

Registered number: 05583713

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

N Costello
P Crawshaw
S Grainger
M Harris (resigned 3 May 2017)
L Hawkins (appointed 15 October 2016)
S Hughes
C Jones
P King (resigned 15 October 2016)
K Neale
M Neighbour (appointed 3 May 2017)
M Nimmo (appointed 15 October 2016)
A Shiret (resigned 3 May 2017)
W Sly (resigned 15 October 2016)
T Soutar

Company secretary

M Davis

Registered number

05583713

Registered office

Athletics House
Alexander Stadium
Walsall Road
Perry Barr
Birmingham
B42 2BE

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

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ENGLAND ATHLETICS LIMITED
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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Business review

This was a transitional year in many respects. As well as focussing on executing against established priorities under the existing plan, which was aligned to the final year of the 2013-2017 Sport England funding cycle, the England Athletics ("EA") Board signed off a new strategic plan that would take the company forward and which would direct all decision making around the future allocation of both human and financial resources.

The strategic plan "Athletics & Running; For Everyone Forever" sets out a clear mission and vision for the organisation and a fresh set of company values to which all would adhere. The strategic plan centres around 3 key priorities:

1. Expanding the capacity of the sport by supporting its volunteers and other workforce;
2. Sustaining & increasing participation and improving standards of performance levels in our sport;
3. Influencing participation in the wider athletics and running market.

and 2 underpinning enablers:

1. Working openly and being the recognised point of contact for our members and key stakeholders in England
2. Working efficiently and maximising revenues to benefit athletics and running in England

The plan was used to inform our discussions with major funders including Sport England against a background of a revised Government sports strategy and related investment priorities which indicated that the Government might look beyond the National Governing Bodies for delivery of its priorities. Accordingly, a range of financial and operational scenarios for EA were modelled against potential Sport England funding levels as part of the planning process.

Discussions with Sport England began during August 2016 and a funding offer for the 2017-2021 period was made in early 2017. Sport England will invest roughly £12m into EA during the next cycle, including EA's share of a joint talent plan developed with UK Athletics ("UKA"). This Sport England investment is expected to make up 34% of our income for the 2017-2021 period, compared with 48% in 2016-17. This is consistent with the ambition within our strategic plan to reduce dependency on any one funding source to 30% by 2021 in recognition of the need to diversify our financial model.

Following announcement of the changes in Sport England funding levels, EA restructured its operations during February and March 2017 ensuring consistency with the new strategic plan. This resulted in a reduction of employees from 84 to 59 (FTE). This was a challenging period for the executive but this process was completed before the end of the financial year and the new structure is now established.

It is a credit to the focus of the staff, that it was possible to continue to make progress against our 2013-2017 targets, during what was an unsettling and uncertain period for the organisation. Further detail of delivery against those targets is given below under Financial and other Key Performance Indicators.

Entries and performance standards in our national championships across events continue to impress and the initiation of the inaugural Manchester International was considered a success during August 2016 and this event will take place again in 2017. Our partnerships with the English Schools Athletic Association continue and we are delighted and grateful that our mutual sponsors New Balance continued their investment in these important competitions.

EA coordinated over 30 international teams to compete across different event groups at home and abroad during 2016-17 and perhaps the pinnacle was entering a team to compete in the inaugural Nitro Series in Melbourne alongside several other international teams and a Bolt All Stars select team fronted by the great man himself. This was courtesy of Athletics Australia and this is a 3-year agreement which we are particularly pleased with.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Preparations were largely complete by year end for the Commonwealth Youth Games in the Bahamas in July 2017 and are well underway for the Commonwealth Games in Gold Coast during 2018. Performance standards, and the depth of such, across most events continue to improve as evidenced by Power of 10 and as a direct influence of our sustained investment in coaching and athlete development.

Our partnerships with a range of third party organisations across the track, field and road running family continue with sustained investment being provided to the Area Competition Associations and specific County Athletic Associations. We also worked closely with off track organisations such as the English Road Running Association ("ERRA"), parkrun and the major road race competition providers who play such a pivotal role in providing running for people of all abilities and aspirations at a participation and performance level. In the last 12 months, we licensed 2,900 road races across England which was a significant increase on the previous year thus reflecting the boom our sport is enjoying in this specific discipline

EA is the lead partner in harnessing the impact on grass roots Athletics from the London 2017 World Para-Athletics & IAAF World Championships, and over £1.4m has been secured from a variety of sources such as Spirit of 2012 Trust, Sport England and the Greater London Authority towards this effort. The programme is centred around 3 key themes: volunteering, schools and disability athletics, with a range of activities, resources and campaigns being created to stimulate interest and participation as "inspired" by the Championships.

During 2016, we continued to invest through our partnerships with 40 County Sports Partnerships and in specific cities across England as we worked to get more people into athletics and running. This is one particular approach that will cease from April 2017 onwards due to our changing financial model but most importantly as a result of a strategic decision to influence rather than take responsibility for wider participation delivery of work on the ground. We will work with and through other partners rather than take direct responsibility for the activation of this work on the ground.

In January 2017, and reflective of this intent, we launched our new RunTogether programme which replaces the Run England activation led model with a new and improved central web platform and booking system for leaders, groups and runners of all abilities. There were over 1,000 registered running groups on the RunTogether platform in the first 3 months and roughly 30,000 people have registered to the scheme since conception with over 50,000 followers on our social media platforms.

Principal risks and uncertainties

Political/Economic risk

EA's principal risk continues to be its reliance on central government funding, despite the reduction for the 2017-2021 period. As a "Tier 3" funded organisation, EA is required, as a condition of receiving continued funding, to meet conditions of the new Code for Sports Governance which was introduced by Sport England and UK Sport in late 2016. Work done in recent years by the Board and its sub-committees has meant that we were in a good position to respond to the demands of the Code and we have agreed an action plan with Sport England to address outstanding matters by the end of 2017.

During 2016 there was an increased focus across the sector on welfare, with documented historical child abuse cases, in specific sports, being profiled in the national media. Although athletics is not one of the specific sports highlighted, EA continues to work closely with UKA through our shared welfare service, to ensure that our respective policies, procedures and guidance to our member clubs and volunteers remain robust. We have, through our welfare team, contributed to national cross sport & government work in this area and this will remain a key focus for EA in the coming period.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

EA continues to pursue its business development and fundraising strategy. The market continues to be very competitive and challenging, and, while we have agreed several partnerships with organisations such as New Balance, IHG and Aftershokz, we have yet to realise a major "game changing" sponsorship deal as outlined in our strategy. We have bolstered our staffing capacity in this area and, as reported earlier, diversifying our income streams is a key focus for the organisation in the 17-21 strategic plan.

The revenue generated through the support of our members is invaluable and contributes to mitigating the dependency on third party grant and sponsorship income. The level of Affiliation and Registration fees is a key part of our ongoing annual member consultation process, and we are continually seeking to improve transparency. We held another round of consultation during 2016 with our member clubs and stakeholders and this is now an established part of our engagement with the sport to inform decision making. As reported in previous years, the work of volunteers remains fundamental to the success of our sport. EA could not function without that contribution.

We continue to review our budget and forecast plans, led by the senior leadership team to provide efficiency savings wherever possible. This is subject to regular review by the Board.

Operational Risk

EA operates a framework of policies and procedures that are owned by Senior Leadership Team members and are subject to regular review by Board Committees or, where appropriate, the Board itself. Those internal controls are supplemented by the Sport England annual self-assurance process, under which EA has reported "green" and "full" status in the majority of categories in current and previous years. Any issues arising from such processes are monitored by sub-committees of the Board, the Audit & Assurance Committee and the Governance Committee.

Organisational risk

As reported above, the organisation restructured its staffing resource during early 2017. Because of these changes, there were a number of redundancies and a number of key roles were amended to reflect the requirements of the new structure. We did not recruit to this structure entirely from internal, existing staff. There was a requirement to recruit externally for specific roles which required new skill and knowledge and we believe that this will enhance the organisation and its ability to respond to the demands of the new strategic plan. The ability to attract, retain and develop high quality staff is critical to the success of the organisation. A succession planning policy is in place but requires regular review, along with a regularly reviewed job grading structure, which is used to ensure that all roles are properly evaluated and that key staff are identified and recognised appropriately. There are plans to review our job grading structure during 2017.

EA is committed to Continued Professional Development and provides both generic and bespoke opportunities to staff at all levels to support them as individuals and to equip them to meet the evolving demands of the business. A specific transitional budget was also put in place during early 2017 to sustain such support as we set out on a new delivery period. Each member of staff has a clearly defined work programme with set objectives against which their performance is measured through a review system. We also initiated our Inaugural Internal staff mentoring programme during 2016 which involved 30 staff.

We continue to work with UKA to sustain the occupancy of office space at Athletics House, and we signed a sub-tenancy agreement which operated on a rent-free basis until March 2017. The 2017/18 budget includes costs at a commercial rental rate as part of our ongoing shared services arrangement with UKA.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Financial key performance Indicators

Overall performance

The total income for 2016/17 has decreased by 4% to £8,366k in comparison to the previous year. The reduction was mainly due to the anticipated £376k reduction in Sport England funding, as profiled in the 2013/17 WSP funding agreement and the additional Sport England funding in 2015/16 of £450k, which was carried forward from 2014/15. However, the reduction was partly compensated by an increase in membership and affiliation income, which is due to the growth in registered athletes and affiliated member clubs and the fee increase applied at the beginning of 2016/17.

The cost of delivering the activities for 2016/17 has increased in comparison to the previous year by 4% to £9,105k. This is predominantly due to the establishment of the running participation function to support national marketing campaigns and insight activity and the delivery of the Inspiration activity, which was funded by specific grants from Sport England and Spirit of 2012.

Budget performance

Against a planned deficit budget of £731k we delivered a £725k deficit. Income for the financial year was £201k (2.5%) above budget and costs were above budget by £185k (2%). As noted in last year's Directors' Report, the pattern of grant funding over the later period of the current WSP funding cycle was set to decline and surpluses in the first two years of the funding cycle were required to fund last year's deficit and the deficit for this last year of the WSP cycle. The deficit for the financial year includes the cost of restructuring the organisation as detailed in the Business Review above.

Cash/Reserves

England Athletics maintains a healthy cash position which stands at £2.5m at the year end. This reflects a decrease of £638k (20%) from 15/16 largely due to the deficit in operating activities. The financial plans covering the 2013-2017 period had forecast surpluses in the earlier years of the funding cycle balanced by deficits in the later years. This four-year period has produced an overall surplus and contribution to reserves of £196k. Plans for the 2017-2021 period show a continued deficit for the first half of that period but an improving position latterly. It is anticipated that an overall surplus will be achieved, which is expected to ensure sufficient reserves continue to be held in accordance with the established policy.

Sport England Financials

We achieved our Financial Plan in 16/17 in line with the Whole Sport Plan ("WSP"). There was no requirement to defer any Sport England funding as all planned activities were fully delivered during the year.

Other key performance Indicators

We delivered training for over 5,000 coaches and leaders in the year and for just under 1,500 officials. We continued to provide post qualification coach development support for over 1,500 coaches through our national and local programmes. We also continue to organise courses for teachers in primary schools and secondary schools using our Run, Jump, Throw resource.

Sport England Partnership

We report to Sport England on a quarterly basis against WSP objectives which are summarised in our quarterly returns and measured in a range of ways including Active People Survey ("APS"). We also meet regularly with Sport England outside the established 6 monthly review meeting process. A brief summary of these areas of work are detailed as follows:

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Participation -The number of people taking part in Athletics and running according to Sport England's Active Lives Survey (December 2016) was just under 7m.

We have worked with Sport England to support the wider running market and stimulate growth in regular recreational participation. Sustained increases in general running participation over the 13-17 cycle as measured by Sport England participation surveys are reported in the Business review above. Our relationship and collaboration with the broader commercial and charitable running market continues to develop well at a strategic level, and this is important in recognition of the role that major running events play in fuelling participation in the sport.

We utilise Sport England funds to work with/in priority cities and with county sports partnerships to grow the number of people running weekly through our local activation work. We licensed 2,900 road races in the last 12 months and we also launched our leader led, group running product, RunTogether as detailed above to impact on the number of people taking part in our great sport. Much of this development work was supported by Sport England through their investment during the last year.

Our work with Sport England on the "This Girl Can Run" campaign resulted in over 30,000 more women taking part in running during 2016. Disability participation continues to be a major part of what we do as an organisation with targeted investment in the areas of competition, participation and through awareness raising campaigns with organisations such as Sport England, National Mental Health Charity MIND and other national bodies. We have met and exceeded our Satellite Club participant targets in year 3 (including our disability participation target for this programme) with over 21,000 young people taking part in all.

Sport England also funds a significant proportion of our local Club and Coach support work and activities such as the Local Coach Development Programme are funded in partnership with Sport England. Local workshops, masterclasses and targeted support for individual coaches is afforded through this work.

Talent - see the earlier Business review above for a summary of our plans relating to Commonwealth Games and Commonwealth Youth Games preparation, together with our sustained investment in competition and coaching for talented athletes. Sport England supports our efforts in these areas by contributing to these programmes. The performance levels of athletes across events have been pleasing across the majority of events as detailed by Power of 10 but there remain some concerns in specific events which we are aware of and working with UKA and the other home countries to address.

We continue to work with UKA, and the other home countries, to influence the coach education qualification content and further changes have been made in these areas during the last 12 months which are impacting positively on the number of people coming through the system, particularly at coach level, albeit more work is required on this front. Much of this design and development work is funded through our partnership with Sport England.

Facilities – We invested the final £200,000 of facility grant aid into a range of partnership projects across England during 16-17. This funded programme ended on 31st March 2017 and our role in this space will be one of support and guidance to clubs, local authorities and funding agencies, such as Sport England, to encourage continued investment and focus on retaining and developing appropriate facility stock in this country.

2017 Inspiration – Sport England has funded EA to establish support staff in the capital city during the months leading to the IAAF World Athletics & Para Championships. They also fund activities related to the disability strand of the Inspiration programme. Results of these efforts will be known during 2017-18.

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Membership & Affiliation

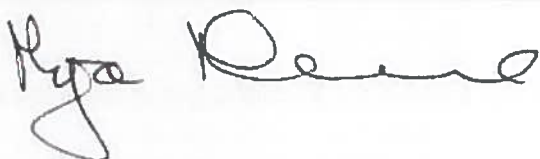
Membership registrations increased significantly on the 2015/16 numbers with over 163,000 athletes registered with EA, representing a further milestone in membership registrations. Club and other organisation affiliations remained the same as 2015/16, just falling short of 1,700, but we recognise that we must continue to work hard to build the trust and respect of our members if we are to sustain this growth and secure the faith placed in us.

Thank you

Our sport would be nothing without volunteers and we firmly believe that our sport is both special and unique with respect to the wide-ranging efforts of our skilled and devoted volunteers. A major part of our role at EA is to support the volunteers who own our sport and without whom our sport would cease to exist as we know it. We would like to put on record our formal thanks and gratitude to all the volunteers who work tirelessly in our clubs and member bodies, as coaches, officials, teachers, leaders, administrators, event organisers and in many other roles. Our sport is proudly diverse and inclusive and this is reflected through the volunteers that make it happen. The importance of the contribution made by the volunteer to our great sport is further emphasised by our first strategic priority being focused on growing the capacity of our volunteer workforce.

This report was approved by the board on 6 September 2017 and signed on its behalf.

M Nimmo
Director

A handwritten signature in black ink, appearing to read 'M Nimmo', written over a horizontal line.

ENGLAND ATHLETICS LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Results

The deficit for the year, after taxation, amounted to £725,342 (2016 - deficit £78,976).

Directors

The directors who served during the year were:

N Costello
P Crawshaw
S Grainger
M Harris (resigned 3 May 2017)
L Hawkins (appointed 15 October 2016)
S Hughes
C Jones
P King (resigned 15 October 2016)
K Neale
M Nimmo (appointed 15 October 2016)
A Shiret (resigned 3 May 2017)
W Sly (resigned 15 October 2016)
T Soutar

M Neighbour was appointed as director since the year end on 3 May 2017.

Reserves policy

Amounts are held to meet the financial risks associated with potential contingencies and uncertainties relating to the company's operating activities. These include:

- to provide for an orderly scaling down of operations in the event of a significant adverse event that is outside the control of the company;
- to provide contingency funding for unforeseen occurrences that have not been provided for in the normal planning process; and
- to provide for future accounting periods where there is a possibility of a deficit as a result of a change in grant funding income.

The policy is reviewed annually by the Directors.

Matters covered in the strategic report

Certain matters required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the future developments of the company.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of 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 state of affairs of the Company and of the surplus or deficit of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 6 September 2017 and signed on its behalf.

M Nimmo
Director



ENGLAND ATHLETICS LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGLAND ATHLETICS LIMITED

We have audited the financial statements of England Athletics Limited for the year ended 31 March 2017, set out on pages 11 to 25. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGLAND ATHLETICS LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Cox (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

6 September 2017

ENGLAND ATHLETICS LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	8,366,098	8,715,196
Gross profit		<u>8,366,098</u>	<u>8,715,196</u>
Administrative expenses		(9,104,933)	(8,802,626)
Operating loss	5	<u>(738,835)</u>	<u>(87,430)</u>
Interest receivable and similar income	9	14,074	10,568
Loss before tax		<u>(724,761)</u>	<u>(76,862)</u>
Tax on loss	10	(581)	(2,114)
Loss for the financial year		<u>(725,342)</u>	<u>(78,976)</u>

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 15 to 25 form part of these financial statements.

ENGLAND ATHLETICS LIMITED
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REGISTERED NUMBER:06583713

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	18,145	25,855
		<u>18,145</u>	<u>25,855</u>
Current assets			
Stocks	12	57,160	88,380
Debtors: amounts falling due within one year	13	478,687	366,137
Cash at bank and in hand	14	2,476,733	3,115,230
		<u>3,012,580</u>	<u>3,569,727</u>
Creditors: amounts falling due within one year	15	(1,839,849)	(1,479,364)
Net current assets		<u>1,372,731</u>	<u>2,090,363</u>
Total assets less current liabilities		<u>1,390,876</u>	<u>2,116,218</u>
Net assets		<u>1,390,876</u>	<u>2,116,218</u>
Capital and reserves			
Accumulated funds	17	1,390,876	2,116,218
		<u>1,390,876</u>	<u>2,116,218</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2017.


C Jones
Director

The notes on pages 15 to 25 form part of these financial statements.


M Nimmo
Director

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STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2017

	Accumulated Funds £	Total reserves £
At 1 April 2016	2,116,218	2,116,218
Deficit for the year	(725,342)	(725,342)
At 31 March 2017	<u>1,390,876</u>	<u>1,390,876</u>

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Funds £	Total reserves £
At 1 April 2015	2,195,194	2,195,194
Surplus for the year	(78,976)	(78,976)
At 31 March 2016	<u>2,116,218</u>	<u>2,116,218</u>

The notes on pages 15 to 25 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	(725,342)	(78,976)
Adjustments for:		
Depreciation of tangible assets	17,803	5,324
Interest received	(14,074)	(10,568)
Taxation charge	581	2,114
Decrease/(increase) in stocks	31,200	(76,127)
(Increase)/decrease in debtors	(112,548)	81,370
Increase/(decrease) in creditors	162,015	(324,786)
Corporation tax (paid)	(2,114)	(2,286)
Net cash generated from operating activities	(642,479)	(403,935)
Cash flows from investing activities		
Purchase of tangible fixed assets	(10,092)	(31,179)
Interest received	14,074	10,568
Net cash from investing activities	3,982	(20,611)
Net (decrease) in cash and cash equivalents	(638,497)	(424,546)
Cash and cash equivalents at beginning of year	3,115,230	3,539,776
Cash and cash equivalents at the end of year	2,476,733	3,115,230
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,476,733	3,115,230
	2,476,733	3,115,230

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General Information

The company is a private company (registered number: 05583713) limited by guarantee and was incorporated in England and Wales.

The company's registered office and principle place of business is Athletics House, Alexander Stadium, Walsall Road, Perry Barr, Birmingham, B42 2BE.

The financial statements are present in GBP (£).

The principal activities of the company during the year were to carry out the functions of the governing body for athletics in England and to facilitate the development of athletics from schools to the highest level, and the provision of competition from local to national events.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Grants of a revenue nature are credited to the Statement of Comprehensive Income in the year to which they relate. Any income not credited in the year will be included as deferred income and will be matched with future expenditure.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Equipment	- 2 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.13 Software and website development

Software and website development is written off in full in the year in which the expenditure is incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. On an ongoing basis, the Company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The directors do not consider there to be any significant estimates or judgements within the financial statements.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Turnover

The whole of the income is attributable to the company's principal activities.

An analysis of income by class of business is as follows:

	2017 £	2016 £
Grants receivable	4,382,915	5,151,402
Membership and affiliation	2,298,642	1,978,437
Course, education, sponsorship and other income	1,684,540	1,585,357
	<u>8,366,097</u>	<u>8,715,196</u>

All income arose within the United Kingdom.

Grants receivable is made up of:

	2017 £	2016 £
Sport England Grant Funding	3,962,820	4,780,882
Other grants	420,095	370,520
	<u>4,382,915</u>	<u>5,151,402</u>

Sport England Grant Funding was allocated to the following activities:

Satellite Clubs Development & Support	105,468	90,400
Recreational Running & Athletics Participation Activation	1,739,755	2,139,937
Clubs & Schools Support & development	659,437	769,338
Competition & Events	77,577	100,118
Coaching & Athlete Development	577,267	807,598
Staffing Infrastructure and Central Operating Costs	603,316	680,154
Capital (Facility) Projects	200,000	193,337
TOTAL	<u>3,962,820</u>	<u>4,780,882</u>

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	17,802	5,324
Other operating lease rentals	135,856	124,869
Defined contribution pension cost	218,852	202,893
	<u></u>	<u></u>

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	9,225	8,900
All other services	275	1,000
	<u>9,500</u>	<u>9,900</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	3,109,039	2,945,139
Social security costs	322,922	308,467
Cost of defined contribution scheme	218,852	202,893
	<u>3,650,813</u>	<u>3,456,499</u>

Redundancy payments of £86,105 were paid as a result of a restructure performed during the year (2016: £nil). £14,809 were accrued at the year end. In addition to this included in the above are payments in lieu of notice totalling £81,972 (2016: £nil), and a further £8,417 (2016: £nil) unpaid as at 31 March 2017.

The average monthly number of employees, including the directors, during the year was as follows:

2017 No.	2016 No.
81	81
<u>81</u>	<u>81</u>

The directors consider the Board and Senior Leadership Team to be key management personnel. Total remuneration paid to these individuals was £549,817 (2016: £545,340).

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	155,690	163,948
Company contributions to defined contribution pension schemes	8,251	8,251
	<u>163,941</u>	<u>172,199</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

Non-Executive Directors are entitled to receive remuneration of £3,000 per annum. Two Directors declined their remuneration, which was donated to athletics related organisations and one rugby related charity.

The Chairman of England Athletics is entitled to receive remuneration of £20,000 per annum. The current Chairman's remuneration arising since appointment on 15th October 2016 was declined in favour of a donation to support a research charity.

9. Interest receivable

	2017 £	2016 £
Other interest receivable	14,074	10,568
	<u>14,074</u>	<u>10,568</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	581	2,114
	<u>581</u>	<u>2,114</u>
Taxation on profit on ordinary activities	<u>581</u>	<u>2,114</u>

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	(724,761)	(76,862)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(149,330)	(15,372)
Effects of:		
non-taxable deficit / (surplus)	149,911	17,486
Total tax charge for the year	581	2,114

The change to UK corporation tax rates from the current rate of 20% to 19% for the financial year beginning 1 April 2017 and 17% for the financial year beginning 1 April 2020 is another factor that will affect future tax charges.

11. Tangible fixed assets

	Equipment £
Cost or valuation	
At 1 April 2016	79,872
Additions	10,092
At 31 March 2017	89,964
Depreciation	
At 1 April 2016	54,017
Charge for the year on owned assets	17,802
At 31 March 2017	71,819
Net book value	
At 31 March 2017	18,145
At 31 March 2016	25,855

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. Stocks

	2017 £	2016 £
Finished goods and goods for resale	57,160	88,360
	<u>57,160</u>	<u>88,360</u>

13. Debtors

	2017 £	2016 £
Trade debtors	159,240	136,916
Other debtors	40,421	5,646
Prepayments and accrued income	279,026	223,575
	<u>478,687</u>	<u>366,137</u>

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	2,476,733	3,115,230
	<u>2,476,733</u>	<u>3,115,230</u>

At 31 March 2017, total amounts held in a designated client account for Sport England capital grants were £96,834 (2016: £159,648).

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	369,295	312,701
Corporation tax	581	2,114
Other taxation and social security	119,274	82,196
Deferred Income	681,405	492,577
Accruals	469,294	589,776
	<u>1,639,849</u>	<u>1,479,364</u>

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	281,468	194,654
	<u>281,468</u>	<u>194,654</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,469,528)	(1,381,399)
	<u>(1,469,528)</u>	<u>(1,381,399)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors.

17. Reserves

Accumulated funds represents accumulated comprehensive income of the year and prior years.

18. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £210,601 (2016: £202,893). Contributions totalling £31,779 (2016: £25,101) were payable to the fund at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

20. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land & Buildings		
Not later than 1 year	4,400	11,600
Later than 1 year and not later than 5 years	10,276	-
Total	14,676	11,600
	2017 £	2016 £
Equipment		
Not later than 1 year	117,820	107,680
Later than 1 year and not later than 5 years	73,390	185,354
Total	191,210	293,034

Subsequent to the balance sheet date, EA has agreed a rent for the year of £30,000 for its shared occupation of Athletics House.

21. Related party transactions

During the year two of the non-Executive Directors of England Athletics Limited received remuneration totalling £6,000 (2016: £6,000) for their position on the England Council. There were no amounts outstanding at the year end (2016: £nil). The two individuals who received £3,000 each (2016: £3,000 each) were M Harris and P Crawshaw.