

LONDON INSTITUTE OF MARIAL ARTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

Charity registration number: 1148830

LONDON INSTITUTE OF MARTIAL ARTS

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

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CHARITY INFORMATION

| | |
|------------------------------------|--|
| Registered office | London Institute of Martial Arts Indian Gymkhana Club Thornbury Avenue Osterley, Isleworth TW7 4NQ |
| Charity Registration Number | 1148830 |
| Trustees | Taeyong Lee Jongho Kim Pankaj Sud |
| Accountants | Alchemy Financial Solutions Ltd 19 Edinburgh Drive Staines Surrey TW18 1PJ |
| Charity Bankers | HSBC Bank Plc 66 High Street New Malden Surrey KT34HD |

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TRUSTEES' ANNUAL REPORT OF LONDON INSTITUTE OF MARTIAL ARTS

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust dated 31 January 2012.

Recruitment and appointment of new trustees

The Charity is managed by a Management Board of 3 members which include Hon. Chairman, Hon Secretary and Hon. Treasurer. The members of the Management Board are elected by the membership and serve for a period of 5 years. The Office Bearers are appointed by the Management Board for a variable period determined by the Board.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

Organisational structure

The Management Board (Managing Trustees) administers the Charity.

The Board includes Hon Chairman, Hon. Secretary, and Hon. Treasurer. The Board meets quarterly to deal with operational and financial development. The Board of Management have appointed assistant office bearers to facilitate operations, finance and human resources.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees are formulating a risk management strategy so that risks faced by the charity can be reviewed on a regular basis and that procedures can be developed to mitigate the risk identified. This may include a new streamlined management system with enhanced accountability and oversight.

Objectives and aims

The charity has the following main objectives as outlined in the governing document.

- To advance academic and professional opportunities within the field of Martial Arts in the United Kingdom.
- To create a validated undergraduate degree program open to qualified applicants in the field of Martial Arts Theory and Practice.
- To provide validated certification courses relating to Martial Arts instruction, club management, and Martial Arts performance for stage and visual media.

Significant activities

The charity's main areas of activity this year were

- Securing patronage of the Lord Lingfield, as Patron of the London Institute of Martial Arts
- The operation of Martial Arts instruction.

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Public Benefit

The Trustees are aware of the Charity Commission's guidance on public benefit reporting as set out in the Charities Act 2011. The Trustees believe that its objectives and activities of promoting validated educational opportunities within the Martial Arts, including the spiritual, moral and healing aspects, are for the general benefit of the public

Achievement and performance

Charitable activities

The main objectives of the Charity – the advancement of academic and professional opportunities within the field of Martial Arts in the United Kingdom, were progressed towards with the confirmation from the University of Derby of a certified program. Feedback received thus far, which is the main measure of performance, indicates the performance of the Charity has been excellent during the year.

Financial review

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have. Reserves are held to ensure that there are funds to cover initial support for emergency appeals in the case of natural disasters and to support young offenders as their needs fall due. Reserves are also held to sustain operations when income generating activities are not feasible. The trustees have supported the level of reserves as at 2022 of £(53,019) (2021: £(50,761)) to cover the above.

Principal funding sources

The main source of income was Voluntary income £33,190 (2021: £25,363) from students.

Other income: Grant received £4,480 (2021: £0).

Total costs for the charity during the year were £39,926 (2021:£26,677).

The governance costs represent less than 5% of the total income generated and mainly relates to legal, and professional fees.

Future developments

We anticipate further strengthening our association with Oxford Brookes University, to be able to offer a complete undergraduate degree program after the completion of the coming academic year. Further, we are pursuing validation from the University of Derby, Department of Life and Natural Sciences, for a certification program.

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Tae Yong Lee
Chairman

Date

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LONDON INSTITUTE OF MARTIAL ARTS

I report on the accounts of the London Institute of Martial Arts for the year ended 31 May 2022, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alchemy Financial Solutions
19 Edinburgh drive, Staines
Surrey, TW18 1PJ

Date

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BALANCE SHEET AS AT 31 MAY 2022

| | Note | Total Funds 2022 £ | Total Funds 2021 £ |
|---|------|-----------------------------|-----------------------------|
| Incoming resources | | | |
| <i>Incoming resources from generated funds:</i> | | | |
| Voluntary income | 3 | 33,190 | 25,363 |
| Other Income | | 4,480 | - |
| | | ----- | ----- |
| Total incoming resources | | 37,670 | 25,363 |
| | | ===== | ===== |
| Resources expended | | | |
| <i>Charitable activities:</i> | | | |
| Management and administration | 4, 7 | 38,730 | 24,277 |
| <i>Governance costs</i> | 5 | 1,200 | 1,200 |
| | | ----- | ----- |
| Total resources expenses | | 39,928 | 25,477 |
| | | ===== | ===== |
| Net incoming (outgoing) resources before transfers | 6 | (2,256) | (115) |
| | | ----- | ----- |
| Funds brought forward | | (50,761) | (50,646) |
| | | ----- | ----- |
| Funds carried forward | | (53,017) | (50,761) |
| | | ===== | ===== |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The attached notes form part of the accounts.

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BALANCE SHEET AS AT 31 MAY 2022

| | Note | Charity 2022 £ | Charity 2021 £ |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 5 | 7 |
| | | ————— | ————— |
| | | 5 | 7 |
| | | ===== | ===== |
| Current assets | | | |
| Cash at bank and in hand | | 6,083 | 7,137 |
| | | ————— | ————— |
| | | 6,083 | 7,137 |
| | | ===== | ===== |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 8 | (59,095) | (57,891) |
| | | ===== | ===== |
| | | (59,095) | (57,891) |
| | | ===== | ===== |
| Net current assets | | (53,012) | (50,754) |
| | | ===== | ===== |
| Net assets | | (53,017) | (50,761) |
| | | ===== | ===== |
| Represented by Funds | | | |
| Unrestricted funds | 9 | (53,017) | (50,761) |
| Revaluation reserve | | | |
| | | ————— | ————— |
| Total funds | | (53,017) | (50,761) |
| | | ===== | ===== |

Approved by the Board of Trustees on
and signed on its behalf by:

Tae Yong Lee

Chairman

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The attached notes form part of these accounts.

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with applicable Accounting Standards and the “Statement of Recommended Practice” (SORP), “Accounting and Reporting by Charities (SORP 2005)” revised in May 2008 and applicable UK Accounting Standards. The principal accounting policies adopted in the preparation of the financial statements are set out below.

(b) Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

(c) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees’ annual report.

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

(d) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with London Institute of Martial Arts costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

(e) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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(f) Tangible fixed assets

Tangible fixed assets are depreciated over their estimated useful lives as follows:

| | Annual rate |
|------------------|----------------------------|
| Office Equipment | 25% reducing balance basis |

(g) Stock

Stock is included at the lower of cost or net realisable value.

(h) Funds structure

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds.

2 Legal status of the Trust

The Charity was set up by trust deed and is registered with the Charity's Commission.

3 Voluntary income

| | 2022 £ | 2021 £ |
|---------------------|------------------------|------------------------|
| Students | 33,190 | 25,363 |
| Other Income | 4,480 | - |
| Total income | <u>37,670</u> ===== | <u>25,363</u> ===== |

4 Analysis of management and administrative expenses

| | 2022 £ | 2021 £ |
|-------------------|---------------|---------------|
| Rent Expenses | 17,039 | 9,200 |
| Accountancy Fee | 1,200 | 1,200 |
| Legal Fee | - | 275 |
| Wages | 20,650 | 12,000 |
| Instructors' fees | 1,002 | 3000 |
| Bank Charges | 33 | - |
| Depreciation | 2 | 2 |
| | <u>39,926</u> | <u>25,677</u> |

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Trustees Remuneration

| | 2022 | 2021 |
|-----------------|-------|-------|
| | £ | £ |
| Mr Tae Yong Lee | 9,600 | 6,600 |

No employees earned over £60,000 in the year.

5 Allocation of support costs

The trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

| | 2022 | 2021 |
|------------------|--|--|
| | £ | £ |
| Governance costs | 1,200 | 1,200 |
| Total | <div style="border-top: 1px solid black;">1,200</div> <div style="border-top: 3px double black;">1,200</div> | <div style="border-top: 1px solid black;">1,200</div> <div style="border-top: 3px double black;">1,200</div> |

6 Net movement in funds for the year

| | 2022 | 2021 |
|-----------------------------------|---------|-------|
| | £ | £ |
| Net incoming (outgoing) resources | (2,256) | (115) |

This is stated after charging:

| | | |
|--------------|--|--|
| Depreciation | 2 | 2 |
| | <div style="border-top: 1px solid black;">(2,254)</div> <div style="border-top: 3px double black;">(2,254)</div> | <div style="border-top: 1px solid black;">(113)</div> <div style="border-top: 3px double black;">(113)</div> |

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| | | Office Equipment £ | Total £ |
|----------|------------------------------|--------------------------|-------------|
| 7 | Tangible fixed assets | | |
| | Cost | | |
| | At 1 June 2021 | 17 | 17 |
| | Additions | - | - |
| | At 31 May 2022 | 17 | 17 |
| | | ===== | ===== |
| | Depreciation | | |
| | At 01 June 2021 | 10 | 10 |
| | Charge for the year | 2 | 2 |
| | At 31 May 2022 | 12 | 12 |
| | | ===== | ===== |
| | Net book value | | |
| | At 01 June 2021 | 7 | 7 |
| | | ===== | ===== |
| | At 30 May 2022 | 5 | 5 |
| | | ===== | ===== |
| 8 | Creditors | 2022 | 2021 |
| | | £ | £ |
| | Loan | (54,485) | (54,485) |
| | Other Creditors | (4,610) | (3,406) |
| | | (59,095) | (57,891) |
| | | ===== | ===== |

Taxation

The company is a registered charity and no provision is considered necessary for taxation.

9 Analysis of charitable funds

Analysis of unrestricted fund movements

| | At 1 June 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 31 May 2022 £ |
|--------------|------------------------|----------------------------|----------------------------|----------------|------------------------|
| General fund | (50,761) | 37,670 | 39,926 | - | (53,017) |
| Total | (50,761) | 37,670 | 39,926 | - | (53,017) |
| | ===== | ===== | ===== | ===== | ===== |

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The attached pages do not form part of these accounts.

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MAY 2022

| | 2022 £ | 2021 £ |
|-------------------------------|------------------------|------------------------|
| Income | | |
| Students | 33,190 | 25,363 |
| Other Income | 4,480 | 0 |
| Total income | <u>37,670</u> ===== | <u>25,363</u> ===== |
| Expenditure | | |
| Rent Expenses | 17,039 | 9,200 |
| Accountancy Fee | 1,200 | 1,200 |
| Legal Fee | 0 | 275 |
| Wages | 20,650 | 12,000 |
| Instructors' fees | 1,002 | 3000 |
| Depreciation | 2 | 2 |
| Total expenditure | <u>39,893</u> ===== | <u>25,677</u> ===== |
| (Deficit) for the year | (2,223) | (314) |