



Busen Martial Arts & Sports Trust CIO
Trustees' Annual Report & Accounts
Year ended 31 March 2024
Charity No: 1169053



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The Trustees present their Annual Report and financial statements of Busen Martial Arts & Sports Trust CIO (also referred to as "Busen Trust" "Trust" or "the Charity") for the year ended 31 March 2024.

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 wide range of different abilities.

The principal areas of benefit are 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 of the Board of Trustees

Roger Mills

Mark Oakley

Ian Barclay

Keith Hourigan (appointed: 9.1.2024)

David McSweeney (appointed: 24.1.2024)

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 (9th Dan Karate)

7. Building of the Busen Martial Arts & Fitness Centre commenced on site in June 2021. In the period April 2023 to March 2024, the following progress was achieved:

Year to March 2024

Undertook commissioning of the Dojo and Gymnasium and installation of additional Sport equipment both fixed and movable along with the use of children's Soft Play apparatus enabling the very youngest of children to enjoy the facilities.

The Building 'snagging list' was worked through, following the signing of the 30-year lease in January 2023, and it is now down to a more manageable level to be able to operate and function fully.

Regular classes were in place for the following activities – Karate, Judo, Gymnastics, Ju-Jitsu, Box fit and Soft Play; Membership was 483 (2023: 229) in total and weekly attendances averaging 761 (2023:463).

March 2024

The Trustees and Management were delighted with the Official Opening of the Centre ably conducted by Richmond Mayor, Councillor Suzette Nicholson, and amongst the dignitaries attending was Sir Vince Cable, Councillor Gareth Roberts, Council Leader and other Council members from Richmond Borough (LBRuT), Michael Dinsdale of the World Karate Federation took the opportunity to also present our Patron with a 9th Dan award. The evening was also treated to various martial art demonstrations culminating with a double ice break by Sensei Joe Perry and Shihan Frank Parry.



8. Funding of the Centre from start up

By way of background, the source of the funding to build the new Martial Arts & Sports Centre at Stanley Road in Teddington is summarised below:-

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

The Trust was loaned money from the Chair of the Trustees and the Patron, further details are in Note 9 to the financial statements.

9. Assets of the Charity as of 31 March 2024

- a. Leasehold improvements with a carrying value of £294,167 (2023: £297,500) linked to the 30-year lease followed by a 10 year right to renew.
- b. Equipment with net book value of £81,413 (2023: £74,548) including, judo mats, sports, fitness and soft play equipment.
- c. Financial assets: Trade debtors £7,770 (2023:£232) and a Cash balance £36,600 (2023: £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 identified are:

Demand – if the use of the Centre does not meet with the Trust's minimum targets to operate at, or above, break-even. The first 15 months of operation demonstrated that there is strong demand for the Centre's programmes and the Centre is a going concern.

Overhead costs - particularly with regard to Staff and Energy costs, especially in future periods following the Budget of November 2024 and the increases in national insurance costs effective from April 2025. The building is very 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.

People - the Centre's development is dependent on a relatively small number of key officers and Trustees. The last two main risk areas of expertise identified last year, Talent and Building management experience, have now been mitigated further with the proposed appointment of Richard Eve as a Trustee in 2025 and access to HR Consultants as and when needed. Middle management staff will be trained to be able to also cover in the event of absences at any senior level.

11. Public Benefit Statement

The new Centre currently has 483 (2023: 229) members providing 761 (2023: 463) average attendances per week; 2023/24 was a full year.

The Centre is aiming to achieve 1000 members and 2500 attendances per week at its seasonal peaks within 5 years of operation, although expects annual averages to be lower than this.

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

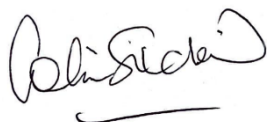
The Charity is developing a range of socially beneficial programmes including access for children with a wide range of disabilities and exercise referral in conjunction with LBRuT and the NHS.

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 prepared a Reserves Policy during 2024 now that the Charity is fully established and following a full year of Charitable Activities the Trustees primary Reserves objective in the foreseeable future is to grow sufficient funds and capital to be able to finance the Activities and, begin to repay the subordinated loans (see Note 9); the loan repayments will be regularly reviewed balanced by meeting the Charity's principal objectives and, therefore, the Reserves policy recognises that any repayments will have to be done most likely over the medium to long term, subject to the continuing fundraising activities being successful in generating annual surpluses in the meantime.

Approved by the Board of Trustees on 25th January 2025 and signed on its behalf:



.....
Colin Sinclair
Chair of the Board of Trustees

Date: **25 January 2025**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 March 2024

	Notes	Unrestricted Funds £	Restricted Income Funds £	Total 2024 £
Income				
Donations & legacies	3	-	-	-
Charitable activities*	3	261,817	-	261,817
Total income		261,817	-	261,817
Expenditure				
Charitable activities*	4	231,854	10,000	241,854
Total expenditure		231,854	10,000	241,854
Net movement in funds		29,963	(10,000)	19,963
<i>Reconciliation of funds:</i>				
Total funds brought forward 1 April 2022		2,235	47,500	49,735
Total funds carried forward 31 March 2023		32,198	37,500	69,698

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 March 2023

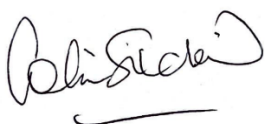
	Notes	Unrestricted Funds £	Restricted Income Funds £	Total 2023 £
Income				
Donations & legacies	3		50,000	50,000
Charitable activities*	3	28,578		28,578
Total income		28,578	50,000	78,578
Expenditure				
Charitable activities*	4	26,343	2,500	28,843
Total expenditure		26,343	2,500	28,843
Net movement 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 Martial Arts and Fitness Centre

BALANCE SHEET as at 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
<u>FIXED ASSETS</u>					
Tangible assets	6		375,580		372,048
Total fixed assets			<u>375,580</u>		<u>372,048</u>
<u>CURRENT ASSETS</u>					
Debtors	7	7,770		232	
Cash at bank		36,600		18,870	
Total current assets		<u>44,370</u>		<u>19,102</u>	
<u>CREDITORS:</u> amounts due within one year	8	(21,294)		(12,436)	
Net Current assets			<u>23,076</u>		<u>6,666</u>
Total assets less current liabilities			<u>398,656</u>		<u>378,714</u>
<u>CREDITORS:</u> amounts due after one year	9		(328,958)		(328,979)
NET ASSETS			<u>69,698</u>		<u>49,735</u>
<u>CHARITY FUNDS</u>					
Restricted income funds	12		37,500		47,500
Unrestricted funds	12		32,298		2,235
TOTAL FUNDS			<u>69,698</u>		<u>49,735</u>

The financial statements on pages 6 to 13 were approved by the Board of Trustees on **25 January 2025** and signed on its behalf by:



Colin Sinclair
Chair of Board of Trustees

25 January 2025

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 continue into 2025. This will continue to 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 with additional liabilities possibly emerging.

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:

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.

Future Change in Accounting Policies

FRS102 was amended in 2024 with the associated changes in the Charities SORP expected to be effective in 2026; the most likely impact will be the introduction of the long leasehold building onto the Balance Sheet as an asset with a Right Of Use with a corresponding lease liability. Other changes are not expected to be materially different.

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

<i>Details</i>	Unrestricted funds		Restricted Income funds		TOTAL	TOTAL
	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
Donation from Hampton Fund (Charity no. 211756)	-	-	-	50,000	-	50,000
Charitable activities:						
Martial Arts	164,464	16,448	-	-	164,464	16,448
Gym membership	46,616	9,071	-	-	46,616	9,071
Gymnastics classes	36,906	3,059	-	-	36,906	3,059
Other	13,831	-	-	-	13,831	-
Total income	261,817	28,578	-	50,000	261,817	78,578

4. Analysis of Expenditure

<i>Details</i>	Unrestricted funds		Restricted Income funds		TOTAL	TOTAL
	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £
Charitable activities:						
Teaching instructors	90,016	7,915	-	-	90,016	7,915
Centre staff costs (note 5)	55,972	7,530	-	-	55,972	7,530
Rent payable	3,803	-	-	-	3,803	-
Repairs & maintenance	4,196	1,250	-	-	4,196	1,250
Depreciation	10,302	3,271	10,000	2,500	20,302	5,771
Equipment rental	19,867	-	-	-	19,867	-
Utilities & cleaning	22,927	-	-	-	22,927	-
Materials	2,651	204	-	-	2,651	204
IT software & consumables	7,012	4,140	-	-	7,012	4,140
Telephone & internet	1,731	203	-	-	1,731	203
Advertising & marketing	6,245	783	-	-	6,245	783
Printing and stationery	1,236	57	-	-	1,236	57
Training	473	-	-	-	473	-
Accountancy	2,544	800	-	-	2,544	800
Consultancy	1,440	-	-	-	1,440	-
Insurances	1,240	133	-	-	1,240	133
Bank charges	84	57	-	-	84	57
Charitable donation	75	-	-	-	75	-
Travel	40	-	-	-	40	-
Total expenditure on raising funds	231,854	26,343	10,000	2,500	241,854	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 2023. The Trustees were very grateful again for the volunteering provided by many people in the year under review and the initial period when opening the Centre back in January 2023 followed by the Official Opening in March 2024..

6. Tangible fixed assets

	Leasehold Improvements £	Fittings and Equipment £	Total £
Cost			
At the beginning of the year	300,000	77,819	377,819
Additions	-	23,835	23,835
At the end of the year	300,000	101,654	401,654
Depreciation (SL= Straight Line basis & %Rate p.a.)	3.33% SL	20% SL	
At the beginning of the year	2,500	3,271	5,771
Charge for the year	3,333	16,970	20,303
At the end of the year	5,833	20,241	26,074
Net book value			
At the beginning of the year	297,500	74,548	372,048
At the end of the year	294,167	81,413	375,580

7. DEBTORS

	2024 £	2023 £
Trade debtors	1,573	232
Prepayments	6,197	-
Total	7,770	232

8. CREDITORS DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	10,261	3,501
Accruals	1,773	7,430
Membership fees in advance	2,892	1,505
HMRC: PAYE deductions	5,843	-
Pension contributions	525	-
Total	21,294	12,436

9. CREDITORS DUE AFTER ONE YEAR

	2024	2023
	£	£
Subordinated Loan by Trustee (Colin Sinclair)	50,000	50,000
Subordinated Loan by Patron (Frank Perry)	278,958	278,979
Total	328,958	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 of the principal is in full; material repayments 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, if any, represents a contingent liability, and no reliable estimate can be made at this time.

After the year end, modest repayments started to be made for the loans in the summer of 2024, subject always to the forward-looking projections. The intention is to continue the repayments on a quarterly basis.

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 £20,000 (2023: £6,000) which was not paid for until after the year end.

The name and logo of Bu'sen Martial Arts has been provided by the Patron on a royalty free basis.



11. RESERVES POLICY

The Trustees developed a Reserves Policy during 2024 following the Charity's Activities commencing in January 2023 enabling a view to be taken on likely levels of demand. In the light of the excellent utilisation of the facility during 2024, the Trustees main focus over the foreseeable future is to grow sufficient surplus funds to pay down the subordinated loans which were the critical capital injected to enable the Charity to become fully operational. As detailed in Note 9 The allocation of funds will be balanced by meeting the Charity's objectives thereby recognising the subordinated loan repayments will have to be done over the medium to long term, subject to the levels of surplus fundraising activities and any donations in the meantime. The continuing financial support provided by these subordinated loans is essential for the Trust to remain a going concern and this Policy will be reviewed annually hereafter.

12. CHARITY FUNDS

Current year 2024

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)	47,500	-	10,000	37,500
Fund Unrestricted Fund	Finance working capital of Charity Activities	2,235	261,817	231,854	32,198
Total Funds		49,735	261,817	241,854	69,698

Prior year 2023

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

Independent Examiner's Report

I report to the Trustees on my examination of the accounts of the Busen Martial Arts & Sports Trust ("the Trust") set out on pages 6 to 13, for the year ended 31 March 2024.

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 for England and Wales 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.



Signed.....

Mark Jones MAAT

Member of the Association of Accounting Technicians

Date: **25 January 2025**