schools. Also, the Get Set Beacon schools programme continued with materials and support given to the 28 UK-wide Get Set schools.

Strategic Priority 4. To maintain the effectiveness of the BPA's financial and governance structures to ensure a high performing, sustainable and robust organisation.

Over the past year the Commercial Team has been focused on the BPA's three main areas of income generation namely Corporate, Philanthropy and Public fundraising and secured some notable progress in those sectors.

On the Corporate income front Citi joined as a Partner and enjoyed a very successful launch event at their Canary Wharf HQ. The new Corporate Partner pipeline is healthy with a number of substantial UK and international companies in negotiations with the BPA.

The highlight of the Philanthropy initiative was the founding of the Parallel Club which allows philanthropic supporters to come together to build closer relationship with the BPA and see the tangible results of their donations. Parallel Club members are also encouraged to actively engage with their friends and peers to introduce them to the benefits of joining the Club.

Public fundraising activity was successful at several challenge events during the year and there was also a great deal of development work undertaken in the creation of a new public fundraising campaign, to be launched later in 2019.

Although significant progress was made in all areas of income generation the secured total of targeted income has increased by a small percentage to 75% (68%) - although there are many significant corporate contracts and philanthropic donations that are near to completion in 2019. Throughout this cycle the Trustees and the Executive Team have engaged in a rigorous process of income and expenditure review and continue to pursue all possible options to ensure the financial security of the organisation.

The principal staffing change in the year was that of the CEO role. The Executive Team – with the support of the Board – operated from November 2018 to January 2019 as a collective in leading the staff team. Apart from that key role there were a number of staff changes in the year, with the introduction of a small number of new roles to increase capacity (e.g. Governance Manager) or in response to a specific, funded project requirement (e.g. Parasport Campaign Manager). The comprehensive Programme Plan means that all activity is subject to regular project planning and review, and from this the Risk Register is compiled and mitigating actions identified and undertaken. More broadly with its membership and following various publicly expressed concerns over athlete welfare and the culture and governance of Para sport in Great Britain, the BPA established the NPC Member Handbook, which sets out for the first time the rights and obligations of Member bodies of the BPA.

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The BPA is subject to the UK Sport/Sport England Code for Sports Governance and the BPA was initially recognised by UK Sport as being Code compliant in December 2017. The organisation continues to be fully committed to good corporate governance and adherence to the Code specifically and is actively focused on ensuring best practice within its governance more widely. For example, this included work on a number of key policies (e.g. Recruitment, Equality and Diversity), robust processes for both the recruitment and appointment of Directors, and the completion of the review of the BPA's sub-committees, panels and working groups.

In November 2018 Anne Wafula-Strike and Helen Rowbotham were elected to the Board for a term of four years. Chris Brown was appointed to the Board in November 2018 following an external recruitment process. Due to external commitments, Dee Paterson and Greg Nugent both stepped down from the Board in March 2019, with Kate Adams appointed to the Board in the same month. In the year Chair of the Athletes' Commission began to attend Board meetings with Observer status. The Board has recommended that the role be appointed as a full Board Member, and the Articles will be considered for amendment at the AGM in November 2019 to reflect this change.

Financial

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS 102) and the revised Charity Statement of Recommended Practice (effective 1 January 2015), applicable UK Accounting Standards and the Companies Act 2006.

The group consists of the parent undertaking, the British Paralympic Association, and its subsidiary undertakings, British Paralympic Enterprises Limited (BPE), British Paralympic Performance Services Limited (BPPS), and Paralympic World Cup Limited (PWC). BPE, BPPS, and PWC are wholly owned subsidiaries. PWC was dormant in this and the previous year. The BPA is also a shareholder in a joint venture '2016 Crest Holding Limited' with the British Olympic Association, with the liability of each organisation limited to £10. The company holds the rights to the crest that featured on the adidas kit for the Rio Paralympic Games (and which has the potential to feature on future kit, depending on creative decisions).

The group's total income for the year was £2,837,335 (2018: £2,922,709), a reduction of 3%, and total expenditure was £3,158,071 (2018: £3,701,164), a decrease of 15%. Both year-on-year percentage decreases reflect the fact that the previous year included the Winter Paralympic Games in PyeongChang, whereas 2018/19 – Year 2 of the four-year cycle – was focussed on planning and preparation ahead of the Tokyo Summer Paralympic Games in 2020. Net movement in funds for the year was an outflow of £(320,736) (2018: £(778,454)). This was the second year in the Tokyo Paralympic cycle, for which considerable preparations had been made in terms of budget setting. A budget was set for the four years of the entire cycle, and will be reviewed at least every six months. The aim for the end of the cycle is that the BPA retains its positive reserves position, in line with its Reserves Policy.

The majority of the BPA's income is from its commercial arrangements with its corporate partners. By the end of March 2019, the BPA had seven Tier 1 sponsors – adidas, Allianz, Hogan Lovells, Mondelez International, Sainsburys, Toyota and Virgin Media – and three Tier 2 sponsors: ASOS, BP and Citi. It continues to actively seek out further new business opportunities. In total commercial partners supported the BPA through sponsorship arrangements with BPE totalling £1,327,080 (2018: £958,311), and value in kind – donated goods and services – totalling goods and services is assessed at £280,447 (2018: £861,645). The BPA also received £52,713 (2018: £nil) from Toyota Great Britain to relaunch the Parasport website and activity to promote the website.

The BPA receives a significant grant from UK Sport which is restricted to fund specific elements of the BPA's athlete preparation and Games related activity over the four-year cycle to Tokyo 2020, and totals £2.5M. UK Sport grants recognised in the year totalled £541,768 (2018: £438,463)

The BPA received philanthropic donations of £5,000 (2018: £55,000), as well as legacy donations totalling £22,561 (2018: £7,472).

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The BPA values immensely all the support it receives from grant funders, commercial partners, trust and foundations, major donors and other individuals. It looks forward to continuing to develop those vital relationships throughout the Tokyo cycle to ensure it meets its responsibilities and through that its wider charitable objectives. Income generated expended on charitable objectives totalled £2,042,580 (2018: £2,713,344), a decrease of 25%, with expenditure on raising funds increasing to £1,115,491 (2018: £987,820), an increase of 13% and reflects the cyclical nature of the BPA's funding structure.

British Paralympic Enterprises Limited

This is a wholly-owned trading subsidiary of BPA and its principal activity is sports administration and trading. During the year, the company donated under Gift Aid its entire profit of £1,572,309 to BPA, its ultimate parent company. During the year, the company focused on the major sponsorship dealings surrounding the ParalympicsGB team.

British Paralympic Performance Services Limited

British Paralympic Performance Services Limited (BPPS), a wholly owned subsidiary, provides performance services to Paralympic athletes and their sports and/ or disability organisations. During the year the key strategy and focus for BPPS activities continued to be progressing and developing the preparation strategies for Tokyo 2020 in and around the cities of Yokohama and Kawasaki.

Risk

The Board continuously reviews business risk in all its operations and has created a number of risk minimisation strategies in key areas, including active use of the BPA's Programme Planning tool, to form active Risk Registers for both the organisation as a whole and specific identified projects (including each Summer and Winter Paralympic Games). These risks are reviewed monthly by the Executive Team, with the organisation's Risk Register reviewed quarterly by the Finance and Audit Committee and bi-annually by the Board. The Charity has purchased indemnity insurance for its directors.

The Risk Register indicates that the organisation faces particular challenge in the year ahead from a number of areas and seeks to provide evidence of mitigation that can reduce or remove the risk. The BPA's four key areas of identified strategic risk remain essentially the same as those identified in the previous year, but the nature of each risk has evolved as follows:

- **Variable Income (and associated cashflow)** – the intensely cyclical nature of the BPA's business means that ordinary annual business planning for income generation and growth is not possible. Rather the key times for income generation are at the start of the cycle (when interest is high following the Summer Games) and at the end (in the build up to the next Summer Games). This makes managing spend and especially cashflow difficult and can offer the BPA real challenge. Raising income remains a priority and while progress against income targets was made in the year, it remains a major challenge. The Executive Team continue to explore all income options and the Board both support and monitor this work on a regular basis.
- **Increased costs** - The four-year cycle through to Tokyo 2020 is anticipated to be the most expensive in the BPA's history – specifically the investment thought to be required in the logistical and operational costs of successive Games in Asia (PyeongChang 2018 Winter Games, Tokyo 2020 Summer Games, and Beijing Winter Games also to plan for 2022). The preparation camp for the Tokyo has faced challenges around accessibility and accommodation requirements, resulting in increased cost estimates, as well as transport (ground transport and flights), and out of village location space providing expenditure challenges. The BPA works closely with partner organisations such as the NGBS, the British Embassy in Tokyo, and its commercial partners (both current and potential) to understand and reduce expenditure.

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- Reputation Risk – the entire sporting landscape is subject to a heightened level of scrutiny around the conditions and culture that athletes in particular encounter. Whether it be cheating through doping or (specifically in a Paralympic context) the intentional misrepresentation of impairment for classification, or whether it be more generally athlete welfare in high performance sport and examples of failures in the duty of care, the reputation risk to the organisation and the Paralympic movement is a real concern. This is continually monitored and mitigation includes both the introduction of both the UK Athlete Classification Code and the NPC Member Handbook (both available on the Company's website).
- *External Threats* - more broadly the BPA is subject to a range of external threats both at home and overseas. Threats range from the unknown impact of Brexit, to that of terrorism - either physical or cyber, all of which have to be recognised and acted on. Where appropriate mitigating actions have been taken (for example enhanced cyber security arrangements put in place in advance of the Winter Games in South Korea remain in place and are continually updated), alternatively a watching brief is employed for those areas of risk not entirely within the BPA's control.

How we pay Staff

The British Paralympic Association is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact on delivery of the Strategy.

The Board operates a Remuneration Committee, with the principal responsibilities being as follows:

- upon the recommendation of the Chair of Board, determine and agree the remuneration of the BPA's Chief Executive Officer;
- determine the policy for, and scope of, pay and pension arrangements for all staff;
- upon the recommendation of the CEO, endorse the remuneration of the BPA's Executive Team.

Fundraising

The British Paralympic Association has signed up to the Fundraising Regulator and is committed to following the highest fundraising standards.

In the year there have been:

- no failures to comply with the standard (2018: none).
- no complaints received by the charity about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising (2018: none).

In both this and the previous year the organisation did not engage the services of a professional fund-raiser or commercial participator to undertake any of its fundraising activities.

The Company sets out to protect vulnerable people and other members of the public from unreasonable behaviour related to its fundraising by complying with the standards set by the Institute of Fundraising, managed by the Fundraising Regulator. In 2017 we carried out an internal review of our compliance and implemented a small number of changes to fundraising processes to ensure best practise. The BPA is registered with the Information Commissioner's Office, strives to be compliant with GDPR.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Reserves

The cyclical nature of the Charity's activities (where activity and expenditure both build towards a Summer and – to a less degree – Winter Paralympic Games) means that the level of reserves required varies throughout the four-year cycle. The Trustees' primary aim is to build reserves to the highest level that is required at any time in the cycle, which is normally in the year in which the Summer Paralympic Games takes place (year four of the cycle), whilst also managing the level of funds at a level appropriate to an organisation the size and scale of the BPA.

Total reserves at 31 March 2019 are £1,795,961 (2018: £2,116,697). The current level of free reserves is £1,037,903 (2018: £2,077,446), with £110,771 (2018: £30,501) carried forward to the next year as restricted funds, this representing unused grants recognised as income but not yet fully expended. Funds to the value of £647,287 (2018: £nil) have been designated in the year. These funds relate to unused income recognised but not yet fully expended, which is not restricted but has been allocated to a specific project.

The BPA's Reserves Policy sets out a *minimum* level of reserves equal to approximately six months of the charity's running expenses, as well as a *target* for reserves at the end of each financial year to be within 20% of the level forecast as part of the agreed budget. This additional target has been included in the Policy in recognition that there are large fluctuations in the level of reserves across the four-year cycle, when historically funds have been accumulated in the early years of the cycle, followed by significant expenditure in year four – the year of the Summer Paralympic Games. At the end of 2018/19 the minimum and target reserves requirements were both met.

PLANS FOR FUTURE PERIODS

As 'year three' in the four-year cycle of planning and budgeting through to the Tokyo 2020 Games, the year ahead will focus on the Tokyo 2020 Paralympic Games.

A key focus will be on the organisation's primary Strategic objective: "to define and deliver a 'best prepared' approach to the selection, management, delivery and leadership of ParalympicsGB at the Summer and Winter Paralympic Games." Supporting each sport as it progresses towards selection for the Tokyo Games will be a priority with a number of key staff accompanying sports in preparation, testing and competing in Japan and elsewhere. The sizeable operations and logistics for a forthcoming Games will ramp up with transport, accommodation, kit and village planning as well as the delivery of the complex and important preparation camp. Alongside that planning for a British House presence and partnerships required to deliver that will be a major focus.

Recruitment of ParalympicsGB Games staff will be completed alongside bringing the full team together for two team development sessions to induct new members and to focus on team development alongside Games planning including crisis management.

The focus on stakeholder engagement domestically will also continue, not least to ensure that the BPA's own voice and that of the Paralympic movement is effectively heard in discussions around future strategy and funding and the continued attention to athlete welfare, duty of care and the governance and culture of sport. Internationally alongside a British Governing Board member there are currently seven British representatives on the IPC Standing Committees that support the work of the Governing Board – including the Paralympic Games Committee, Athlete Committee, Science and Medicine Committee, Education Committee, Classification Committee, Finance and Audit Committee and the Legal and Ethics Committee. With likely proposed changes to be voted and agreed on at the IPC General Assembly in Bonn in October, the BPA will look to continue to engage significantly within the international movement and support the IPC as it makes those changes both to its committee structure as well as the executive team.

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Programmes that focus on the delivery of the BPA's charitable purposes and wider vision will continue to enjoy a significant focus with the further development of Parasport powered by Toyota to focus on increasing participation in sport and physical activity amongst disabled people and the Get Set Travel to Tokyo programme focused on encouraging young people and their families to take part in sport and physical activity.

Given the gap that exists between expected expenditure and secured income by 2021 the year ahead will focus on the continued delivery of the commercial strategy alongside the consideration and development of fundraising opportunities for the BPA with a fundraising campaign due to launch at the One Year to Go mark. There will also be necessarily a continued focus on our corporate governance, system and processes. Alongside continued compliance with A Code for Sports Governance and other regulations including the GDPR and standards set by the Fundraising Regulator, the BPA will be itself engaged more fully in the implementation of governance requirements on its members through the implementation of the Athlete Classification Code and Member Handbook.

EQUALITY AND DIVERSITY

The British Paralympic Association is fully committed to the principles of equality of opportunity and is responsible for ensuring that no employees, Board members, volunteers, supporters, participants, job applicants or members (are unlawfully discriminated against because of grounds of age, gender reassignment, religion or belief, sex, sexual orientation, race, marriage and civil partnership, pregnancy and maternity, or disability. This is reflected in the BPA's Equality and Diversity Policy (available on the Company's website) which was reviewed and updated in March 2019 following consultation with the members.

In October 2017 the Board agreed the first Board Diversity Statement and Diversity Action Plan (DAP) – both also on the Company's website. This year work continued on the actions identified in the DAP, led by the Lead Equality Officer, supported by the internal Equality Working Group and Board Equality Champion. In October 2019 the Board reviewed progress and published an annual statement on the website. This will be repeated in October 2019 and is part of the BPA's ongoing commitment to equality and diversity.

In May 2016 the Company achieved the Preliminary Level of the Equality Standard for Sport and will be submitting its submission towards achieving the Intermediate level early in the next financial year. Alongside this the BPA became a Disability Confident Committed Employer in May 2019.

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The most recent monitoring data of both employees and Board members (as at 31 March 2019) is set out below:

| Ethnicity - Staff | White British 76%: White Irish 3%: Scottish 3%: Other White 6%: Mixed White/ Asian 3%: Black/ Black British Caribbean 3%: Black/ Black British African 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------|-------|--|--------------|-------|-------|-------|-----|----|-----|----|---------|--|-----|----|---------|----|--|----|---------|----|-----|----|---------|----|-----|-----|---------|-----|-----|-----|---------|-----|-----|-----|---------|-----|--|----|----------|----|--|----|----------------------|----|--|----|
| Ethnicity - Board | White British 67%: Other White 22%: Black/ Black British African 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | White British 75%: White Irish 2%: Scottish 2%: Other White 10%: Mixed White/ Asian 2%: Black/ Black British Caribbean 2%: Black/ Black British African 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender - Staff | Male 21%: Female 79% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gender - Board | Male 56%: Female 44% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Male 29%: Female 71% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pregnancy - Staff | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pregnancy - Board | Nil | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Nil pregnant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table><tr><th>Age Category</th><th>Staff</th><th>Board</th><th>TOTAL</th></tr><tr><td>65+</td><td>3%</td><td>11%</td><td>5%</td></tr><tr><td>60 – 64</td><td></td><td>11%</td><td>2%</td></tr><tr><td>55 – 59</td><td>6%</td><td></td><td>5%</td></tr><tr><td>50 – 54</td><td>6%</td><td>11%</td><td>7%</td></tr><tr><td>45 – 49</td><td>3%</td><td>34%</td><td>10%</td></tr><tr><td>40 – 44</td><td>18%</td><td>22%</td><td>19%</td></tr><tr><td>31 – 39</td><td>43%</td><td>11%</td><td>36%</td></tr><tr><td>26 – 30</td><td>12%</td><td></td><td>9%</td></tr><tr><td>Under 25</td><td>6%</td><td></td><td>5%</td></tr><tr><td>Prefer not to answer</td><td>3%</td><td></td><td>2%</td></tr></table> | | | | | Age Category | Staff | Board | TOTAL | 65+ | 3% | 11% | 5% | 60 – 64 | | 11% | 2% | 55 – 59 | 6% | | 5% | 50 – 54 | 6% | 11% | 7% | 45 – 49 | 3% | 34% | 10% | 40 – 44 | 18% | 22% | 19% | 31 – 39 | 43% | 11% | 36% | 26 – 30 | 12% | | 9% | Under 25 | 6% | | 5% | Prefer not to answer | 3% | | 2% |
| Age Category | Staff | Board | TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65+ | 3% | 11% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 60 – 64 | | 11% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 55 – 59 | 6% | | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50 – 54 | 6% | 11% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 45 – 49 | 3% | 34% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40 – 44 | 18% | 22% | 19% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 31 – 39 | 43% | 11% | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 – 30 | 12% | | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 25 | 6% | | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prefer not to answer | 3% | | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disability - Staff | Yes 9%: No 85%: Prefer not to answer 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disability - Board | Yes 33%: No 67% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Yes 14%: No 81%: Prefer not to answer 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sexual orientation - Staff | Homosexual 3%: Heterosexual 91%: Prefer not to answer 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sexual orientation - Board | Heterosexual 78%: Other 11%: Prefer not to answer 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Homosexual 2%: Heterosexual 89%: Other 2%: Prefer not to answer 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Marital Status - Staff | Married 45%: Single 33%: Cohabiting 18%: Prefer not to answer 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Marital Status - Board | Married 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Married 57%: Single 26%: Cohabiting 14%: Prefer not to answer 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Religion - Staff | Christian 40%: Agnostic 12%: None 36%: Other 6%: Prefer not to answer 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Religion - Board | Christian 67%: None 22%: Prefer not to answer 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | Christian 46%: Agnostic 9%: None 33%: Other 7%: Prefer not to answer 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

CHARITABLE PURPOSE

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charitable purposes and Public Benefit".

The public benefit of the British Paralympic Association is the promotion and engagement of the community in Paralympic Sport. This is reflected in the key objectives of the company.

TRUSTEES' STATEMENT OF RESPONSIBILITIES

The trustees (who are also directors of The British Paralympic Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business;

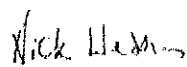
The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the Group and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report the directors have taken advantage of the exemptions available to small companies.

By Order of the Board



.....
Nick Webb OBE
Trustee
16 August 2019

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH PARALYMPIC ASSOCIATION

Opinion

We have audited the financial statements of The British Paralympic Association ('the Group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the 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 group and the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditor's 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 UK, including the Financial Reporting Council's (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.

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 Trustees, who are also the Directors for the purposes of Company Law, use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

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(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH PARALYMPIC ASSOCIATION

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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees 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:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements;
- sufficient 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' statement of responsibilities, the Trustees' 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 Trustees' 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 Trustees' are responsible for assessing the Group'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 Trustees' either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH PARALYMPIC ASSOCIATION

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's Members 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 charitable company and its Members as a body, for our audit work, for this report, or for the opinions we have formed.



Subarna Banerjee (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

27/8/19
.....

Chartered Accountants and Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW
United Kingdom

THE BRITISH PARALYMPIC ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2019

INCOME AND EXPENDITURE ACCOUNT

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming Resources | | | | | |
| Income and endowments from: | | | | | |
| Donations and legacies | 2 | 531,886 | 970,409 | 1,502,295 | 1,829,985 |
| Other trading activities | | 1,328,580 | - | 1,328,580 | 1,089,981 |
| Investment income | 3 | 6,460 | - | 6,460 | 2,743 |
| Total income | | 1,866,926 | 970,409 | 2,837,335 | 2,922,709 |
| Expenditure on: | | | | | |
| Raising funds | 4 | 1,103,377 | 12,114 | 1,115,491 | 987,820 |
| Charitable activities | 5 | 1,155,805 | 886,775 | 2,042,580 | 2,713,344 |
| Total expenditure | | 2,259,182 | 898,889 | 3,158,071 | 3,701,164 |
| Net income/ (expenditure) | | (392,256) | 71,520 | (320,736) | (778,455) |
| Net movement in funds | 9 | (392,256) | 71,520 | (320,736) | (778,455) |
| Reconciliation of funds | | | | | |
| Fund Balances Brought Forward at 1 April 2018 | | 2,077,446 | 39,251 | 2,116,697 | 2,895,152 |
| Funds Balances Carried Forward at 31 March 2019 | | 1,685,190 | 110,771 | 1,795,961 | 2,116,697 |

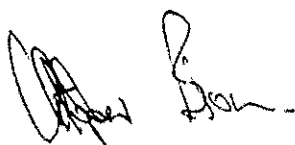
THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

BALANCE SHEETS AT 31 MARCH 2019

| | Note | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|---|------|--------------------|------------------|----------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible Fixed Assets | 11 | 163,370 | 99,962 | 87,130 | 99,962 |
| Investment in Subsidiaries | 12 | - | - | 6 | 6 |
| | | <u>163,370</u> | <u>99,962</u> | <u>87,136</u> | <u>99,968</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 604,147 | 1,572,357 | 2,216,762 | 2,447,985 |
| Cash at Bank and in Hand | | 3,028,534 | 1,959,526 | 1,045,831 | 522,723 |
| | | <u>3,632,681</u> | <u>3,531,883</u> | <u>3,262,593</u> | <u>2,970,708</u> |
| CREDITORS – Amounts Falling Due Within One Year | 14 | (2,000,090) | (1,515,148) | (1,553,768) | (953,979) |
| NET CURRENT ASSETS | | <u>1,632,591</u> | <u>2,016,735</u> | <u>1,708,825</u> | <u>2,016,729</u> |
| NET ASSETS | | <u>1,795,961</u> | <u>2,116,697</u> | <u>1,795,961</u> | <u>2,116,697</u> |
| FUNDS | | | | | |
| Restricted Income Funds | 17 | 110,771 | 39,251 | 110,771 | 39,251 |
| Unrestricted Funds | | 1,037,903 | 2,077,446 | 1,037,903 | 2,077,446 |
| Designated Funds | | 647,287 | - | 647,287 | - |
| | | <u>1,795,961</u> | <u>2,116,697</u> | <u>1,795,961</u> | <u>2,116,697</u> |
| Total Charity Funds | 18 | <u>1,795,961</u> | <u>2,116,697</u> | <u>1,795,961</u> | <u>2,116,697</u> |

These Financial Statements were approved and authorised for issue by the Board of Trustees on 16 August 2019 and signed on its behalf by:-



.....
Christopher Brown
Trustee

Company Registration: 02370578
Charity registration number: 802385

THE BRITISH PARALYMPIC ASSOCIATION
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| <i>Net cash generated from / (used in) operating activities</i> | 1,169,652 | (575,403) |
| Cash flows from investing activities | | |
| Interest | 6,460 | 2,743 |
| Purchase of fixtures, fittings and equipment | (107,104) | (84,596) |
| <i>Net cash used in investing activities</i> | (100,644) | (81,853) |
| <i>Change in cash and cash equivalents in the reporting period</i> | 1,069,008 | (657,257) |
| Cash and cash equivalents at 1 April | 1,959,526 | 2,616,782 |
| <i>Cash and cash equivalents at 31 March</i> | <u>3,028,534</u> | <u>1,959,526</u> |

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Net expenditure for the reporting period | (320,736) | (778,455) |
| Depreciation charges | 43,697 | 15,917 |
| Interest | (6,460) | (2,743) |
| Increase/(decrease) in debtors | 968,209 | (1,006,304) |
| Increase in creditors | 484,942 | 1,196,181 |
| | <u>1,169,652</u> | <u>(575,403)</u> |

Cash and cash equivalents

| | 2019 £ | 2018 £ |
|---------------------------------|------------------|------------------|
| Total cash and cash equivalents | <u>3,028,534</u> | <u>1,959,526</u> |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 ACCOUNTING POLICIES

Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means the actual outcomes could differ from those estimates.

There are no material key sources of estimation uncertainty that could have an impact on the financial statements

a) Statement on Public Benefit

The British Paralympic Association is a public benefit entity under the Financial Reporting Standard 102 (FRS 102).

b) Going Concern

The financial statements of the charitable company and subsidiary companies have been prepared on the going concern basis and adequate cash resources will be available to cover the requirements for working capital and capital expenditure for at least the next twelve months. The Trustees are not aware of any other factors which could put into jeopardy the charitable company's or subsidiaries going concern status during or beyond this period.

c) Basis of Accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

d) Fund accounting

The charity's accounts are a consolidation of funds which are defined as follows:-

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Restricted funds are funds subject to specific restricted conditions imposed by the donors.

Designated funds relate to unused income recognised but not yet fully expended, which is not restricted but has been allocated to a specific project. The funds were received from Toyota GB for the Toyota Parasport Programme which runs from 16 November 2018 until 15 November 2021.

e) Incoming resources

All incoming resources are accounted for when the Association has entitlement, there is certainty of receipt and the amount is measurable. Income is deferred in respect of UK Lottery funding where the funding is over the 4 year cycle for the Games in order to match it to the expenditure profile. The specific bases used are as follows:

Donations and legacies

Comprises all incoming resources from grants, donations (both monetary and Value in Kind), legacies and membership subscriptions.

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- Grants are recognised in the Statement of Financial Activities when received or when the conditions for receipt have been complied with.
- Donations and members' annual subscriptions are recognised when receivable.

e) Incoming resources (continued)

- Donated facilities is included at the value to the Association where this can be quantified.

Charitable activities

Comprises income receivable from charitable trading.

Other trading

Comprises trading income from non-charitable trading, including sponsorship income from the BPA's commercial partners.

Investment income

Bank interest is accounted for on a receivable basis.

f) Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as services are supplied.

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those associated with meeting the constitutional and statutory requirements of the Association and include the audit fees and costs linked to the strategic management of the charity.

Support costs include central functions and have been allocated to activity cost categories on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate basis – estimated usage.

g) Debtors, Cash at Bank and Creditors

Debtors - short term debtors are measured at transaction price, less any impairment losses.

Cash and cash equivalents - cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

Creditors - short term creditors are measured at the transaction price.

h) Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as debtors and creditors.

Financial instruments are initially measured at transaction value. They 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 SOFA.

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

i) Basis of Consolidation

These financial statements consolidate the financial statements of the charitable company and its subsidiary undertakings, British Paralympic Enterprises Limited and British Paralympic Performance Services Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions offered by Section 408 of the Companies Act 2006.

j) Tangible Fixed Assets and Depreciation

Expenditure of a capital nature over £700 per item is capitalised at cost. Depreciation is provided on all tangible assets in order to write off their cost over their expected useful lives. The principal rate adopted is as follows:-

| | |
|--------------------|---------------------|
| Office Equipment | - 25% straight line |
| Software | - 33% straight line |
| Lease Improvements | - 25% straight line |

k) Investments in Subsidiaries (the charity)

Investments in subsidiaries are recognised in the charity's balance sheet at original cost less any provision necessary for impairment to that cost.

l) Pension

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

m) Holiday Pay Accrual

A liability is recognised to the extent of any unused pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the Balance Sheet date.

n) Foreign Currencies

The transactions of the charity denominated in foreign currencies are translated into sterling at the date of the transaction. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at rates ruling at that date. The translation differences are included in the Statement of Financial Activities.

o) VAT

Income and expenditure is stated net of VAT to the extent that it is recoverable.

2 DONATED FACILITIES AND SERVICES

Value in kind from commercial partners - Hogan Lovells, IT Lab, and Physique Management Company Limited is included within incoming resources. Equivalent amounts within resources expended are accounted for in IT costs, legal costs and support with Sports Science Medicine Equipment stock control system and management.

The total value of these goods and services is assessed at £280,447 (2018: £861,645).

THE BRITISH PARALYMPIC ASSOCIATION
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3 INVESTMENT INCOME

All of the group's investment income arises from interest bearing deposit accounts.

4 COSTS OF GENERATING FUNDS

| | | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|-----------------------------------|---|----------------------------|--------------------------|--------------------|--------------------|
| Fund Raising & Publicity Expenses | | 78,994 | - | 78,994 | 53,522 |
| Press, Publicity and Promotion | | 90,814 | 6,457 | 97,271 | 113,978 |
| Salaries and National Insurance | | 612,052 | 2,834 | 614,886 | 553,493 |
| Sponsor Search & Support | | 66,753 | - | 66,753 | 82,927 |
| Trading Costs | 7 | 50,557 | - | 50,557 | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 899,170 | 9,291 | 908,461 | 803,920 |
| Support costs | 6 | 204,207 | 2,823 | 207,030 | 183,900 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 1,103,377 | 12,114 | 1,115,491 | 987,820 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5 DIRECT CHARITABLE EXPENDITURE

| | | Unrestricted Games Expenditure £ | Funds Other Services £ | Restricted funds £ | Total 2019 £ | Total 2018 £ |
|--|---|--|------------------------------|--------------------------|--------------------|--------------------|
| Performance Services | | - | 54,967 | 561,642 | 616,609 | 527,197 |
| Management and International Representation | | - | 316,142 | - | 316,142 | 259,154 |
| PyeongChang Winter Paralympics 2018 | | (25,791) | - | 497 | (25,294)* | 797,841 |
| Tokyo Summer Paralympics 2020 | | - | 12,063 | 36,000 | 48,063 | 159 |
| Beijing Winter Paralympics 2022 | | - | 5,949 | - | 5,949 | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Support costs | 6 | (25,791) | 389,121 | 598,139 | 961,469 | 1,584,351 |
| | | 495,297 | 297,178 | 288,636 | 1,081,111 | 1,128,992 |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 469,506 | 686,299 | 886,775 | 2,042,580 | 2,713,343 |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

*The credit amount of £25,294 relates to amount of expenditure in accrued in excess for the 2018 PyeongChang Winter Paralympics Games.

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6 ALLOCATION OF SUPPORT COSTS

The Association's support costs are allocated on a basis consistent with the use of resources unless directly attributable to a particular activity as follows:

| Percentage splits relate to BPA's (the company) costs | Games Expenditure | | Direct Charitable Expenditure | | Total | Cost of Generating Funds | | Total 2019 | Total 2018 |
|---|-------------------|----------------|-------------------------------|------------------|----------------|--------------------------|------------------|------------|------------|
| | 50% | 30% | Other Services | Restricted | | 20% | | | |
| £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Insurance | 13,549 | 8,129 | - | - | 21,678 | 5,419 | 27,097 | 27,017 | |
| Office Accommodation | 131,249 | 78,750 | - | - | 209,999 | 52,500 | 262,499 | 192,550 | |
| Storage | 8,062 | 4,837 | - | - | 12,899 | 3,224 | 16,123 | 18,226 | |
| Salaries and National Insurance | 200,069 | 120,041 | - | - | 320,110 | 80,028 | 400,138 | 390,289 | |
| Printing and Stationery | 2,460 | 1,475 | - | - | 3,935 | 984 | 4,919 | 5,718 | |
| Telephone, Fax and Postage | 4,915 | 2,949 | - | - | 7,864 | 1,966 | 9,830 | 13,377 | |
| Governance costs | 8,366 | 5,020 | 34,189 | - | 47,575 | 3,373 | 50,948 | 34,104 | |
| Other Travel and Meeting Expenses | 2,790 | 1,674 | - | - | 4,464 | 1,116 | 5,580 | 6,072 | |
| IT Support and Internet Services | 45,371 | 27,223 | 26,400 | - | 98,994 | 18,149 | 117,143 | 101,236 | |
| Audit Fees | 2,548 | 1,529 | - | - | 4,077 | 6,469 | 10,546 | 9,050 | |
| Legal and Professional | 1,104 | 663 | 218,047 | - | 219,814 | 1,402 | 221,216 | 368,746 | |
| Depreciation | 20,771 | 12,462 | - | - | 33,233 | 10,464 | 43,697 | 15,916 | |
| HR/ Recruitment Expenditure | 13,876 | 8,326 | 10,000 | - | 32,202 | 5,550 | 37,752 | 20,610 | |
| Other Expenditure | 32,995 | 19,797 | - | - | 52,792 | 13,517 | 66,309 | 99,880 | |
| Staff Training | 7,172 | 4,303 | - | - | 11,475 | 2,869 | 14,344 | 10,100 | |
| | <u>495,297</u> | <u>297,178</u> | <u>288,636</u> | <u>1,081,111</u> | <u>207,030</u> | <u>1,288,141</u> | <u>1,312,891</u> | | |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7 RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES

The financial group consists of the parent undertaking, the British Paralympic Association, and its subsidiary undertakings, British Paralympic Enterprises Limited (BPE), British Paralympic Performance Services Limited (BPPS), and Paralympic World Cup Limited (PWC). BPE, BPPS, and PWC are wholly owned subsidiaries. PWC was dormant in this and the previous year.

Both British Paralympic Enterprises Limited and British Paralympic Performance Services Limited gift aid their taxable profits to the British Paralympic Association. All activities have been consolidated on a line by line basis.

British Paralympic Enterprises Limited

The Company's principal activity is sports administration and trading, a summary of the results of this subsidiary is shown below:-

| | 2019 £ | 2018 £ |
|--|-------------|-------------|
| Turnover | 1,624,240 | 1,761,806 |
| Direct Cost and Administrative Expenses | (55,473) | (2,841) |
| Operating Profit | 1,568,767 | 1,758,965 |
| Interest Receivable | 3,542 | 1,521 |
| Tax on Profit on Ordinary Activities | - | - |
| Profit on Ordinary Activities after Taxation | 1,572,309 | 1,760,486 |
| Gift Aid | (1,572,309) | (1,760,486) |
| Profit on Ordinary Activities after Taxation | - | - |

The aggregate of the assets, liabilities and funds was:

| | 2019 £ | 2018 £ |
|-------------------------|-------------|-------------|
| Assets | 3,154,446 | 2,701,995 |
| Liabilities | (3,154,444) | (2,701,993) |
| | 2 | 2 |
| Funds: | | |
| Share Capital | 2 | 2 |
| Profit and Loss Account | - | - |
| | 2 | 2 |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7 RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES (Continued)

British Paralympic Performance Services Limited

The Company's principal activity is to provide performance services to Paralympic athletes and their sports and/or disability organisations.

A summary of the results of this subsidiary is shown below:

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Income | 568,168 | 426,963 |
| Expenditure | (562,708) | (426,963) |
| | <hr/> | <hr/> |
| Gross Profit | 5,460 | - |
| Administrative Expenses | (3,996) | (2,845) |
| | <hr/> | <hr/> |
| Operating Result | 1,464 | (2,845) |
| Interest Receivable | 839 | 542 |
| Taxation on Surplus on Ordinary Activities | - | - |
| | <hr/> | <hr/> |
| Profit on Ordinary Activities after Taxation | 2,303 | (2,303) |
| Gift Aid | - | - |
| | <hr/> | <hr/> |
| Result on Ordinary Activities after Taxation and Gift Aid | 2,303 | (2,303) |
| | <hr/> | <hr/> |

The aggregate of the assets, liabilities and funds was:-

| | 2019 £ | 2018 £ |
|-------------------------|-----------|-----------|
| Assets | 504,112 | 559,419 |
| Liabilities | (504,110) | (561,720) |
| | <hr/> | <hr/> |
| | 2 | (2,301) |
| | <hr/> | <hr/> |
| Funds:- | | |
| Share Capital | 2 | 2 |
| Profit and Loss Account | - | (2,303) |
| | <hr/> | <hr/> |
| | 2 | (2,301) |
| | <hr/> | <hr/> |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8 STAFF COSTS, DIRECTORS' REMUNERATION AND TRUSTEES REIMBURSED EXPENSES

None of the Trustees/directors received any emoluments in respect of their services to the Charity, (2018: £Nil). Six (2018: Six) Trustee/director was reimbursed travel and subsistence expenses incurred in attending meetings and representing the Company, which in aggregate amounted to £4,623 (2018: £3,746).

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Gross Salaries | 1,443,445 | 1,319,505 |
| Employers' National Insurance | 145,857 | 139,483 |
| Pension - Defined Contribution | 187,530 | 163,736 |
| | <hr/> | <hr/> |
| | 1,776,832 | 1,622,724 |
| | <hr/> | <hr/> |

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

| | 2019 | 2018 |
|---------------------|-------|-------|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | 3 | 3 |
| £80,001 - £90,000 | 2 | 1 |
| £120,001 - £130,000 | - | 1 |
| | <hr/> | <hr/> |
| | 6 | 5 |
| | <hr/> | <hr/> |

The key management personnel comprises six executive team and the total remuneration, benefits and defined benefit pension contributions paid in the year was £ 479,535 (2018: £388,288).

The average number of employees during the year analysed by function was:-

| | 2019 | 2018 |
|--------------------------|-------|-------|
| Charitable Activities | 19 | 16 |
| Cost of Generating Funds | 14 | 11 |
| | <hr/> | <hr/> |
| | 33 | 27 |
| | <hr/> | <hr/> |

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9 NET MOVEMENT IN FUNDS

| Net movement in funds is arrived at after charging: | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets | 41,541 | 15,917 |
| Foreign exchange loss | 2,210 | 182 |
| Auditors remuneration | 10,546 | 9,049 |
| | <hr/> | <hr/> |

The consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies:

- Charity only incoming resources for the year ended 31 March 2019 were £ 642,849 (2018: £758,497) excluding donations from subsidiaries.
- Charity only net (decrease) in funds for the year were £320,736 (2018: £778,455).

10 TAXATION

No corporation tax is payable as the Association is a registered charity. A corporation tax liability of £Nil is included in the subsidiary accounts (2018: £ Nil).

11 TANGIBLE FIXED ASSETS

| | Fixtures, Fittings and Equipment | |
|---------------------|-------------------------------------|--------------|
| Cost | Group £ | Company £ |
| At 1 April 2018 | 276,057 | 276,057 |
| Additions | 107,104 | 28,709 |
| | <hr/> | <hr/> |
| At 31 March 2019 | 383,161 | 304,766 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 April 2018 | 176,095 | 176,095 |
| Charge for the Year | 43,696 | 41,541 |
| | <hr/> | <hr/> |
| At 31 March 2019 | 219,791 | 217,636 |
| | <hr/> | <hr/> |
| Net Book Value | | |
| At 31 March 2019 | 163,370 | 87,130 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 99,962 | 99,962 |
| | <hr/> | <hr/> |

All fixed assets of the company are used for charitable purposes.

THE BRITISH PARALYMPIC ASSOCIATION

(Limited by Guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 INVESTMENT IN SUBSIDIARIES

| | Company 2019 £ | Company 2018 £ |
|---|----------------------|----------------------|
| British Paralympic Enterprises Limited | 2 | 2 |
| British Paralympic Performance Services Limited | 2 | 2 |
| Paralympic World Cup | 2 | 2 |
| | <u>6</u> | <u>6</u> |

The Association has three wholly owned subsidiaries, British Paralympic Enterprises Limited – company number 3008516, British Paralympic Performance Services Limited – company number 4577740, and Paralympic World Cup – company number 5362068. All companies were incorporated in Great Britain.

13 DEBTORS

| | Group | | Company | |
|--|----------------|------------------|------------------|------------------|
| | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Amounts Due from Group Companies | - | - | 422,683 | 445,118 |
| Prepayments and Accrued Income | 465,698 | 378,274 | 219,971 | 115,327 |
| Sundry Debtors | 138,449 | 1,194,083 | 1,799 | 129,357 |
| Gift Aid Receivable from Group Companies | - | - | 1,572,309 | 1,758,183 |
| | <u>604,147</u> | <u>1,572,357</u> | <u>2,216,762</u> | <u>2,447,985</u> |

14 CREDITORS

| | Group | | Company | |
|--|------------------|------------------|------------------|----------------|
| | 2019 £ | 2018 £ | 2019 £ | 2018 £ |
| Amounts Falling Due Within One Year | | | | |
| Amounts Due to Group Companies | 735 | 735 | 1,217,975 | 497,674 |
| Accruals and Deferred Income | 1,730,666 | 1,117,231 | 151,878 | 121,126 |
| Deferred Grant Income | 28,293 | - | - | - |
| Other Creditors | 202,314 | 308,932 | 145,833 | 308,929 |
| Grants | 6,580 | 6,580 | 6,580 | 6,580 |
| Other Taxes and Social Security Costs | 31,502 | 19,670 | 31,502 | 19,670 |
| | <u>2,000,090</u> | <u>1,515,148</u> | <u>1,553,768</u> | <u>953,979</u> |
| Movement on Deferred Grant Income | | | | |
| At 1 April | 112,700 | 10,000 | - | - |
| Released to SOFA in the year | (84,407) | - | - | - |
| Deferred in the current period | - | 102,700 | - | - |
| | <u>28,293</u> | <u>112,700</u> | <u>-</u> | <u>-</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15 FINANCIAL INSTRUMENTS

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Financial assets that are debt instruments at amortised cost | | | | |
| Debtors | | | | |
| - Group balances | - | - | 422,683 | 445,118 |
| - Sundry debtors | 138,449 | 1,193,865 | 1,798 | 129,138 |
| - Gift aid receivable from group companies | - | - | 1,572,309 | 1,758,183 |
| Cash at bank and in hand | 3,028,534 | 1,959,526 | 1,045,831 | 522,723 |
| | <u>3,166,983</u> | <u>3,153,391</u> | <u>3,042,621</u> | <u>2,855,162</u> |
| Financial liabilities measured at amortised cost | | | | |
| Creditors | | | | |
| - Group balances | 735 | 735 | 1,217,247 | 497,674 |
| - Other creditors | 202,314 | 308,930 | 145,833 | 308,930 |
| | <u>203,049</u> | <u>309,665</u> | <u>1,363,080</u> | <u>806,604</u> |

16 DISCLOSURE OF COMMITMENTS

Binding Commitments

In the year the charity entered into a contract agreements relating to future Summer Paralympic Games and as a result at the year end the following amounts were committed:

- Accommodation - £nil (2018: £nil)
- Flights - £nil (2018: £nil)
- Team Launch - £152,927 (2018: £nil)

In addition the charity was committed to expenditure under its Value in Kind arrangements with commercial partners, whereby the equivalent amount will be recognised with Incoming Resources. Under these arrangements the total value of IT costs, legal costs, consultancy and support with Sports Science Medicine Equipment stock control system totals £ 280,447 (2018: £368,720).

The above does not include commitments funded by restricted grants.

Lease Payments

At the 31 March 2019 the amount of lease payments committed with respect to the rental of office space, £2,872,883 and office equipment, £1,526, totalled £2,874,589(2018: £272,509).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

17 RESTRICTED FUNDS

| | Balance 1 April 2018 £ | Movement in Funds: Incoming Resources £ | Resources Expended £ | Transfers Between Funds £ | Balance 31 March 2019 £ |
|-------------------------------------|---------------------------------|--|----------------------------|------------------------------------|----------------------------------|
| Cadbury Foundation - grant | 33,328 | 100,000 | (34,291) | - | 99,037 |
| Commercial Partners - value in kind | - | 280,447 | (280,447) | - | - |
| UK Sport - grants | 5,923 | 579,465 | (573,654) | - | 11,734 |
| OCOG – grant | - | 497 | (497) | - | - |
| | <u>39,251</u> | <u>960,409</u> | <u>(888,889)</u> | <u>-</u> | <u>110,771</u> |

Funds expended on capital items are transferred to unrestricted funds once spent.

Incoming resources received in the year related to the following activity:

- Cadbury Foundation – grant for the administration of the Get Set programme and support costs of the Parasport website prior to the launch of the ToyotaGB Parasport programme in November 2019.
- Commercial Partners – value in kind as set out in Note 2, Donated Facilities and Services.
- UK Sport – grants for Classification, International Relations, SSMC, staff costs and planning for the Tokyo 2020 Summer Paralympic Games (T2020). The balance at 31 March 2018 represents unused funds at the year end for the International Relations grant (the grantee being BPA). Unused funds for the T2020 grant are included in deferred income (the grantee being BPPS).
- OCOG – grant is a contribution to support costs incurred in respect of participation in the 2018 PyeongChang Winter Paralympic Games.

18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds £ |
|--|----------------------------|--------------------------|--------------------------|---------------------|
| Fund Balances at 31 March 2019 are represented by: | | | | |
| Tangible Fixed Assets | 87,130 | - | 76,239 | 163,369 |
| Current Assets | 2,874,624 | 110,771 | 647,287 | 3,632,682 |
| Current Liabilities | (2,000,090) | - | - | (2,000,090) |
| Total Net Assets | <u>961,664</u> | <u>110,771</u> | <u>723,526</u> | <u>1,795,961</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19 COMPARATIVE FIGURES FOR ALL FUNDS

The comparatives for both the Unrestricted and Restricted Funds in 2018 are as follows:

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total 2018 £ |
|--|------------------------------------|----------------------------------|--------------------|
| Incoming Resources | | | |
| Income and endowments from: | | | |
| Donations and legacies | 415,534 | 1,414,451 | 1,829,985 |
| Other trading activities | 1,089,981 | - | 1,089,981 |
| Investment income | 2,743 | - | 2,743 |
| | <hr/> | <hr/> | <hr/> |
| Total income | 1,508,258 | 1,414,451 | 2,922,709 |
| | <hr/> | <hr/> | <hr/> |
| Expenditure on: | | | |
| Raising funds | 974,382 | 13,438 | 987,820 |
| Charitable activities | 1,342,831 | 1,370,513 | 2,713,344 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditure | 2,317,213 | 1,383,951 | 3,701,164 |
| | <hr/> | <hr/> | <hr/> |
| Net (expenditure)/ increase | (808,955) | 30,500 | (778,455) |
| | <hr/> | <hr/> | <hr/> |
| Transfers between funds | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Net movement in funds | (808,955) | 30,500 | (778,455) |
| | <hr/> | <hr/> | <hr/> |
| Reconciliation of funds | | | |
| Fund Balances Brought Forward at 1 April 2017 | 2,886,401 | 8,751 | 2,895,152 |
| | <hr/> | <hr/> | <hr/> |
| Funds Balances Carried Forward at 31 March 2018 | 2,077,446 | 39,251 | 2,116,697 |
| | <hr/> | <hr/> | <hr/> |

20 RELATED PARTY TRANSACTIONS

The balance due to the British Paralympic Association from British Paralympic Enterprises at 31 March 2019, after taking account of gift aid receivable, was £355,070 (2018: £1,263,547). The balance due to the British Paralympic Association from British Paralympic Performance Services Limited at 31 March 2019 was £422,683 (2018: £442,815).

The British Paralympic Association has a joint venture company with the British Olympic Association, "2016 Crest Holding Limited" (2016CHL), a company limited by guarantee. The liability of each of the organisations is limited to £10. The company holds the rights to the crest that featured on the kit for the 2016 Rio Paralympic

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Games (and which has the potential to feature on future kit, depending on creative decisions). The activities of 2016CHL have not been consolidated.

21 FUNDS RECEIVED AS AN AGENT

The Company acted as an agent on behalf of Sainsbury's Supermarkets Limited "Active Kids" programme. Funds held at 1 April 2019 were £Nil (2018: £nil), and funds receivable in the year totalled £ 136,125 (2018: £213,000) which was matched by funds disbursed of £136,125 (2018: £213,000) to Activity Alliance (formerly the Disability Sports Federations of England) for further disbursement to the other Disability Sports Federations, namely Scotland, Northern Ireland and Wales. As at the 31 March 2019 all funds had been disbursed.

22 DONATIONS FROM TRUSTEES

The aggregate value of donations received from Trustees in the year was £nil (2018: £nil).

23 SHARE CAPITAL

The Company is limited by guarantee and has no share capital.

The 34 (2018: 34) voting members of the Company have undertaken to contribute an amount not exceeding £10 each to the assets of the Company in the event of it being wound up.

24 CONTROLLING PARTY

The Company is under the control of its voting members.

