

Annual Report

and Financial Statements
for the year ended
31 March 2019



Our Mission

To grow opportunities for everyone to experience athletics and running, to enable them to reach their full potential

Our Vision

Athletics and running will be the most popular and inclusive sport in England, led by a network of progressive clubs and organisations and supported by a sustainable, respected and trusted governing body

Our Strategic Priorities

1 To expand the capacity of the sport by supporting and developing its volunteers and other workforce.

Our key ambition:

- ◆ A 6% increase in the number of licensed leaders, coaches and officials every year

2 To sustain and increase participation and performance levels in our sport.

Our key ambitions:

- ◆ 160,000 more individuals registered with England Athletics through our athlete registration and RunTogether programme combined (23k athlete registration and 137k RT membership)
- ◆ Increase athlete performance levels across all events and disciplines by 1% every year

3 To influence participation in the wider athletics and running market.

Our key ambitions:

- ◆ 600,000 more people to become regular athletes and runners

Strategic Enablers

In order to achieve our ambitions we need to become more financially sustainable and continue to be respected and trusted

- ◆ To work efficiently and to maximise revenues to benefit athletics in England
- ◆ To work openly and to be the recognised point of contact for our members and key stakeholders in England.

Delivery Methods

Our Key Priorities will be delivered through the following:

- ◆ Positive culture, progressive performance and collaborative leadership
- ◆ Transparent governance and accountability
- ◆ High-quality member engagement and communications.



Company information

Directors

N Costello
P Crawshaw
S Grainger
L Hawkins
J Holmes
(appointed 13 October 2018)
C Jones
K Neale
M Neighbour
M Nimmo
M Shortland
T Soutar

Company secretary

Muckle Secretary Limited

Registered number

05583713

Registered office

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

Independent auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Contents

Strategic Report	4 - 12
Directors' Report	13 - 14
Independent Auditors' Report	15 - 18
Statement of Comprehensive Income	19
Statement of Financial Position	20
Statement of Changes in Reserves	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 31



Strategic Report

For the year ended 31 March 2019

Business review

This was the second year of the 2017-21 strategy delivery period. Staff headcount is now 63 FTE and the company has again managed to keep staff turnover at 3% during the last 12 months which is satisfying, and comparably low with other sporting organisations in the sector. The company has continued to progress well against its key performance indicators, most noticeably in the areas of membership growth (181,000 registered athletes and runners in 1,782 clubs and member bodies), road race license growth, general participation levels in club athletics and running (albeit with some challenges in retaining participants in track and field) and across programmes such as RunTogether. The company has also led on the development of 'funetics', a UK wide Under 11s run, jump and throw skills programme aimed at schools, clubs and community organisations, which is scheduled to be rolled out nationwide during 2019. A more detailed update on operational delivery is included later in this report.

The 2018/19 funding allocation granted by Sport England represents 29% of the company's annual income, reflecting a 1% reduction on the previous year. This is due to the planned annually reducing profile of Sport England grant funding compared with that for the previous four-year cycle. As disclosed in last year's report, there was a deferral of Sport England grant funding from the 2017/18 grant allocation. The deferred funding was mainly for digital improvement projects which were completed in the first quarter of the 2018/19 financial year. The reduction in dependency on Sport England grant has continued to be partly offset by increases in membership income and commercial & business partnership income. We aspire to reduce this dependency further during the 2017-21 period as reported in last year's accounts; and much of 2018/19 has, as was the case in 2017/18, been focused on establishing and sustaining platforms that will help us to achieve this goal.

For context, and as a reminder, the established England Athletics strategic plan '*Athletics & Running: for everyone forever*' sets out a clear mission and vision for the company and a fresh set of company values to which all would adhere is centred around three 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 two 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.

Entries and performance standards in our national age group championships across events continue to impress. As well as taking the England team to the Commonwealth Games in the Gold Coast in April 2018 (17 medals), the company organised, and invested in, a number of competitions at National, Area and local level including the third Manchester International in August 2018. This event is now an established component of the UK competition calendar.

Our partnership with the English Schools Athletic Association continues into its 11th year and we are pleased that similar partnerships with each of the three Area Competition Providers continue. Our partnerships with a range of specific County Athletic Associations also continue with small grants invested into 29 counties to support their competition aspirations. We also continue to work closely with off track organisations such as the English Road Running Association, parkrun and the major road race competition providers who play such a pivotal role in providing running opportunities for people of all abilities and aspirations at a participation and performance level. In the last 12 months, we licensed over 3,500 road races across England which was another increase on the previous year thus reflecting the boom our sport continues to enjoy in this specific discipline.

We also, during 2018/19, sustained and expanded our masters international representative programme concept in partnership with the Master's Federation, with several hundred runners converging on Chester, Brighton and Birmingham to represent England during 2018 against Celtic representative teams at different distances at marathon, half marathon and 10k. This approach has proved popular with the off track community and we plan to introduce opportunities for this important section of the sport in the coming months and years as we recognise that athletes and runners continue to aspire to improve their performances beyond the age of 35 and take great pride in representing their country.

England Athletics coordinated 38 international teams in 2018/19 to compete across different event groups at home and abroad and the pinnacle was undoubtedly the managed delivery of the Commonwealth Games



team which took part in the Gold Coast Games during April 2018. This was a major undertaking for the company, and we were pleased with our efforts. Our medal return in the Commonwealth Games during April 2018 was 17 which placed England Athletics second in the overall Team England medal table behind Swimming and ahead of Gymnastics and Cycling. England was also third in the overall sport specific medal table behind hosts Australia and Jamaica. When comparing this against our performance in Melbourne in 2006, the results are comparable (18 medals); however Australia's medal return in Glasgow 2014 (12 medals) illustrates the challenges of participating in a major competition outside our major outdoor season, across the other side of the world, and with selections taking place in the previous October based on 2017 outdoor performances. Several ill-timed injuries and disqualifications hampered medal hopes too. We learnt a great deal from the experience which will stand us in good stead ahead of Birmingham 2022 and beyond.

Our specific investment into volunteering (SP1 in our strategic plan) continued and the London 2017 Inspiration Programme, for which funding was sourced from Spirit of 2012 Trust, Sport England and the Greater London Authority, was very much a seed corn to what is a longer term effort on this front. Our investment through clubs to boost the number of young people volunteering in our sport continued through our Game Changers programme and we thank those clubs for being a part of this programme. This programme is funded through a three-year grant from Spirit of 2012 Trust and draws to a close during 2019. The learnings will be embedded into our work programmes beyond that point. Our 2018 National & Regional volunteer awards programme saw around 500 nominations received from across England. Our annual Hall of Fame and Awards night was held at the Ricoh Arena in October 2018 and we are grateful for the continued support of our programme partners Spirit of 2012 Trust and Track & Field Tours with respect to these specific projects.

During 2018/19 over 5,000 volunteers achieved coaching, assistant and leadership qualifications following attendance at courses organised by England Athletics. We also, during Autumn 2018, coordinated a nationwide digital based coach recruitment and retention campaign titled 'Go Coach' with Dina Asher-Smith and her coach John Blackie kindly agreeing to front this campaign, which received significant coverage in the national and local media. The intent was to encourage more people to renew their licenses to coach but also to encourage more people to train to be a coach for the first time. Such targeted campaigns are an important component of our established marketing and communications work and further campaigns targeting the retention and growth of athletics and running officials were coordinated in Spring 2019 with leading official Alan Bell at the forefront of the 'Beating Heart of the Sport' call to action.

The number of volunteers attending qualification courses in the 12-month period was consistent with



previous years and we also continued to deliver a programme of teacher education courses for primary and secondary teachers and introduced additional resources to enhance athletics delivery in this space. Athletics continues to be a popular sport within the National School Games programme with just under 900,000 children taking part in some form of competition during the year. We are grateful for the work and partnership of the Youth Sport Trust in facilitating this process.

Our social running programme 'RunTogether' has continued to grow during the last 12 months since its launch, with more than 2,000 registered running groups on the RunTogether platform and 105,000 people registered to the scheme since inception, with over 90,000 followers on our social media platforms and over 900,000 bookings taken through the online platform.

Work on our digital strategy continued during 2018/19 and a new website, online course booking system for officials, competition entry and management system and enhancements to our membership portal were introduced during 2018/19. This work is central to our strategic plan as we aim to enable members and partners to be able to take a self-help approach and find useful information without needing to contact a member of the England Athletics staff. Our social media platforms continue to grow, and the introduction of streamed live events is proving popular through our partnership with Vinco Sport. We continue to communicate with around 200,000 people each week through our targeted bulletins.

Our 12-strong Club Support Manager (CSM) team is in place across England and is supporting clubs across several work areas such as Facility & Club Development, Volunteering, Coaching, Fundraising and School-Club link work. Our CSM team introduced a new Club 360 development model during 2018 which is being implemented across a number of clubs as a way of taking a holistic approach to club planning, and feedback has been positive thus far. The national Facilities & Planning Manager continues to work closely with the CSM team to ensure that high quality support is in place to guide clubs through what is an ever increasing priority, and challenge, for our sport against a backdrop of local financial pressures realised by facility owners and contractors.

We have continued to invest in coach development for club coaches and leaders across the country in the last 12 months with roughly 100 events organised and delivered across England in the areas of fundamental movement skills, physical preparation and running leadership days. England also hosted national and international coaching conferences during the last 12 months. The established Club Run and Track Nights coaching programmes, which are free for clubs, continue to be well received by both off track and track clubs respectively.



Principal risks and uncertainties

Political/Economic risk

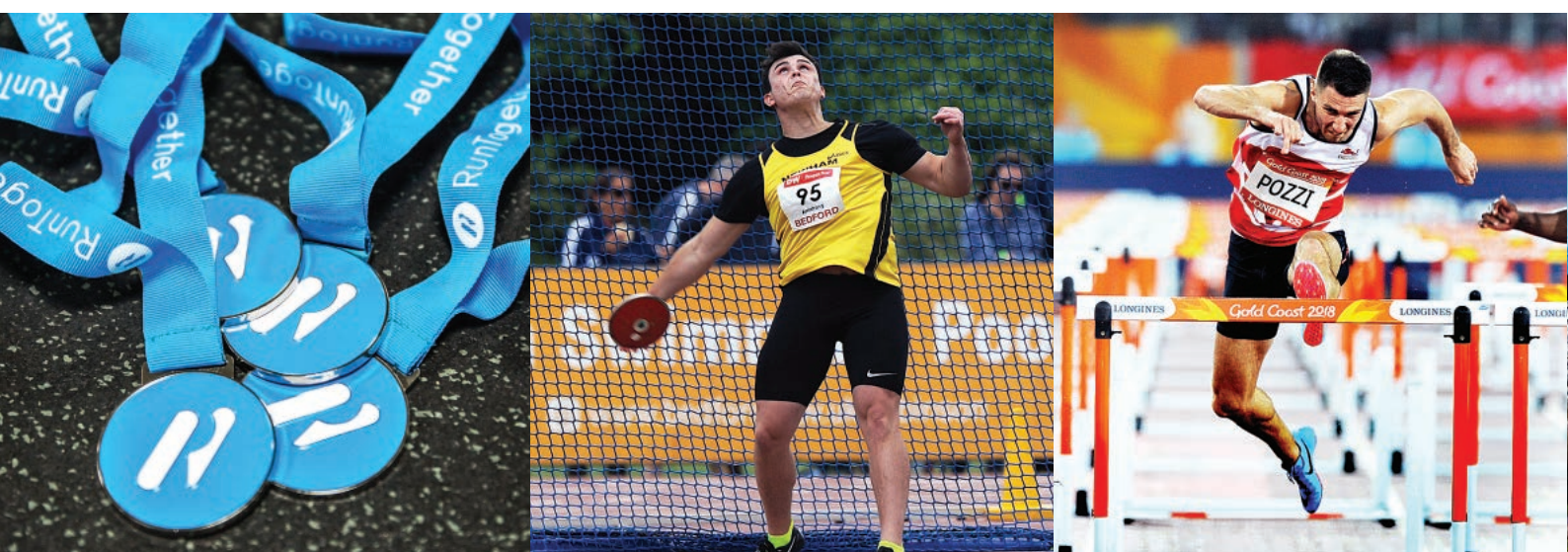
As reported in last year's review, England Athletics' principal risk continues to be its reliance on central government funding, despite the planned reduction for the 2017-21 period.

As a 'Tier 3' funded company we received confirmation from Sport England in November 2017 that we had met the criteria and that we are compliant with the requirements of the Code for Sports Governance. This was positive news. In late 2017 the England Athletics Board also announced that it would be conducting a wide ranging review of its National and Regional Council structure and this work was concluded during summer 2018 and then extended to capture further feedback from the established Council Structure at its council conference in October. A number of the proposed reforms required changes to the established Articles of Association and despite eliciting support from the majority of its established Regional Councils, the reforms were presented to an EGM in January 2019 and the proposals were rejected with only 71% of the vote supporting the reforms when 75% was required.

Elections to the established Regional Council structure duly followed immediately thereafter and in early April we were pleased to announce that a full complement of Regional Councils would be operational for the next four years with the West Midlands Regional Council being reinstated after being suspended since 2017 due to it not being quorate. Like all activities of this nature, there were some lessons learned from this exercise and a number of those proposals that did not require changes to the articles of association, are now being discussed with the National Council in a positive way with a view to adopting them in an appropriate manner.

England Athletics has continued to work closely with UKA during 2018/19, 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, continued to contribute to national cross sport & government work in this area and this will remain a key focus for England Athletics in the coming period. We continue to share office accommodation with UK Athletics in Birmingham, and we enjoy shared service provision in the areas of procurement, payroll, some IT services and human resources.

England Athletics continues to pursue its business development and fundraising strategy. As reported last year, the market continues to be very competitive and challenging, and, we were delighted to secure a significant partnership with sports retailer and fitness group DW Fitness First (DWFF) during Autumn 2017 and we are now into year two of this three-year arrangement, which represents significant



investment for England Athletics. We were also delighted to agree a three-year kit sponsorship with Kukri in late 2018 to replace the previous deal with New Balance. Our existing partnerships with IHG, Sunwise and Aftershokz have continued during 2018 and further deals with Runderwear, Sports Tours International and Juzo were completed in early 2019. As reported last year we were pleased that the established DWFF deal was brokered with financial benefits for our partners in Wales, Scotland and Northern Ireland with whom we enjoy an extremely positive working relationship across many areas of the sport.

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. The Board of Directors fixed the registration fee at £15 in September 2018 for the 2019/20 competition year and communicated to member clubs and bodies that the club/body affiliation fee would increase to £150.

We changed our approach to consultation during 2018 with a targeted approach to engaging more closely with the off-track community through a 'Road Running Roadshow' programme. We also coordinated online consultations to different audiences within the sport and delivered club forums through our local CSMs and, in some cases, Regional Councils. As reported in previous years, the work of volunteers remains fundamental to the success of our sport. Neither England Athletics, nor our sport as an entirety, could 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

England Athletics 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. Any issues arising from such processes are monitored by sub-committees of the Board, the Audit & Assurance Committee and the Governance Committee.

The England Athletics Board has recognised that the rate of growth in the number of qualified and licensed athletics officials during the last 12 months is below target and continues to be of significant concern for the sport. Whilst the slow rate of growth may be due to officials waiting to be qualified post course attendance, or in the process of renewing their licences/DBS checks, this is a worrying trend which requires our continued focus. Our partnerships with the three respective area officials associations continue and we will sustain our



funding to support their annual conferences in 2019/20. Our National Officials Development Officer, Education Coordinators and coordinated marketing campaigns remain central to our work in this space.

While the number of people running regularly has increased considerably in recent years, unfortunately the same cannot be said for the number of people taking part in track and field. Indeed, the last 12 months has seen 51,868 track and field performances recorded on Power of 10 – a 0.5% decrease compared to the previous year – with a drop of 2% since 2016. This will come as no surprise to many track and field coaches and club officers, who have reported the difficulties that they face in retaining athletes in the sport: 43% of the 24,854 athletes aged between 13 and 19 who competed in 2016 did not go on to compete the following year. England Athletics is committed to addressing this problem and to understanding why more athletes, especially younger athletes, do not continue in the sport after being first introduced to it. Our first step was to commission some consultative research in late 2018 to identify the main reasons why young athletes of all abilities drop out of the sport. The Regional Councils and National Council will be consulted for their input into determining and appropriate action plan to address this issue.

As mentioned earlier in this report, the challenges facing clubs with regard to maintaining facilities has been recognised and is front and centre of our Club Support team focus. This is a risk for the sport with local authority austerity measures impacting on the ability to sustain track and field facilities at the standard we would expect, which will be reflected in our facilities strategy. The first 'Trackmark' certifications were awarded in 2019 and we remain optimistic by the positive responses from track owners and contractors regarding the introduction of concepts like Trackmark, but also in relation to the changes to throws cage specifications.

Organisational risk

The England Athletics board conducted a review of its Non-Executive Director remuneration, which included a sector wide comparison. Although both the Directors and Chair were within the range of other governing bodies, it was decided to reduce the remuneration to the Chair to 15k which brought it into the middle of the range. The Remuneration Committee also conducted an extensive review of staff salaries, which included rewriting all job descriptions to align them to the newly devised pay and grading structure, as well as a detailed sector-based benchmarking exercise. This was an essential piece of work to achieve an appropriate balance between cost efficiency and effective recruitment and retention. A succession planning policy is in place and is subject to regular review and further work on reviewing our PDR and reward structure will be completed by September 2019.



England Athletics 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 company. Each member of staff has a clearly defined work programme with set objectives against which their performance is measured through a review system. We have sustained and developed the bespoke CPD programmes introduced during 2017/18, including an internal leadership development programme for 10 members of staff, a cross-organisational mentoring programme, a mental health ambassador programme, first aid training, unconscious bias workshops and numerous other focused educational programmes. Having, as previously reported, signed up to the mental health charter in early 2018, we signed the 'Time to Change' pledge in August 2018. We were also the first Sports NGB to win recognition in the Mental Health Workplace Index Awards during early 2019. The number of Mental Health running ambassadors in clubs across England now totals over 600 through our partnership with national charity MIND, which is something we are extremely proud of alongside our coordinated national awareness campaigns such as #runandtalk and #runandrevise.

Financial key performance indicators

Overall performance

The total income for 2018/19 has increased by 13% to £8,334k in comparison to the previous year. The increase was mainly due to the inclusion of the Sport England grant funding that was deferred from the previous financial year (£649k), the growth in membership & affiliation registration, and a full year's sponsorship income from the agreement with DWFF. The cost of delivering the projects and programmes for 2018/19 has increased in comparison to the previous year by 18% to £8,797k. This is predominantly due to the expenditure related to the Sport England grant funding which was deferred from 2017/18, and planned expenditure in line with the 2018/19 budget. Against a planned deficit of £461k we delivered a £463k deficit. Income for the financial year was £241k (3%) above budget and total expenditure was above budget by £249k (3%).

Cash/Reserves

England Athletics maintains a healthy cash position which stands at £2,275k at the year end. This reflects a decrease of £62k (2.7%) from 2017/18, which is largely due to the operating loss for the year. The financial plans covering the 2017-21 period reflect a continued deficit for the first half of the period with an improving position in the remaining two years, resulting in reserves being maintained at a prudent level by the end of the cycle, ensuring that sufficient reserves continue to be held in accordance with the established policy.



Sport England Financials

The executive worked diligently to ensure the deferred grant funding from 2017/18 was fully spent in the 2018/19 financial year. Whilst this was achieved, there were some projects within the 2018/19 budget that were not fully completed. As a result, we have deferred, with the agreement of Sport England, £139k of funds to be delivered in the 2019/20 financial year.

Other key performance indicators

Sport England Partnership

We report to Sport England on a quarterly basis against core market objectives which are summarised in our quarterly returns and measured in a range of ways. We also meet regularly with Sport England outside the established six-monthly review meeting process. The main activities on which Sport England funds are expended are set out in note 5 to the accounts.

Membership & Affiliation

Membership registrations increased significantly on the 2017/18 numbers with 181,000 athletes registering with England Athletics, representing a further milestone in membership registrations. Club and other organisation affiliations increased slightly on the prior 12-month number to 1,782, 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 England Athletics 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 11 September 2019 and signed on its behalf.



M Nimmo
Director

Directors' Report

For the year ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Results

The deficit for the year, after taxation, amounted to £462,906 (2018 - deficit £80,012).

Directors

The directors who served during the year were:

N Costello
 P Crawshaw
 S Grainger
 J Holmes (appointed 13 October 2018)
 L Hawkins
 S Hughes (resigned 13 October 2018)
 C Jones
 K Neale
 M Neighbour
 M Nimmo
 M Shortland
 T Soutar

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.

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 11 September 2019 and signed on its behalf.



M Nimmo
Director

Independent auditors' report

to the members of England Athletics Limited

Opinion

We have audited the financial statements of England Athletics Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the Company's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the United Kingdom, including the Financial Reporting Council's Ethical Standard, and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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 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.

Opinion on other matters 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 the financial statements; and
- ♦ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 14, 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 the directors 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.

Auditors' 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 Auditors' 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.



Use of our report

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.



Thomas Wilson *Senior Statutory Auditor*

for and on behalf of

Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place, London EC4R 1AG

11 September 2019

Statement of comprehensive income

for the year ended 31 March 2019

	Note	2019 £	2018 £
Income	4	8,317,224	7,358,879
Administrative expenses		(8,797,239)	(7,447,074)
Operating deficit	6	(480,015)	(88,195)
Interest receivable and similar income	10	17,109	10,148
Deficit before tax		(462,906)	(78,047)
Tax on deficit	11	-	(1,965)
Deficit for the financial year		(462,906)	(80,012)

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 23 to 31 form part of these financial statements.

Statement of financial position

as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	18,090	7,007
		<u>18,090</u>	<u>7,007</u>
Current assets			
Stocks	13	26,290	44,141
Debtors: amounts falling due within one year	14	481,114	785,863
Cash at bank and in hand	15	2,275,229	2,336,768
		<u>2,782,633</u>	<u>3,166,772</u>
Creditors: amounts falling due within one year	16	(1,952,765)	(1,862,195)
Net current assets		<u>829,868</u>	<u>1,303,857</u>
Total assets less current liabilities		<u>847,958</u>	<u>1,310,864</u>
Net assets		<u>847,958</u>	<u>1,310,864</u>
Reserves		<u>847,958</u>	<u>1,310,864</u>
Accumulated funds	18	847,958	1,310,864
		<u>847,958</u>	<u>1,310,864</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 September 2019.

C Jones
Director

M Nimmo
Director

The notes on pages 23 to 31 form part of these financial statements.

Statement of changes in reserves

for the year ended 31 March 2019

	Accumulated Funds	Total reserves
	£	£
At 1 April 2017	1,390,876	1,390,876
Surplus for the year	(80,012)	(80,012)
At 1 April 2018	1,310,864	1,310,864
Deficit for the year	(462,906)	(462,906)
At 31 March 2019	<u>847,958</u>	<u>847,958</u>

The notes on pages 23 to 31 form part of these financial statements.

Statement of cash flows

for the year ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
Deficit for the financial year	(462,906)	(80,012)
Adjustments for:		
Depreciation of tangible assets	8,685	15,313
Interest received	(17,109)	(10,148)
Taxation charge	-	1,965
Decrease in stocks	17,851	13,019
Decrease/(increase) in debtors	304,752	(307,176)
Increase in creditors	91,812	221,682
Corporation tax paid	(1,965)	(581)
Net cash generated from operating activities	<u>(58,880)</u>	<u>(145,938)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(19,768)	(4,175)
Interest received	<u>17,109</u>	<u>10,148</u>
Net cash from investing activities	<u>(2,659)</u>	<u>5,973</u>
Net (decrease) in cash and cash equivalents	(61,539)	(139,965)
Cash and cash equivalents at beginning of year	<u>2,336,768</u>	<u>2,476,733</u>
Cash and cash equivalents at the end of year	<u><u>2,275,229</u></u>	<u><u>2,336,768</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>2,275,229</u>	<u>2,336,768</u>
	<u><u>2,275,229</u></u>	<u><u>2,336,768</u></u>

The notes on pages 23 to 31 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2019

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 principal place of business is Athletics House, Alexander Stadium, Walsall Road, Perry Barr, Birmingham, B42 2BE.

The financial statements are presented 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 grow opportunities for everyone to experience athletics and running, to enable them to achieve their full potential.

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:

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.

Membership registration fees and club affiliation fees are recognised in the year to which they relate with any amounts relating to subsequent years held within deferred income.

Coach education and qualifications income is recognised in the year in which the course takes place. Any income received but not credited in the year will be included as deferred income and will be matched with future expenditure.

Income arising from sponsorship is normally recognised over the period of the of the sponsorship term; the application of the income is accounted for in the period in which it is receivable. If the sponsorship is linked to a specific event or condition, income is recognised when the specific event has taken place, or the condition has been met.

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

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.

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.

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 instrument 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.

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.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

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:

	2019 £	2018 £
Grants receivable	3,251,060	2,828,282
Membership and affiliation	2,901,859	2,640,668
Course, education, sponsorship and other income	2,164,305	1,889,929
	<u>8,317,224</u>	<u>7,358,879</u>

All income arose within the United Kingdom.

5. Sport England Grant Funding

	Sport England £	Other Public Investor Income £	Non-public Income £	TOTAL £
Revenue grants	2,956,828	248,829	45,404	3,251,060
Membership Income	-	-	2,901,859	2,901,859
Sponsorship Income	-	-	366,700	366,700
Courses & Workshops	-	-	1,163,679	1,163,679
Road Race Licencing	-	-	471,050	471,050
Competition	-	-	104,183	104,183
Other Income	-	-	75,802	75,802
Total Income	2,956,828	248,829	5,128,676	8,334,333
Overheads/Support costs	191,065	-	609,358	800,423
Athlete Development Pathway (Talent)	622,344	-	2,220,203	2,842,547
Core Market activities	1,756,666	-	1,914,733	3,671,399
Mass Market activities	386,253	-	12,230	398,483
Volunteering/Inspiration	500	248,829	62,970	312,299
Other costs	-	-	772,088	772,088
Total expenditure	2,956,828	248,829	5,591,582	8,797,239
Net Income	-	-	(462,906)	(462,906)

Cash and Deferred Grant Reconciliation	Sport England £	Other Public Investor Income £	Non-public Income £	TOTAL £
Opening Balance - Deferred Grants	649,049	127,002	7,349	783,400
Cash received	2,254,504	203,606	13,500	2,471,610
Released to P&L	(2,764,483)	(248,828)	(20,849)	(3,034,160)
Closing balance - deferred grants	139,070	81,780	-	220,850

6. Operating deficit

The operating deficit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	102,763	122,492
Other operating lease rentals	8,685	15,313
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	10,025	9,600
All other services	300	375
	<u> </u>	<u> </u>

8. Employees

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

	2019 £	2018 £
Wages and salaries	2,554,825	2,459,880
Social security costs	269,812	271,580
Cost of defined contribution scheme	180,268	173,662
	<u> </u>	<u> </u>
	<u>3,004,905</u>	<u>2,905,122</u>

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

	2019 No.	2018 No.
	64	61
	<u> </u>	<u> </u>

The directors consider the Board and Senior Leadership Team to be key management personnel. Total remuneration paid to these individuals was £636,774 (2018: £563,911). Remuneration includes salaries and social security contributions. The Senior Leadership Team increased from 5 to 6 people in 2018/19, reflecting the addition of the Marketing and Communications lead to the SLT.

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	162,864	147,275
Company contributions to defined contribution pension schemes	8,458	8,251
	<u> </u>	<u> </u>
	<u>171,322</u>	<u>155,526</u>

During the year retirement benefits were accruing to 1 director (2018 - NIL) in respect of defined contribution pension schemes.

Non-Executive Directors were entitled to receive remuneration as follows:

N Costello	£3,000
P Crawshaw	£3,000
S Grainger	£3,000
L Hawkins	£3,000
J Holmes	£1,400
S Hughes	£1,615
K Neale	£3,000
M Nimmo (Chair)	£20,000
M Neighbour	£3,000
M Shortland	£3,000
T Soutar	£3,000

S Grainger declined his remuneration. A donation was made to a rugby related charity.

10. Interest receivable

	2019 £	2018 £
Other interest receivable	17,109	10,148
	<u>17,109</u>	<u>10,148</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	1,965
	<u>-</u>	<u>1,965</u>
Taxation on profit on ordinary activities	-	1,965
	<u>-</u>	<u>1,965</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Deficit on ordinary activities before tax	(462,906)	(78,047)
	<u>(462,906)</u>	<u>(78,047)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(87,952)	(14,802)

Effects of:

non-taxable deficit / (surplus)	87,952	16,767
Total tax charge for the year	-	1,965

The change to UK corporation tax rates for the financial year beginning 1 April 2020 is another factor that will affect future tax charges.

12. Tangible fixed assets

	Equipment £
Cost or valuation	
At 1 April 2018	94,139
Additions	19,768
At 31 March 2019	113,907
Depreciation	
At 1 April 2018	87,132
Charge for the year	8,685
At 31 March 2019	95,817
Net book value	
At 31 March 2019	18,090
At 31 March 2018	7,007

13. Stocks

	2019 £	2018 £
Finished goods and goods for resale	26,290	44,141
	26,290	44,141

14. Debtors

	2019 £	2018 £
Trade debtors	115,472	87,955
Other debtors	34,799	1,822
Prepayments and accrued income	330,843	696,086
	481,114	785,863

15. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	2,275,229	2,336,768
	<u>2,275,229</u>	<u>2,336,768</u>

At 31 March 2019, total amounts held in a designated client account for Sport England capital grants were £5,618 (2018: £35,594).

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	633,250	234,415
Corporation tax	-	1,965
Other taxation and social security	76,214	70,005
Deferred income	612,663	1,162,100
Accruals	630,638	394,430
	<u>1,952,765</u>	<u>1,862,915</u>

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,275,229	2,336,768
Financial assets that are debt instruments measured at amortised cost	150,271	89,777
	<u>2,425,500</u>	<u>2,426,545</u>
Financial liabilities		
Financial liabilities measured at amortised cost	633,250	234,415
	<u>633,250</u>	<u>234,415</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

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

Financial liabilities measured at amortised cost comprise trade creditors.

18. Reserves

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

19. 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.

20. 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 £79,470 (2018: £145,585). Contributions totalling £338 (2018: £80) were payable to the fund at the balance sheet date.

21. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non cancellable operating leases as follows:

	2019 £	2018 £
Land and Buildings		
Not later than 1 year	31,100	31,100
Later than 1 year and not later than 5 years	62,658	93,757
Total	93,758	124,857
	2019 £	2018 £
Other Equipment		
Not later than 1 year	123,824	85,365
Later than 1 year and not later than 5 years	123,824	-
Total	247,648	85,365

Lease payments charged to the profit and loss comprised £112,759 (2018: £161,650).

22. Related party transactions

During the year three Non Executive Directors of England Athletics Limited received remuneration totalling £9,000 (2018: four Directors totalling £9,285) for their position on the England Council. There were no amounts outstanding at the year end (2018: nil). The three individuals who received these amounts were P Crawshaw (£3,000), M Neighbour (£3,000) and M Shortland (£3,000).



England Athletics Limited

A Company Limited by Guarantee

Registered number: 05583713

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