



Busen Martial Arts & Sports Trust CIO
Trustees' Annual Report & Accounts
Year ended 31 March 2023
Charity No: 1169053



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The Trustees present their report and, for the first time of being required, the financial statements of Busen Martial Arts & Sports Trust CIO (also referred to as "Busen Trust" or "the Charity") for the year ended 31 March 2023.

1. The Charity is named Busen Martial Arts & Sports Trust. It is a Charitable Incorporated Organisation ("CIO"), and the Charity Registration number is: **1169053**
2. Busen Martial Arts & Sports Trust was granted charitable status in September 2016.
3. The objects of the charity are, through the management of a Martial Arts and Fitness Centre for amateur sport, to:
 - a. be a Centre of Excellence for Martial arts, particularly Karate and Judo, providing adults and young people with opportunities ranging from beginner level to international standard.
 - b. promote accessible, affordable sport and fitness activities for adults and young people catering for a range of different abilities.

The principal areas of benefit within the London Borough of Richmond upon Thames ("LBRuT"), however, the facility is available to wider communities reflecting the wider initial support from Sport England, London Marathon Charitable Trust, Hampton Fund and LBRuT.

4. The principal office and website addresses are:

244 Stanley Road, Twickenham, TW2 5NP

www.bu-sentrust.org.uk

5. The trustees who served during the year were as follows:

Colin Sinclair - Chair
Roger Mills
Mark Oakley
Ian Barclay

6. Patron and Key advisor to the trust is as follows:

Frank Perry, Chief Instructor, Martial Arts also Head of United Kingdom Seiki Juku Karate Organisation (UKSKO) and the Busen Martial Arts School

7. Building of the Busen Martial Arts & Fitness Centre commenced on site in June 2021. In the period April 2022 to March 2023, the following progress was achieved:

December 2022

Project achieved 'practical completion' and was handed over from the contractor to the landowner, the LBRuT:

January 2023

Lease signed between LBRuT and Busen Martial Arts & Sports Trust on terms of 30 years plus right of renewal for an additional 10 years. Signing of the lease enabled the Trust to take occupation of the site.

January 2023

Open weekend held 7-8th January attracting over 1000 attendances.

9th January – centre programmes launched for the Dojo & fitness suite.

March 2023

Regular classes in place for the following activities – Karate, Judo, Gymnastics, Ju-Jitsu, BoxFit.

Membership 229 in total and weekly attendances averaging 463.

8. Funding of the centre from start up

Capital funding towards the new building (built and owned by LBRuT):

Busen Martial Arts and Sports Trust	£350,000
Sport England	£250,000
London Marathon Charitable Trust	£200,000
London Borough of Richmond upon Thames	£1,282,300

Funding for equipment towards the new building:

Busen Martial Arts & Sports Trust	£50,000
Hampton Fund	£50,000

9. Assets of the Charity as of 31 March 2023

- a. Leasehold improvements with a carrying value of £322,603 linked to the 30-year lease followed by a 10 year right to renew.
- b. Equipment carrying value £49,445 including, judo mats, sports equipment, fitness equipment.
- c. Financial assets: Trade debtors: £263 and Cash: £18,870

10. Risks to the Charity

The Charity exists to deliver its objectives through the management of the Martial Arts & Fitness Centre. Current principal risks are:

Demand - for use of the centre does not meet with the trust's projections. The first 3 months of operation demonstrate that there is strong demand for centre programmes and the centre is solvent.

Running costs - particularly with regard to energy costs. This has been allowed for in the business plan. The building is extremely energy efficient, and the best possible tariff has been negotiated with suppliers.

Building defects - LBRuT accepted Practical Completion and the Trust signed the lease and took possession of the building although there were a number of defects and a large number of snagging items. We will need to put pressure on the Council and the Contractors to quickly rectify these items in order to ensure that our operation of the centre is not compromised.

People - the Centre's development is dependent on a relatively small number of key officers and trustees. As a matter of urgency, it is essential that the Charity increases the number and skills of trustees, particularly with regard to financial, HR and building management experience. Middle management staff will be trained to be able to cover in the event of absences at senior level.

11. Public Benefit Statement

The new Centre currently has 229 members providing 463 average attendances per week.

The Centre is aiming to achieve 1000 members and 2500 attendances per week.

Discounted memberships are available to families on income support, universal credit, free school meals, unemployed and similar hardships.

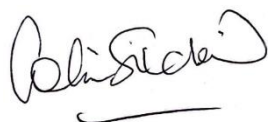
The Charity is developing a range of socially beneficial programmes including access for children with disabilities (e.g. autism) and exercise referral in conjunction with LBRuT and the NHS.

12. The financial statements have been subject to scrutiny by an independent examiner and his report follows the financial statements which are based on the Charity Commission template for CIOs (referenced CC17) along with the template for Independent Examiners.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and to comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The trustees do not have a Reserves Policy finalised, as yet, and this fact is also referred to in the accounts (Note 11); the Trustees will develop a Reserves Policy during 2024 now that the Charity is established and with a view to grow sufficient funds and capital to repay the subordinated loans (see Note 9) balanced by meeting the Charity's objectives thereby recognising this will have to be done over the medium to long term, subject to the successful fundraising activities in the meantime.

Approved by the Board of Trustees on 29th January 2024 and signed on its behalf:



.....
Colin Sinclair
Chair of Trustees

Date: **29 January 2024**

Financial Statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 March 2023

	Notes	Unrestricted Funds £	Restricted Income Funds £	Total 2023 £	Total 2022 £
<u>Income</u>					
Donations & legacies	3		50,000	50,000	-
Charitable activities*	3	28,578		28,578	-
Total income		28,578	50,000	78,578	-
<u>Expenditure</u>					
Charitable activities*	4	26,343	2,500	28,843	-
Total expenditure		26,343	2,500	28,843	-
Net movement in funds		2,235	47,500	49,735	-
<i>Reconciliation of funds:</i>					
Total funds brought forward 1 April 2022		-	-	-	-
Total funds carried forward 31 March 2023		2,235	47,500	49,735	-

*The Charitable activities commenced in January 2023 following occupation of the Dojo and Fitness Centre

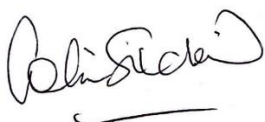
Busen Martial Arts & Sports Trust CIO

Financial Statements

BALANCE SHEET as at 31 March 2023

	Notes	Unrestricted funds £	Restricted Income funds £	Total 2023 £	Total 2022 £
<u>FIXED ASSETS</u>					
Tangible assets	6	324,548	47,500	372,048	-
Total fixed assets		324,548	47,500	372,048	-
<u>CURRENT ASSETS</u>					
Debtors	7	232	-	232	-
Cash at bank		18,870	-	18,870	167,600
Total current assets		19,102	-	19,102	167,600
<u>CREDITORS:</u> amounts due within one year	8	(12,436)	-	(12,436)	-
Net Current assets		6,666	-	6,666	-
Total assets less current liabilities		331,214	47,500	378,714	167,600
<u>CREDITORS:</u> amounts due after one year	9	(328,979)	-	(328,979)	(167,600)
NET ASSETS		2,235	47,500	49,735	-
<u>CHARITY FUNDS</u>					
Restricted income funds	12	-	47,500	47,500	-
Unrestricted funds	12	2,235	-	2,235	-
TOTAL FUNDS		2,235	47,500	49,735	-

The financial statements on pages 5 to 11 were approved by the Board of Trustees on **29 January 2024** and signed on its behalf by:



.....
Colin Sinclair, Chair of Trustees
29 January 2024

Financial Statements

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and under the historical cost convention, except as modified for the annual revaluation of fixed asset investments.

Within the definitions of FRS 102, the Charity is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Going concern

The global economy has been significantly impacted by the COVID-19 pandemic, war in the Ukraine, a spike in energy prices and high levels of inflation. This will be a challenging time for our Trustees and the People running the Centre. However, the Trustees have considered the future likely cash flows for the Charity covering a period of at least twelve months from the date of approval of these financial statements, and they are confident that sufficient funding is available to support the on-going activities of the Charity. The financial statements have therefore been prepared on a going concern basis.

The financial statements do not include any adjustments that would result should the going concern basis of preparation not be appropriate. In the event that this basis is not appropriate provisions may be required and assets may need to be written down to their recoverable amount.

Income

General donations and other similar types of voluntary income are brought into account when receivable and donated income is included gross. Donations given for specific purposes are treated as restricted income.

Investment income is accounted for on a receivable basis once the dividend has been declared or the interest has been earned.

Income receivable from charitable activities is recognised as income when earned by the Charity.

Expenditure

All expenditure is accounted for on an accruals basis and is allocated to the Charity's principal activity where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the Charity's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Governance costs are the costs associated in running the Charity as a United Kingdom charitable incorporated organisation and specifically include the costs of the external independent examination.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

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Long leasehold property improvements	3.33%	straight line
Fixtures, fittings, and equipment	20.0%	straight line

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets and liabilities

The Charity's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objectives of the Charity.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year-end are carried forward in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

3. Analysis of Income

	Unrestricted funds £	Restricted Income funds £	2023 £	2022 £
<i>Details</i>				
Donation from Hampton Fund (Charity no. 211756)	-	50,000	50,000	-
Charitable activities:				
Martial Arts	16,448	-	16,448	-
Gym membership	9,071	-	9,071	-
Gymnastics classes	3,059	-	3,059	-
Total income	28,578	50,000	78,578	-

Financial Statements

4. Analysis of Expenditure

Details	Unrestricted funds £	Restricted Income funds £	2023 £	2022 £
Charitable activities:				
Teaching instructors	7,915	-	7,915	-
Centre staff (note 5)	7,530	-	7,530	-
IT software & consumables	4,140	-	4,140	-
Repairs & maintenance	1,250	-	1,250	-
Accountancy & independent examination	800	-	800	-
Advertising & marketing	783	-	783	-
Materials	204	-	204	-
Telephone & internet	203	-	203	-
Insurances	133	-	133	-
Bank charges	57	-	57	-
Printing and stationery	57	-	57	-
Depreciation	3,271	2,500	5,771	-
Total expenditure on raising funds	26,343	2,500	28,843	-

5. Staff costs

The Centre staff were subcontracted for the period to March 2023 from Busen Martial Arts School. Full time employees were recruited in April and payroll details will be provided future annual reports & accounts. The Trustees were grateful for a large amount of volunteering provided by several people in the first short period to open the Dojo and Gym in January 2023.

6. Tangible fixed assets

	Leasehold Improvements £	Fittings and Equipment £	Total £
Cost			
At the beginning of the year	-	-	-
Additions	300,000	77,819	377,819
Disposals	-	-	-
At the end of the year	300,000	77,819	377,819
Depreciation (SL= Straight Line basis & %Rate p.a.)	3.33% SL	20% SL	
At the beginning of the year	-	-	-
Charge for the year	2,500	3,271	5,771
Disposals	-	-	-
At the end of the year	2,500	3,271	5,771
Net book value			
At the beginning of the year	-	-	-
At the end of the year	297,500	74,548	372,048

Financial Statements

7. DEBTORS

	2023	2022
	£	£
Trade debtors	232	-
Total	232	-

8. CREDITORS DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	3,501	-
Accruals	7,430	-
Membership fees in advance	1,505	-
Total	12,436	-

9. CREDITORS DUE AFTER ONE YEAR

	2023	2022
	£	£
Subordinated Loan by Trustee (Colin Sinclair)	50,000	-
Subordinated Loan by Patron (Frank Perry)	278,979	-
Total	328,979	-

The subordinated loan from the Trustee is interest free and repayable only once sufficient funds are available to commence repayment.

The subordinated loan from the Patron is interest free until repayment commences; repayment will only commence once sufficient funds are available to commence repayment and interest at a commercial savings rate will be applied until repayment is made in full. The interest element represents a contingent liability, and no reliable estimate can be made at this time.

10. TRANSACTIONS WITH TRUSTEES AND RELATED PARTIES

Other than the subordinated loans mentioned above, in Note 9, there were no transactions with Trustees or Related Parties to disclose.

Transactions with the Patron and his Busen Martial Arts School were all at arm's length and the values were for services totalling £6,000 which was not paid for until after the year end.

A short-term loan for £20,000 was received from and repaid to Busen Ltd in February 2023.

The name and logo of Busen Martial Arts has been provided on a royalty free basis.

Financial Statements

11. RESERVES POLICY

The Trustees will develop a Reserves Policy during 2024 now that the Charity is established and with a view to grow sufficient funds and capital to repay the subordinated loans detailed in Note 9 balanced by meeting the Charity's objectives thereby recognising this will have to be done over the medium term, subject to fundraising activities in the meantime.

12. CHARITY FUNDS

Current year

Fund name	Purpose & Restrictions	Balance b/fwd £	Income £	Expenditure £	Balance c/fwd £
Restricted Income Fund: Donation from Hampton	To acquire Equipment and fittings (Mats, Punchbags, Seating, Gym equipment)	-	50,000	2,500	47,500
Fund Unrestricted Fund	Finance working capital of Charity Activities	-	28,578	26,343	2,235
Total Funds		-	78,578	28,843	49,735

Prior year

There was no Funds in prior years.

Independent Examiner's Report to the Trustees

I report to the trustees on my examination of the accounts of the Busen Martial Arts & Sports Trust ("the Trust") set out on pages 5 to 11, for the year ended 31 March 2023.

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mark Jones

Signed.....

Mark Jones MAAT

Member of the Association of Accounting Technicians

Date: **29 January 2024**