



IRISH GYMNASTICS COMPANY
LIMITED BY GUARANTEE
(T/A GYMNASTICS IRELAND)

**Director's Report and Financial
Statements for year ended 31st
December 2020**

**IRISH GYMNASTICS COMPANY LIMITED BY GUARANTEE
(T/A GYMNASTICS IRELAND)**

**Directors' Report and Financial Statements
for the year ended
31 December 2020**

Company Registration Number: 329951

Power & Associates
Chartered Certified Accountants
Statutory Auditors
1 Sussex Street
Dun Laoghaire
Co Dublin
A96 C8N3

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Directors and Other Information

Directors	Shane O'Connor Mairead Kavanagh Amanda Kinahan Colm Murray Ruth Larragy Roddy Guiney Lynne D'Arcy Andrew Coulter Flavius Koczi (resigned 29/03/2021)
Company Secretary	Amanda Kinahan
Chief Executive Officer	Ciaran Gallagher
Registered Office	Irish Sports Headquarters National Sports Campus Blanchardstown Dublin 15 D15 DY62
Company Registration Number	329951
Principal Bankers	Bank of Ireland Walkinstown Dublin 12 D12 RX01
Solicitors	Leman Solicitors 8-34 Percy Place Dublin 4 D04 P5K3
Auditors	Power & Associates Chartered Certified Accountants Statutory Auditors 1 Sussex Street Dun Laoghaire Co Dublin A96 C8N3

Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2020.

	2020 €	2019 €
1 Results		
Surplus for the financial year amounted to	<u>238,348</u>	<u>128,813</u>

All of which was transferred to the General Fund at the year end in line with the company reserves policy whereby the company strives to hold reserve amounts of minimum 3 months operating expenses and maximum 6 months.

Following the onset of Covid 19 in March 2020 the company engaged in a rigorous emergency re-budgeting process which included the development of 2 new budgets for 2020, namely a worst-case scenario and a targeted case scenario budget. The targeted case scenario was aimed at achieving a balanced budget by year-end through cutting back on all programme and non-essential expenditure to prioritise basic corporate functions, retention of staff and limit impact to company reserve funds. As key to this budget the target was set to achieve 60% of 2019 annual membership fee income however thanks to the considerable work undertaken regarding the company's 'Return to Sport' plan we were able to secure operation for our clubs in Level 3 of the government pandemic response plan. This led to achieving an additional 15% (75% of 2019 membership) in terms of targeted annual membership fee income which positively affected our year-end position. The other key factor in the unanticipated surplus was the last-minute cancellation/withdrawal from key international competitive events such as the World Cup circuit and 2020 European Championships. These 2 key factors led to the unanticipated surplus position that is reported in these financial statements.

Despite our best hopes, 2021 has already proven itself to be another incredibly volatile year and the financial risk to the company remains high. It is therefore important that this 2020 surplus must be viewed in the context of surviving the Covid 19 pandemic rather than just on a single annual financial period.

2 Principal Activities and Business Review

Irish Gymnastics Company Limited By Guarantee (T/A Gymnastics Ireland) is a company limited by guarantee not having a share capital, registered under Part 18 of the Companies Act 2014. Members of the company each guarantee to contribute an amount not exceeding €5 to the assets of the company in the event of a winding up. The company was established under a Constitution which established its objectives and powers and is governed under its Articles of Association and managed by a board of directors.

The principal activities of the company are to govern and promote in Ireland the sport of Gymnastics in all its forms on an amateur basis which includes women's artistic, men's artistic, rhythmic, trampolene, acrobatic, tumbling, gymnastics for all and all other related disciplines. There has been no significant change in activities during the year.

Income has decreased by 33% on prior year. At the end of the financial year the company has assets of €1,648,827 (2019: €1,068,010) and liabilities of €592,016 (2019: €216,611). In addition the company has capital grants of €139,925 (2019: €172,861) on its Balance Sheet. The net assets of the company have increased by €238,348.

3 Key 2020 Highlights

In looking at 2020 it is important we reflect on where we were pre pandemic in the context of the true impact of Covid 19 in what has been an incredibly difficult period:

2019/Early 2020

- A year of record membership growth (35k direct fee-paying members);
- A commercial club network valued at circa €25-€30 million in a normal trading year;
- Record gymnast and spectator attendance at national events (9,000+ gymnasts & 16,000+ spectators);
- 20% increase in GI turnover (majority of which being driven by commercial member revenues) and targeting a 2020 budget circa €3 million+;
- National award-winning programmes;
- Rhys McClenaghan securing Ireland's first World Championships medal, Tokyo 2020 qualification plus being named RTE Young Sports Person of the Year for 2nd year in a row;

Directors' Report

3 Key 2020 Highlights (Continued)

- New GI Chair Shane O'Connor (also OFI Athletes Commission Chair) leading a new Board to continue the good governance journey driven previously by former Chair Ger Rellis.

2020

- Devastating impact of Covid 19 on our club-based organisation and inability of our members to be able to participate in the sport they love;
- 31% drop in GI/club membership due to multiple periods of lockdown and 50 persons limit for indoor activity (down to circa 24k members);
- Estimated €10 million loss in revenue to GI club network against original 2020 projections;
- €1.5million in commercial member revenues wiped off GI against original 2020 budget;
- GI National events and programmes largely cancelled to year-end (exception for virtual activities);
- International competition calendar largely cancelled including 2020 Olympic Games postponed to 2021.

While 2020 proved incredibly difficult for our community and the wider sports sector it has to be recognised that much good work was carried out in 2020 during the most difficult of circumstances, this included:

- Development and roll-out of the government approved GI 'Return to Sport Plan' with club support for same continuing on a daily/weekly basis;
- Gaining inclusion for GI clubs to remain open in Level 3 of government 'Resilience & Recovery Plan';
- Continued and ongoing involvement in lobbying and media engagement activities to represent the interests of GI members to government and wider general public;
- GI secured €1.38 million from the Sport Ireland Resilience Fund, the 3rd highest allocation in our relevant NGB scheme and the 6th highest overall including the scheme covering the 3 large field sports. The funding was allocated as follows.....
 - o €1 million for club support to include insurance, losses and restart costs;
 - o €380k for GI
 - €270K to support potential losses/2021 Budget;
 - €110K for investment in Covid 19 friendly IT/innovation solutions including E-Learning and web streaming systems.
- GI has continued to promote various other government financial support schemes to clubs during the pandemic encouraging clubs to avail of the same where possible.
- GI involvement in global FIG initiatives re ensuring positive performance culture for the sport of gymnastics;
- Development of new virtual member activities and engagements including..
 - o 'Support our clubs so gymnasts can bounce back' campaign
 - o The 'National Series' and 'GymSTART Club Takeover' virtual fitness workouts
 - o New member education webinar series.
- We ran our first virtual AGM in November 2020. As part of the business of the AGM the Board tabled a proposal/resolution to change the voting system for general meetings from an individual member-based system to a club delegate-based system whereby club voting is weighted according to the size of the club with 1 vote given for every 100 members. This resolution was passed with a 96% majority.

Throughout the pandemic one of the most important factors to note is the incredible resilience and perseverance of our members who have continued to work with GI to ensure our great sport survives and bounces back as we move towards a more normal way of life.

4 Future Developments

Following consultation with our clubs/members and external partners, 3 new key strategic documents will guide the development of our organisation through the Paris 2024 cycle and beyond...

- The Strategic Plan 2021-2024
- The Education & Participation Strategy 2021-2024
- The High-Performance Strategy 2024/2028

These strategies outline how we will rebound from Covid 19 and return to the impressive year-on-year growth trajectory we had been experiencing prior to the pandemic. We look forward to the Tokyo 2021 Olympic Games, the return of our members to their clubs and the return of standard GI events & programme operation.

Directors' Report

5 Directors and Secretary

The names of persons who at any time during the financial year were directors of the company are as follows:

- Shane O'Connor
- Mairead Kavanagh
- Amanda Kinahan
- Colm Murray
- Ruth Larragy
- Roddy Guiney
- Lynne D'Arcy
- Flavius Koczi (resigned 29/03/2021)
- Andrew Coulter

Amanda Kinahan held the position of company secretary for the duration of the financial year.

6 Accounting Records

The directors acknowledge their responsibilities under Sections 281 to 285, Companies Act, 2014, to keep proper accounting records for the company. The measures taken by the directors to ensure compliance with this section are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at Irish Sports Headquarters, National Sports Campus, Blanchardstown, Dublin 15 D15 DY62.

7 Political Donations

The Electoral Amendment Political Funding Act 2012 requires companies to disclose all political donations over €200 in aggregate made during the financial year to a political party, member of either House of the Oireachtas or a representative in the European Parliament, or to any candidate for election to same. The directors, on enquiry, have satisfied themselves that no such donations have been made by the company.

8 Post Balance Sheet Events and Going Concern

At the point of signing these financial statements we have spent the first half of 2021 in a lockdown that has been much longer than anyone could have anticipated. This has had a significant negative effect on our clubs and GI as a company.

- Club Reopening/Rebuilding:
 - o While GI clubs were granted government approval to reopen on 7th June 2021, club capacity remains restricted in terms of the requirement to operate in line with 2 metre social distancing, hence reducing club capacity in many instances, which will continue to negatively impact membership numbers and member revenues both at club and national level. It is hoped that as we progress through the reopening of society through the summer months that these restrictions will be relaxed further allowing clubs to increase capacity.
 - o It is clear that a slow and progressive rebuild for the clubs will be necessary as they reopen. Some clubs have lost staff and so will have to recruit/train up new staff. We have informed clubs that we will work with them regarding a temporary relaxing of coaching requirements for those clubs in need and will schedule additional level 2 courses to cater for new club staff in the short term to assist.
- Club Insurance and Outstanding Invoices:
 - o Due to the extended lockdown Jan - June 2021, clubs have had limited/zero cashflow and therefore many have been unable to settle outstanding invoices. To date we have only been able to collect circa 50% of the full insurance amount due and as a result GI has had to front the remaining payment. We hope that as clubs get back on their feet and cashflow improves in the coming months we can work with clubs to settle insurance and other outstanding invoices by end of 2021. A thorough analysis of potential bad debts will be undertaken by the company in relation to outstanding membership invoices Q3/4 2021.

Directors' Report

8 Post Balance Sheet Events and Going Concern (Continued)

- Return of GI Events and Programmes
 - o We await clear guidelines from government so we can plan for a return of all GI programmes and events. We are unable to assess the full financial implications on same until such time as we have these guidelines, particularly around mass events.

Due to the volatility/lack of certainty at the present surrounding this pandemic the year-end 2020 surplus plus deferred Sport Ireland Resilience funding will be crucial to ensuring financial stability for the company in 2021. We will continue to reforecast 2021 year-end position as and when further information is provided by government.

The financial statements are prepared on a going concern basis. The directors believe that this is appropriate.

9 Statement of Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- a) So far as each person who was a director of the company at the date of approving this Report is aware, there is no relevant audit information (being information needed by the auditor in connection with preparing the Audit Report) of which the auditor is unaware; and
- b) Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

10 Auditors

Power & Associates, Chartered Certified Accountants and Statutory Auditors, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Signed on behalf of the Board of Directors by:



Shane O'Connor



Amanda Kinahan

Date: 17th June 2021

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and Financial Statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and the accounting standards issued by the Financial Reporting Council, including FRS 102, The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed on behalf of the Board of Directors by:



Shane O'Connor
Director



Amanda Kinahan
Director

Date: 17th June 2021

Independent Auditor's Report

To the members of: Irish Gymnastics Company Limited By Guarantee (T/A Gymnastics Ireland)

Opinion

We have audited the financial statements of Irish Gymnastics Company Limited By Guarantee (T/A Gymnastics Ireland) for the year ended 31 December 2020 which comprise the:

- Income and Expenditure Account;
- Balance Sheet;
- Statement of Changes in Funds;
- Notes to the Financial Statements, including a summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its surplus for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs Ireland) and applicable law. Our responsibilities under those standards are described below in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Irish Auditing and Accounting Supervisory Authority (IASSA) Ethical Standard for Auditors (Ireland) and the provisions available for small entities, in the circumstances set out in the notes to the financial statements. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial Statements and our Auditor's Report thereon. 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.

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 course of 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.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of our audit, we report that:

- the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the Financial Statements to be readily and properly audited and the Financial Statements are in agreement with the accounting records.

Matters on which we are required to report by Exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities on page 7, the directors 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 they 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Purpose of our Audit Work and to Whom we Owe our Responsibilities

This report is made solely to the Company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state to them in the 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 Company or the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Power

Stephen Power

for and on behalf of:

Power & Associates

Chartered Certified Accountants

Statutory Auditors

1 Sussex Street

Dun Laoghaire

Co Dublin

A96 C8N3

Date: 17 June 2021

Income and Expenditure Account

	Notes	2020 €	2019 €
Income			
Grants income	3	1,107,889	760,997
Club affiliation, membership fees and insurance income		732,455	1,261,110
Operational income		180,948	993,349
Bank deposit interest		-	12
		<u>2,021,292</u>	<u>3,015,468</u>
Expenditure			
Operational expenses		381,871	1,345,604
Administration expenses		<u>1,401,073</u>	<u>1,541,048</u>
		<u>1,782,944</u>	<u>2,886,652</u>
Surplus before Taxation	4	238,348	128,816
Taxation charge	5	<u>-</u>	<u>(3)</u>
Retained Surplus for the Financial Year		<u><u>238,348</u></u>	<u><u>128,813</u></u>

A separate Statement of Total Comprehensive Income is not required as there are no other gains or losses other than those reflected above.

Balance Sheet

	Notes	2020 €	2019 €
FIXED ASSETS			
Tangible assets	8	<u>431,870</u>	<u>507,394</u>
CURRENT ASSETS			
Stock	9	8,424	8,424
Debtors	10	82,432	88,565
Cash at bank		<u>1,126,101</u>	<u>463,627</u>
Creditors (amounts falling due within one year)	11	<u>1,216,957</u> <u>(592,016)</u>	<u>560,616</u> <u>(216,611)</u>
NET CURRENT ASSETS		<u>624,941</u>	<u>344,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,056,811	851,399
Creditors (amounts falling due after one year) - Capital grants	12	<u>(139,925)</u>	<u>(172,861)</u>
NET ASSETS		<u><u>916,886</u></u>	<u><u>678,538</u></u>
FUNDS			
General fund	13	<u><u>916,886</u></u>	<u><u>678,538</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements were approved by the directors on 17th June 2021 and authorised for issue on the same date. They are signed on behalf of the Board of Directors by:



Shane O'Connor
Director



Amanda Kinahan
Director

Statement of Changes in Funds

	General Fund €	Total €
<u>Year Ended 31 December 2020</u>		
Balance at 01 January 2020	678,538	678,538
Retained surplus for the financial year	<u>238,348</u>	<u>238,348</u>
Balance at 31 December 2020	<u><u>916,886</u></u>	<u><u>916,886</u></u>
<u>Year Ended 31 December 2019</u>		
Balance at 01 January 2019	549,725	549,725
Retained surplus for the financial year	<u>128,813</u>	<u>128,813</u>
Balance at 31 December 2019	<u><u>678,538</u></u>	<u><u>678,538</u></u>

Notes forming part of the Financial Statements

1 COMPANY INFORMATION

Irish Gymnastics Company Limited By Guarantee, trading as Gymnastics Ireland, is incorporated, domiciled and tax resident in the Republic of Ireland and based at Irish Sports Headquarters, National Sports Campus, Blanchardstown, Dublin 15. It is the National Governing Body for the sport of gymnastics in Ireland and its company registration number is 329951.

2 ACCOUNTING POLICIES

The significant accounting policies adopted by the company and applied consistently in the preparation of these financial statements are as follows:

a) Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as adapted by Section 1A of FRS 102 and with the Companies Act 2014.

b) Going Concern

The financial statements are prepared on a going concern basis. The directors believe that this is appropriate as they have assessed the Company's financial position for at least one year from the date of signing these financial statements.

c) Statement of Cash Flows Exemption

The company has availed of the exemption contained in Section 1A of FRS 102 and has elected not to prepare a Statement of Cash Flows.

d) Reporting Currency and Foreign Currencies

The financial statements are prepared in Euro which is the functional currency of the company. Transactions in foreign currencies during the period have been recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated to Euro at the rate of exchange ruling at the balance sheet date. Gains and losses arising from exchange movements are included in the Income and Expenditure Account.

e) Income

- **Revenue Grants**

Revenue grants are recognised when the company becomes unconditionally entitled to the grant.

- **Affiliation and Members Fees**

Affiliation and members fees are included in the financial statements in the year in which they relate.

- **Operational Income**

Operational income is recognised in the accounting period in which it becomes receivable.

- **Bank Deposit Interest**

Interest received is recognised in the Income and Expenditure Account as income using the effective interest method.

f) Expenditure

Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates. All expenditure is recognised on an accruals basis.

Notes forming part of the Financial Statements

2 ACCOUNTING POLICIES (Continued)

g) Taxation

The company is liable to corporation tax on investment income and interest receivable. No charge to corporation tax arises on other income as the company has been granted exemption under Section 235 of the Taxes Consolidation Act, 1997. Irrecoverable value added tax is expensed as incurred.

h) Employee Benefits

- **Holiday Pay**

Holiday pay is recognised as an expense in the period in which the service is received.

- **Defined contributions retirement benefits scheme**

The company operates a defined contributions scheme for employees. A defined contribution scheme is a scheme under which the company pays fixed contributions into a separately administered fund. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company makes the payments to the separately administered retirement benefits scheme on a contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised in the financial statements as employee retirement benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

i) Tangible Fixed Assets

- **Cost**

Tangible fixed assets are recorded at historical cost less accumulated depreciation and impairment losses.

- **Depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. The depreciation rates used are as follows:

- Gymnastic/Sport equipment	10% per annum
- Event equipment	10% / 33.33% per annum
- Office furniture	20% per annum
- Computer equipment	33.33% per annum

The company's policy is to review the remaining economic lives and residual values of tangible fixed assets on an on-going basis and to adjust the depreciation charge to reflect the remaining estimated useful life and residual value.

Fully depreciated tangible fixed assets are retained in cost and accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the Income and Expenditure Account.

- **Impairment**

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Recoverable amount is the higher of value in use and the fair value less costs to disposal. If the recoverable amount is lower, the carrying value of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in surplus or deficit.

Notes forming part of the Financial Statements

2 ACCOUNTING POLICIES (Continued)

j) Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all expenditure in bringing each product to its present location and condition. Net realisable value is based on estimated normal selling price.

k) Trade Debtors

Trade debtors are recognised initially at fair value and subsequently less any provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the carrying value and the recoverable amount. All movements in the level of provision required are recognised in the Income and Expenditure Account.

l) Cash at Bank and in Hand

Cash at bank and in hand includes cash on hand, bank current accounts and demand deposits.

m) Trade Creditors

Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors amounts falling due after more than one year. Trade creditors that are classified as current liabilities are recognised at the transaction price.

n) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable (more likely than not) that payment will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

o) Capital Grants

Capital grants are recognised when the company becomes unconditionally entitled to the grant. Grants awarded to assist with capital expenditure are credited directly to capital grants in the Balance Sheet. Such grants are amortised to the Income and Expenditure Account on the same basis as the assets are depreciated.

3 GRANTS INCOME	2020	2019
	€	€
a) Sport Ireland - Core activities	340,000	320,000
b) Sport Ireland - Women in sport	75,000	75,000
c) Sport Ireland - High performance	230,000	230,000
d) Sport Ireland - Tokyo 2020	20,000	-
e) Sport Ireland - Dormant Accounts Funding (GymABLE Programme)	40,000	30,000
f) Sport Ireland - Carding	64,400	49,000
g) Sport Ireland - Resilience support funding (club insurance support)	292,000	-
	1,061,400	704,000
h) Olympic Federation of Ireland - Olympic solidarity grant/discretionary	13,553	24,061
i) Amortisation of Capital grants	32,936	32,936
	<u>1,107,889</u>	<u>760,997</u>

Grants received from Sport Ireland during the year have been expended for the purpose for which they were intended. The Department of Transport, Tourism and Sport is the sponsoring Department for all Sport Ireland grant income.

Capital Grants were provided by the Department of Transport, Tourism and Sport under the Sports Capital Programme in 2014 and 2015. The total amount received to date amounts to €329,355 and is being amortised to the Income and Expenditure Account at 10% per annum (the same rate at which the gymnastics equipment the grants part funded are being depreciated).

Notes forming part of the Financial Statements

3 GRANTS INCOME (Continued)

To enable us to carry out our gymnastics activities we wish to acknowledge the receipt of exchequer funds from the following sources:

a) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Core Activities Support Gymnastics in Ireland	2020 €	2019 €
Grant received during year Amount taken into Income for the year	340,000 340,000	320,000 320,000	
Amount deferred to next year	-	-	
b) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Women in Sport Support the Development of Women in Sport	2020 €	2019 €
Grant received during year Amount taken into Income for the year	75,000 75,000	75,000 75,000	
Amount deferred to next year	-	-	
c) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport High Performance Support of High Performance Programme	2020 €	2019 €
Amount receivable at start of year Grant received during year Amount taken into Income for the year	(30,000) 260,000 230,000	- 200,000 230,000	
Amount deferred/(receivable) at year end	-	(30,000)	

Notes forming part of the Financial Statements

3 GRANTS INCOME (Continued)

d) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Tokyo 2020 Support of pre games training camps and coaching	2020 €	2019 €
Grant received during year Amount taken into Income for the year	40,000 20,000	- -	
Amount deferred to next year	20,000	-	
e) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Dormant Accounts Support the GymABLE Programme	2020 €	2019 €
Amount deferred from previous year Add Grant received during year Less Amount taken into Income for the year	36,000 40,000 40,000	27,000 39,000 30,000	
Amount deferred to next year	36,000	36,000	
f) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Carding Support of International Athletes	2020 €	2019 €
Grant received during year Amount taken into Income for the year	72,000 64,400	49,000 49,000	
Amount deferred to next year	7,600	-	

Notes forming part of the Financial Statements

3 GRANTS INCOME (Continued)

g) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Covid 19 Resilience Support Funding Covid 19 Support Funding	2020 €	2019 €
Grant received during year	1,380,000	-	-
Amount paid out as direct support to 24 Clubs	707,605	-	-
Amount taken into Income for the year to utilise for settling Club and GI insurance	<u>292,000</u>	<u>-</u>	<u>-</u>
Amount deferred to next year - €270,395 to support 2021 budget and €110,000 for innovation system investments	<u>380,395</u>	<u>-</u>	<u>-</u>
h) Name of Grant Agency: Grant Programme: Purpose of Grant:	Olympic Federation of Ireland Olympic Solidarity/Discretionary Support of International Athletes	2020 €	2019 €
Grant received during year	13,553	24,061	24,061
Amount taken into Income for the year	<u>13,553</u>	<u>24,061</u>	<u>24,061</u>
Amount deferred to next year	<u>-</u>	<u>-</u>	<u>-</u>
i) Name of Grant Agency: Sponsoring Department: Grant Programme: Purpose of Grant:	Sport Ireland Department of Transport, Tourism and Sport Sports Capital Programme Purchase of Gymnastic Equipment	2020 €	2019 €
Amount deferred from prior years	172,861	205,797	205,797
Less Amount taken into Income for the year	<u>(32,936)</u>	<u>(32,936)</u>	<u>(32,936)</u>
Amount deferred at end of year	<u>139,925</u>	<u>172,861</u>	<u>172,861</u>

Notes forming part of the Financial Statements

4 STATUTORY INFORMATION

	2020 €	2019 €
Surplus before Taxation		
is arrived at after charging/(crediting):		
Directors emoluments	-	-
Depreciation of tangible fixed assets	99,017	95,931
Amortisation of capital grants	(32,936)	(32,936)

5 TAXATION

	2020 €	2019 €
Corporation tax charge on deposit interest at 25%	-	3

The company is liable to corporation tax on investment income and interest receivable. No charge to corporation tax arises on other income as the company has been granted exemption under Section 235 of the Taxes Consolidation Act, 1997.

6 EMPLOYEE INFORMATION

a) Average Number of employees

	2020	2019
Average monthly number of employees for the year	13	12

b) Staff costs

	2020 €	2019 €
Salaries	741,227	695,915
Social welfare costs (employers PRSI)	76,213	77,015
Defined contribution retirement benefits scheme	12,143	11,380
	829,583	784,310

c) Defined contribution retirement benefits scheme

The company operates a defined contribution retirement benefits scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2020 €	2019 €
Contributions payable by the company to the scheme	12,143	11,380
Amount paid into the scheme during the year	12,143	11,380
Amount outstanding at the year end	-	-

7 DIRECTORS' REMUNERATION, TRANSACTIONS AND BENEFICIAL INTEREST

None of the directors received any remuneration during the year. Actual out of pocket expenses are reimbursed if claimed. None of the directors had any personal interest in any contract or transaction entered into by the company during the year (other than those mentioned in note 15, Related Party Transactions on page 22). Also, none of the directors or secretary hold any beneficial interest in the company.

Notes forming part of the Financial Statements

8 TANGIBLE FIXED ASSETS

	Gymnastic/ Sport Equipment €	Event Equipment €	Office Furniture €	Computer Equipment €	Total €
Cost					
01 January 2020	542,991	259,010	10,577	15,078	827,656
Additions	17,607	-	-	5,886	23,493
31 December 2020	560,598	259,010	10,577	20,964	851,149
Accumulated Depreciation					
01 January 2020	192,914	110,341	10,035	6,972	320,262
Charge	56,061	36,500	135	6,321	99,017
31 December 2020	248,975	146,841	10,170	13,293	419,279
Net Book Amount					
31 December 2020	311,623	112,169	407	7,671	431,870
31 December 2019	350,077	148,669	542	8,106	507,394

9 STOCK

	2020 €	2019 €
Awards	8,424	8,424

10 DEBTORS

	2020 €	2019 €
Amounts falling due within one year		
Debtors	54,967	57,255
Prepayments	27,465	1,300
Grant receivable	-	30,000
Corporation tax refund	-	10
	82,432	88,565

11 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2020 €	2019 €
Trade creditors	40,264	110,938
Accruals	64,338	46,425
Deferred income	466,899	36,000
Payroll taxes	20,515	23,248
	592,016	216,611

Notes forming part of the Financial Statements

12 CREDITORS (AMOUNTS FALLING DUE AFTER ONE YEAR) - CAPITAL GRANTS

	2020 €	2019 €
Receivable		
At beginning and end of year	329,355	329,355
Accumulated Amortisation		
At beginning of year	156,494	123,558
Amortisation during year	32,936	32,936
At end of year	189,430	156,494
Net book amount	<u>139,925</u>	<u>172,861</u>

The above Capital Grants were provided by the Department of Transport, Tourism and Sport under the Sports Capital Programme. The total amount received to date amounts to €329,355. The funding has been expended on gymnastics equipment.

13 GENERAL FUND

	2020 €	2019 €
01 January	678,538	549,725
Surplus for the financial year	238,348	128,813
31 December	<u>916,886</u>	<u>678,538</u>

14 MEMBERS LIABILITY

The company is limited by guarantee and consequently does not have share capital. Members of the company each guarantee to contribute an amount not exceeding €5 to the assets of the company in the event of a winding up.

15 RELATED PARTY TRANSACTIONS

During the year Gymnastics Ireland paid €390 (2019: €1,347) to directors for providing tutor services and €1,000 (2019: €4,000) for providing performance and technical services. Also during 2020 Gymnastics Ireland paid €4,500 (2019: €8,000) to the spouse of one of the directors under a contract to develop support for national events programme.

16 TAX CLEARANCE

As required by Sport Ireland in their Terms and Conditions of Grant Funding and The Department of Public Expenditure and Reform Circular 13/2014 on the Management of and Accountability for Grants from Exchequer Funds:

At the time of signing these financial statements Revenue confirm that Irish Gymnastics Company Limited By Guarantee tax affairs are in order and have issued the Company with a tax clearance certificate.

Notes forming part of the Financial Statements

17 POST BALANCE SHEET EVENTS

At the point of signing these financial statements we have spent the first half of 2021 in a lockdown that has been much longer than anyone could have anticipated. This has had a significant negative effect on our clubs and GI as a company.

- Club Reopening/Rebuilding:
 - o While GI clubs were granted government approval to reopen on 7th June 2021, club capacity remains restricted in terms of the requirement to operate in line with 2 metre social distancing, hence reducing club capacity in many instances, which will continue to negatively impact membership numbers and member revenues both at club and national level. It is hoped that as we progress through the reopening of society through the summer months that these restrictions will be relaxed further allowing clubs to increase capacity.
 - o It is clear that a slow and progressive rebuild for the clubs will be necessary as they reopen. Some clubs have lost staff and so will have to recruit/train up new staff. We have informed clubs that we will work with them regarding a temporary relaxing of coaching requirements for those clubs in need and will schedule additional level 2 courses to cater for new club staff in the short term to assist.
- Club Insurance and Outstanding Invoices:
 - o Due to the extended lockdown Jan - June 2021, clubs have had limited/zero cashflow and therefore many have been unable to settle outstanding invoices. To date we have only been able to collect circa 50% of the full insurance amount due and as a result GI has had to front the remaining payment. We hope that as clubs get back on their feet and cashflow improves in the coming months we can work with clubs to settle insurance and other outstanding invoices by end of 2021. A thorough analysis of potential bad debts will be undertaken by the company in relation to outstanding membership invoices Q3/4 2021.
- Return of GI Events and Programmes
 - o We await clear guidelines from government so we can plan for a return of all GI programmes and events. We are unable to assess the full financial implications on same until such time as we have these guidelines, particularly around mass events.

Due to the volatility/lack of certainty at the present surrounding this pandemic the year-end 2020 surplus plus deferred Sport Ireland Resilience funding will be crucial to ensuring financial stability for the company in 2021. We will continue to reforecast 2021 year-end position as and when further information is provided by government.

The financial statements are prepared on a going concern basis. The directors believe that this is appropriate.

18 APB ETHICAL STANDARDS - PROVISIONS AVAILABLE TO SMALL ENTITIES

As a small entity under the provisions of the APB in relation to Ethical Standards we engage our auditors to provide basic tax compliance and statutory accounts preparation.

Income and Expenditure Account Schedules

	2020 €	2019 €
Grants Income		
Sport Ireland - Core activities	340,000	320,000
Sport Ireland - Women in sport	75,000	75,000
Sport Ireland - High performance	230,000	230,000
Sport Ireland - Tokyo 2020	20,000	-
Sport Ireland - Dormant Accounts Funding (GymABLE Programme)	40,000	30,000
Sport Ireland - Carding	64,400	49,000
Sport Ireland - Resilience support funding (club insurance support)	292,000	-
Olympic Federation of Ireland - Olympic solidarity grant/discretionary	13,553	24,061
Amortisation of Capital grants	32,936	32,936
	<u>1,107,889</u>	<u>760,997</u>
 Club Affiliation, Membership Fees and Insurance Income		
Club affiliation fees income	8,100	8,100
Club public liability insurance income	185,305	531,905
Membership fees income	539,050	721,105
	<u>732,455</u>	<u>1,261,110</u>
 Operational Income		
Education courses income	36,680	127,297
National events income	118,786	629,939
Performance and technical income	20,465	162,216
Sponsorship income	-	49,800
Other core activities income	1,999	4,111
Commercial sales income	2,491	17,131
Miscellaneous income	527	2,855
	<u>180,948</u>	<u>993,349</u>
 Bank Deposit Interest Income		
Interest received	<u>-</u>	<u>12</u>
 Total Income	<u><u>2,021,292</u></u>	<u><u>3,015,468</u></u>

Income and Expenditure Account Schedules

	2020 €	2019 €
Operational Expenses		
Education courses expenditure	69,006	121,030
National events expenditure	98,119	695,491
Performance and technical expenditure	162,977	472,559
Official affiliations and functions	5,398	18,639
Equipment storage, maintenance and moving	46,195	37,885
Commercial purchases expenditure	176	-
	<u>381,871</u>	<u>1,345,604</u>
Administration Expenses		
Salaries and retirement benefits costs	829,583	784,310
Covid-19 Salaries subsidies (TWSS and EWSS)	(97,625)	-
Telephone, postage, stationery and office supplies	13,956	21,085
Bank interest and charges	1,481	1,888
Insurance	459,652	475,173
Meetings and management expenses	17,890	64,559
Legal and book-keeping fees	7,553	3,587
Audit and accountancy	4,736	4,613
Marketing	9,682	28,318
Rent and service charge	10,131	13,399
Miscellaneous	2,762	9,310
Depreciation of tangible fixed assets	99,017	95,931
Website, membership database and IT support costs	33,747	35,053
Bad debts	8,508	3,822
	<u>1,401,073</u>	<u>1,541,048</u>
Total Expenditure	<u>1,782,944</u>	<u>2,886,652</u>



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