

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	N de Vos (resigned 14 March 2014) N Costello (appointed 25 March 2014) M Harris (appointed 30 April 2013) M Heath C Jones P King K Neale N Rowe A Shiret (appointed 18 June 2013) W Sly T Soutar (appointed 25 March 2014) K Taylor (resigned 31 March 2014)
	K Taylor (resigned 31 March 2014)
Company secretary	S E Tamblyn (appointed 31 March 2014)
Registered number	05583713
Registered office	Athletics House Alexander Stadium Walsall Road Perry Barr Birmingham B42 2BE

ENGLAND ATHLETICS LIMITED
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ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Results

The surplus for the year, after taxation, amounted to £352,789 (2013 - £39,118).

Directors

The directors who served during the year were:

N de Vos (resigned 14 March 2014)
N Costello (appointed 25 March 2014)
M Harris (appointed 30 April 2013)
M Heath
C Jones
P King
K Neale
N Rowe
A Shiret (appointed 18 June 2013)
W Sly
T Soutar (appointed 25 March 2014)
K Taylor (resigned 31 March 2014)

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; and
- to provide contingency funding for unforeseen occurrences that have not been provided for in the normal planning process.

The policy is reviewed annually by the Directors.

Volunteers

The Directors would like to offer their appreciation for all those individuals who have given their time and expertise freely for the benefit of athletics across England and without whom our wonderful sport could not take place. The huge efforts of volunteers involved in our member clubs as coaches, leaders, officials, other administrators and volunteers are of inestimable worth.

In addition to clubs we would also like to thank the many council members and volunteers involved in providing athletes with competition at national, area and county level through the various associations and leagues with whom we work. We give our thanks to each and every volunteer for their valued contribution without whom there would be no sport as we know it.

ENGLAND ATHLETICS LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 *9th September 2014* and signed on its behalf.



P King
Director

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

Business review

During the year England Athletics has laid the foundations for the successful execution of the new 2013-17 funding cycle. Structure and operations have been adapted to achieve the requirements of the Sport England £22m funding agreement whilst still servicing the requirements of the core sport. We are making notable progress towards our 4 year targets and secured our Year 2 funding based on our progress.

Our Governance structure has been strengthened at Board, Council and SMT level to better equip us to respond to the needs of our stakeholders and it has also improved relations with our clubs, volunteers and members alongside a formal consultation process and Board Advisory Groups.

Principal risks and uncertainties

Political/Economic risk

One of the main risks faced by the organisation in this area is the risk to our Sport England funding should there be a change of direction by the government or a change of government. We conduct scenario planning exercises to discuss our responses to any such anticipated risks and produce a 4 year rolling plan which highlights key events and dates which promotes discussion in advance.

We are continually reviewing our operating structures to ensure we are providing continued value in line with our member and stakeholder guidance on priorities for spending.

Operational Risk

We are aware of the risk to Sport England funding should any governance concerns about EA be raised. We pay careful attention to our governance and control processes, as recorded in our annual self-assurance returns to Sport England which have received green status over the last 2 years.

There is also a risk to our UKA commercial rights revenue due to market conditions. We are shifting the focus of our membership department to become more business development centric and we are looking to exploit additional revenue streams in response to the challenges we face in this respect.

Organisational risk

One of the company's main operational risks which is monitored is our ability to attract, retain and develop key staff within the organisation. A Succession Planning Policy has been devised, along with a review of the job grading structure used within the organisation and evaluation of all roles to ensure that key staff are identified and recognised appropriately.

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2014

Financial key performance indicators

Overall performance

In comparison to the prior year income has decreased marginally by 1% to £8,046k predominantly due to a decrease in Grants in year as we move into a new cycle with differing income streams to the last cycle creating. In line with the expected decreased income, costs have decreased in comparison to the previous year by £420k (5%).

Budget performance

Against a break even budget we delivered a £353k surplus. Decreases in income were exceeded by cost savings.

Cash/Reserves

England Athletics maintain a healthy cash position standing at £2.5m at the end of 2013/14 up by £551k (28%) from 12/13 largely due to the increase in reserves to £1.5m in 13/14 from £1.2m in 12/13.

Sport England Financials

Our Financial Plan in 13/14 was delivered in line with the Whole Sport Plan and funding was secured.

Other key performance indicators

Sport England Outcomes

We report to Sport England on a Quarterly basis against objectives set in the Whole Sport Plan which are summarised in our Self-Assessment returns and measured by the Active People Survey.

Participation – successive increases in running participation over two six month periods as measured by APS (significant in the last 6 months with 138k more people doing weekly athletics over the age of 16) with a slight decline in the number of people doing track and field athletics. We have met and exceeded our Satellite Club targets in year 1 and are making good progress against the year 2 contracted targets.

Talent - We met and exceeded each of the contracted talent targets (annual) for 2013 except one specific KPI for endurance as measured by Power of 10. Our disability targets were met for talent and Satellite Clubs.

Membership & Affiliation.

Membership numbers have been largely maintained from 12/13 (1.4% decrease) despite an increase in fees. Club and other organisation affiliations have increased by 5%.

This report was approved by the board on 9th September 2014 and signed on its behalf.


P King
Director

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

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 2014, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 Auditing Practices Board'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/auditscopeukprivate.

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 2014 and of its surplus 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 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.

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGLAND ATHLETICS LIMITED

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.



Jeremy Beard (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

Date: 9/25/2014

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
INCOME	1,2	8,031,600	8,109,534
Expenditure		<u>(7,690,344)</u>	<u>(8,104,550)</u>
OPERATING SURPLUS	3	341,256	4,984
Interest receivable		<u>14,520</u>	<u>42,837</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		355,776	47,821
Tax on surplus on ordinary activities	6	<u>(2,987)</u>	<u>(8,703)</u>
SURPLUS FOR THE FINANCIAL YEAR		<u><u>352,789</u></u>	<u><u>39,118</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Income and Expenditure Account.

The notes on pages 10 to 17 form part of these financial statements.

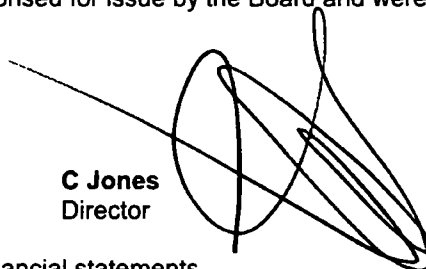
ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05583713

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		217		8,977
CURRENT ASSETS					
Stocks	8	44,896		70,542	
Debtors	9	736,619		607,417	
Cash at bank		2,501,106		1,950,357	
		<u>3,282,621</u>		<u>2,628,316</u>	
CREDITORS: amounts falling due within one year	10	<u>(1,726,531)</u>		<u>(1,433,775)</u>	
NET CURRENT ASSETS			1,556,090		1,194,541
NET ASSETS			<u>1,556,307</u>		<u>1,203,518</u>
RESERVES					
Accumulated Funds			<u>1,556,307</u>		<u>1,203,518</u>
	11		<u>1,556,307</u>		<u>1,203,518</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on


P King
 Director


C Jones
 Director

9/9/2014

The notes on pages 10 to 17 form part of these financial statements.

ENGLAND ATHLETICS LIMITED
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	12	562,877	(1,031,829)
Interest received	13	14,520	42,837
Taxation		(8,567)	(11,372)
Purchase of tangible fixed assets	13	(18,081)	(6,265)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>550,749</u>	<u>(1,006,629)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	<u>550,749</u>	<u>(1,006,629)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>550,749</u>	<u>(1,006,629)</u>
Net funds at 1 April 2013	<u>1,950,357</u>	<u>2,956,986</u>
NET FUNDS AT 31 MARCH 2014	<u>2,501,106</u>	<u>1,950,357</u>

The notes on pages 10 to 17 form part of these financial statements.

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Grants

Grants relating specifically to expenditure on tangible fixed assets are netted off against the cost of the fixed assets and depreciation is charged on this reduced balance.

Grants of a revenue nature are credited to the Income and Expenditure account 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.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	4 years
Computer equipment	-	2 years

1.4 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.5 Pensions

Contributions to pension schemes are charged to the income and expenditure account in the year in which they become payable.

1.6 Software and website development

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

2. INCOME

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

Principally income arose within the United Kingdom.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the company	9,496	113,212
Auditors' remuneration	8,625	8,450
Auditors' remuneration - non-audit	650	3,125
	<u> </u>	<u> </u>

4. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	2,476,707	2,597,738
Social security costs	277,489	248,036
Other pension costs	137,561	144,494
	<u> </u>	<u> </u>
	<u>2,891,757</u>	<u>2,990,268</u>

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

	2014 No.	2013 No.
Employees	73	80
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	135,512	64,489
	<u> </u>	<u> </u>
Company pension contributions to defined contribution pension schemes	6,466	283
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

In addition, £51,339 (2013: £50,467) was paid to UK Athletics Limited for services of a director which are included in the figures disclosed as staff costs in note 4.

The year on year change is principally due to the appointment of the CEO to the board on 2 March 2013.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

6. TAXATION

	2014 £	2013 £
UK corporation tax charge on interest receivable for the year	<u>2,987</u>	<u>8,703</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Surplus on ordinary activities before tax	<u>355,776</u>	<u>47,821</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	71,155	9,564
Effects of:		
Non-taxable (expenditure) / income	(68,168)	(861)
Current tax charge for the year (see note above)	<u>2,987</u>	<u>8,703</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ENGLAND ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

7. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 April 2013	199,530
Additions	18,081
Disposals	(168,918)
At 31 March 2014	<u>48,693</u>
Depreciation	
At 1 April 2013	190,553
Charge for the year	9,496
On disposals	(151,573)
At 31 March 2014	<u>48,476</u>
Net book value	
At 31 March 2014	<u>217</u>
At 31 March 2013	<u>8,977</u>

8. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>44,896</u>	<u>70,542</u>

9. DEBTORS

	2014 £	2013 £
Trade debtors	310,058	142,961
Accrued income	216,418	270,463
Other debtors	41,386	51,844
Prepayments	168,757	142,149
	<u>736,619</u>	<u>607,417</u>

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

10. CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Accruals	595,149	646,999
Trade creditors	446,063	148,687
Corporation tax	3,085	8,665
Other taxation and social security	68,583	76,239
Other creditors	831	27,400
Deferred income	612,820	525,785
	<u>1,726,531</u>	<u>1,433,775</u>

11. RECONCILIATION OF MOVEMENT IN ACCUMULATED FUNDS

	2014 £	2013 £
Accumulated funds at start	1,203,518	1,164,400
Surplus for the financial year	352,789	39,118
	<u>1,556,307</u>	<u>1,203,518</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating surplus	341,256	4,984
Depreciation of tangible fixed assets	9,496	113,212
Deficit on disposal of tangible fixed assets	17,345	-
Decrease/(increase) in stocks	25,646	(3,503)
(Increase)/decrease in debtors	(129,202)	316,905
Increase/(decrease) in creditors	298,336	(1,463,427)
	<u>562,877</u>	<u>(1,031,829)</u>

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>14,520</u>	<u>42,837</u>

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(18,081)	(6,265)

14. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	1,950,357	550,749	-	2,501,106
Net funds	<u>1,950,357</u>	<u>550,749</u>	<u>-</u>	<u>2,501,106</u>

15. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	14,830	12,500	2,353	21,925
Between the second and fifth year	-	-	94,420	103,057

16. COMPANY STATUS

England Athletics Limited is a company limited by guarantee. Members of the Company comprise those clubs or associations admitted into membership in accordance with the Articles of Association. The liability of its members is limited. Each member pays a subscription fee and undertakes to contribute £1 to the assets of the company in the event of the company being wound up.

There is no limit on the number of members that can be admitted. As at 31 March 2014 1,534 (2013: 1,461) clubs and associations were affiliated to England Athletics.

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

17. RELATED PARTY TRANSACTIONS

The following related party transactions have taken place in the year.

During the year two of the non-Executive Directors of England Athletics Limited received remuneration for their position on the England Council. The transactions have been summarised below:

	2014 Transaction £	2014 Balance £	2013 Transaction £	2013 Balance £
M Harris	3,000	-	-	-
N Rowe	3,000	-	3,000	-

N de Vos and K Taylor were also directors of UK Athletics Limited during the year. The transactions that took place between the two companies have been summarised below. The transactions include grants received by UK Athletics, and then transferred to England Athletics in accordance with arrangements between the companies, and also services and expenses incurred by UK Athletics, which have then subsequently been recovered from England Athletics.

Amounts transferred to England Athletics during the year / amounts due to England Athletics at end of year:

	2014 Transaction £	2014 Balance £	2013 Transaction £	2013 Balance £
Sport England Whole Sport Plan Award	4,868,951	-	4,299,612	-
Grant and sponsorship funding of England Athletics Activities	250,000	-	201,635	-
Contributions for other activities	206,440	145,795	43,583	71,183
Road Race licensing fees payable to England Athletics	-	264,754	-	264,754

The Sport England Whole Sport Plan Award is an agreement between UK Athletics and Sport England, for which UK Athletics commissions England Athletics to undertake the majority of the activities and hence passes most of the grant funding directly to England Athletics following receipt from Sport England.

ENGLAND ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

Amounts recharged to England Athletics from UK Athletics during the year / amounts due from England Athletics at end of year:

	2014 Transaction £	2014 Balance £	2013 Transaction £	2013 Balance £
Employee costs	2,747,788	68,583	2,775,774	76,239
Services provided by UK Athletics staff and related activities	332,589	-	279,031	-
Insurance premia	117,089	-	126,370	-
Coaching courses	133,677	-	125,526	-
IT developments	22,950	-	88,705	-
Grants to Athletics Networks	-	-	-	-
Other operating costs	171,116	-	142,781	-
Balance due excluding employee costs	-	124,562	-	19,016

During the year UK Athletics provided the payroll services for England Athletics, including payments of employees' salaries and payments to HMRC, for which it recovers the costs in full on a monthly basis. Other expenditure is recovered on an ad hoc basis depending on when the expenditure has been incurred.