

Registered number: 05583713

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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

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**COMPANY INFORMATION**

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<b>Directors</b>	N Costello P Crawshaw S Grainger M Harris S Hughes C Jones P King K Neale A Shiret W Sly T Soutar
<b>Company secretary</b>	M Davis
<b>Registered number</b>	05583713
<b>Registered office</b>	Athletics House Alexander Stadium Walsall Road Perry Barr Birmingham B42 2BE

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

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

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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Business review**

During the year England Athletics ("EA") has continued to build on the foundations that were laid in the previous financial years towards the execution of strategic priorities established under the 2013-2017 Sport England funding cycle.

We continue to make good progress towards our 4 year targets and have secured our Year 4 funding on that basis.

EA has continued to deliver well against its key operational targets, both those funded primarily by Sport England and those which our annual consultation process tells us are important to our members. The number of people taking part weekly in athletics and running across England measured by the Active People Survey ("APS") increased to just over 2.4m, and the numbers of affiliated clubs and registered athletes increased, as reported below under Membership & Affiliation. Entries and performance standards in our national championships across events continue to impress and we also enjoyed success at the 2015 Commonwealth Youth Games in Samoa with 10 medals and 19 top four finishes. The future bodes well ahead of us with plans to take a team to the Commonwealth Youth Games in the Bahamas in 2017 as well as 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.

We delivered training for just under 6,000 coaches and leaders in the year and for 1,400 officials. We also trained nearly 750 teachers in primary schools using our new Run, Jump, Throw resource. We also provided post qualification coach development support for over 1,500 coaches through our national and local programmes.

We continued to invest through our partnerships with 40 County Sports Partnerships and in 7 cities across England as we strive to get more people into athletics and running and our Run England recreational programme has now over 100,000 registered members. There are now over 7,000 registered running groups across England and roughly 20,000 people have been through our Leadership in Running & Fitness course since it began.

Our partnerships with a range of third party organisations across the track, field and road running family continue to blossom with sustained investment being provided to ESAA (English Schools' Athletic Association) the Area Competition Associations and 29 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 community level. In the last 12 months we licensed 2,660 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.

In December 2015 we communicated our direction for the future by finalising our refreshed strategic mission, vision, organisational values and priorities. A detailed second stage piece of strategic planning is now underway, informed by our annual consultation programme, and which will lead to a further submission for funding support to Sport England during 2016 ahead of the next 4-year delivery period effective from April 1st 2017.

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**ENGLAND ATHLETICS LIMITED**  
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**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Principal risks and uncertainties**

**Political/Economic risk**

EA's principal risk is its reliance on Sport England funding, which is in turn potentially subject to change of policy by current or future governments. The Department of Culture, Media and Sport ("DCMS") strategy for sport and associated Sport England strategy (released in early 2016) have since both confirmed that a different approach is likely as we approach a new cycle. As well as engaging at a political level to advocate the contribution that EA makes towards important sporting and social agendas, we have conducted a series of scenario planning exercises to assist the development of responses to potential reductions in government funding and of a 4 year rolling plan.

As reported previously, our commercial rights arrangements with UKA ended during June 2014. In response to this, and in recognition of the need to diversify our income streams and be less dependent on one major funding partner, we have initiated a business development and commercial strategy for EA. We engaged the services of an agency to take us to market and secure commercial income. The market has been very competitive and challenging, and, while we have agreed a number of partnerships with organisations such as New Balance and a range of value in kind based deals with suppliers including hotel operators and medical care providers, we have yet to realise a major "game changing" sponsorship deal as outlined in our strategy. The board is due to review our approach to this work, considering a range of potential options.

The revenue generated through the support of our members is invaluable and contributes to mitigating the dependency on Sport England grant income. The level of Affiliation and Registration fees is a key part of our annual member consultation process, and we are continually seeking to improve transparency. The work of volunteers remains fundamental to the success of our sport. EA could not function without that contribution.

We have also enhanced our budget and forecast review processes during the last 12 months, led by the senior leadership team to provide efficiency savings wherever possible. This is subject to regular review by the Board.

**Operational Risk**

The overall governance framework is reviewed periodically by the Board, which seeks external expert advice where necessary.

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" status in most categories during 13-14 and 14-15. In Autumn 2015 external accountants, Moore Stephens conducted an audit of EA, commissioned by Sport England. We were rated green as a result of this audit. Any issues arising from such processes are monitored by sub-committees of the Board, the Audit & Assurance Committee and the Governance Committee.

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**ENGLAND ATHLETICS LIMITED**  
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**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Organisational risk**

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, 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. 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. Each member of staff has a clearly defined work programme with set objectives against which their performance is measured through a review system.

Planning is under way ahead of 1st April 2017 regarding our appropriate organisational structure in light of the outcome of our negotiations with Sport England. This is a risk that we are mitigating by planning early and working through a range of scenarios. We are utilising the strategic priorities to inform this thinking.

During the year we formalised our arrangements with UKA for the occupancy of office space at Athletics House through the signing of a sub-tenancy agreement. A rent free basis will continue until at least the end of 2016, following which it is expected that there will be a new agreement at a commercial rent, which has been factored into our planning.

**Financial key performance indicators**

**Overall performance**

In comparison to the prior year income has decreased by 0.4% to £8,715k predominantly due to the reduction in overall grant funding from Sport England (despite receiving some additional funding to support running initiatives around the 'This Girl Can' marketing campaign and the deferral of some income in the prior year) and a reduction in Road Race Licence fees due to the prior year's accounts having included two years' income as a result of the change in accounting treatment applied in 2014/15. Those reductions were 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 increases applied at the beginning of 2015/16.

The cost of delivering the year's activities has increased in comparison to the previous year by 8.4% to £8,803k. This is predominantly due to a full year's impact of the transfer of coaching staff and activities from UKA, which took place part way through the 2014/15 year, further establishment of the running participation function, business development expenditure and Irrecoverable VAT.

**Budget performance**

Against a deficit budget of £390k we delivered a £79k deficit. Income was above budget by £325k (4%) and costs were above budget by £14k (0.2%). As noted in the Directors' Report, the pattern of grant funding over the later period of the current Whole Sport Plan ("WSP") funding cycle was set to decline and surpluses in the past two years were required to fund this year's deficit and the projected deficit for the remainder of the current WSP cycle.

**Cash/Reserves**

England Athletics maintains a healthy cash position which stands at £3.1m at the year end. This reflects a decrease of £425k (12%) from 14/15 largely due to the reduction in deferred income and increase in kit stocks.

**Sport England Financials**

We achieved our Financial Plan in 15/16 in line with the WSP. There was no requirement to defer any Sport England funding as all planned activities were fully delivered during the year.

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**ENGLAND ATHLETICS LIMITED**  
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**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Other key performance indicators**

**Sport England Outcomes**

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 APS. We also meet regularly with Sport England outside the established 6 monthly review meeting process.

Participation – successive increases in running participation over the year as measured by APS 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. Disability participation dipped in the first 6 months of 2014/15 by 30,000 but then increased by 20,000 in the last 6 months of the year. We have met and exceeded our Satellite Club participant targets in year 3 (including our disability participation target for this programme) and are now making good progress against the year 4 contracted targets.

Talent - see Business review above for the Commonwealth Youth Games in Samoa. We have undertaken a review of coach education course content enhanced the linkage with coach development, following the transfer of responsibilities with respect to the "talent" area of work from UKA during the latter part of 2014/15.

Facilities - We invested £200,000 of facility grant aid into a range of partnership projects across England including an innovative city wide running route programme in Sheffield, together with track and field improvements at Kettering, Lewes and Finsbury Park.

**Membership & Affiliation**

Membership numbers increased significantly on the 2014/15 numbers with over 149,000 athletes (a 6.5% increase) registered with EA, representing a further milestone in membership registrations. Club and other organisation affiliations have increased yet again to 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.

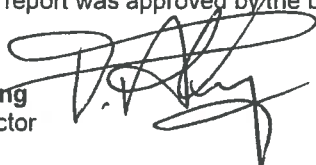
The annual spring consultation programme with our members has been completed for a fourth successive year providing valuable feedback on the wider sport and activities of EA as well as informing price setting for membership fees, which is vital to the budget planning process.

**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 2016 and signed on its behalf.

**P King**  
Director



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

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their report and the financial statements for the year ended 31 March 2016.

**Results**

The deficit for the year, after taxation, amounted to £78,976 (2015 - surplus £638,887).

**Directors**

The directors who served during the year were:

N Costello  
P Crawshaw  
S Grainger  
M Harris  
S Hughes  
C Jones  
P King  
K Neale  
A Shiret  
W Sly  
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.

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

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

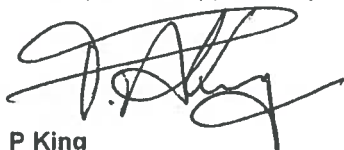
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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 6 September 2016 and signed on its behalf.



**P King**  
Director

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

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

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We have audited the financial statements of England Athletics Limited for the year ended 31 March 2016, set out on pages 9 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 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, 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/auditscopeukprivate](http://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 2016 and of its deficit 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 and the directors' report has been prepared in accordance with applicable legal requirements.

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

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

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**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 2016

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

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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	Note	2016 £	2015 £
Income	4	8,715,196	8,747,816
Expenditure		(8,802,626)	(8,118,254)
<b>Operating (deficit)/surplus</b>	5	<u>(87,430)</u>	<u>629,562</u>
Interest receivable and similar income	9	10,568	11,431
<b>(Deficit)/surplus before tax</b>		<u>(76,862)</u>	<u>640,993</u>
Tax on (deficit)/surplus	10	(2,114)	(2,106)
<b>(Deficit)/surplus for the year</b>		<u><u>(78,976)</u></u>	<u><u>638,887</u></u>

There was no other comprehensive income for 2016 (2015:£NIL).

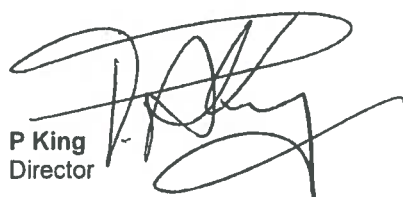
The notes on pages 13 to 23 form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MARCH 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	25,855	-
		<u>25,855</u>	<u>-</u>
<b>Current assets</b>			
Stocks	12	88,360	12,233
Debtors: amounts falling due within one year	13	366,137	447,508
Cash at bank and in hand	14	3,115,230	3,539,776
		<u>3,569,727</u>	<u>3,999,517</u>
Creditors: amounts falling due within one year	15	(1,479,364)	(1,804,323)
<b>Net current assets</b>		<u>2,090,363</u>	<u>2,195,194</u>
<b>Total assets less current liabilities</b>		<u>2,116,218</u>	<u>2,195,194</u>
<b>Net assets</b>		<u>2,116,218</u>	<u>2,195,194</u>
<b>Reserves</b>			
Accumulated Funds	17	2,116,218	2,195,194
		<u>2,116,218</u>	<u>2,195,194</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2016.

  
 P King  
 Director

  
 C Jones  
 Director

The notes on pages 13 to 23 form part of these financial statements.

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

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

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

**STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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	Accumulated Funds £	Total reserves £
At 1 April 2014	1,556,307	1,556,307
Surplus for the year	638,887	638,887
<b>At 31 March 2015</b>	<b>2,195,194</b>	<b>2,195,194</b>

The notes on pages 13 to 23 form part of these financial statements.

ENGLAND ATHLETICS LIMITED  
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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
(Deficit) / surplus for the financial year	(78,976)	638,887
<b>Adjustments for:</b>		
Depreciation of tangible assets	5,324	217
(Increase) / decrease in stocks	(76,127)	32,663
Interest received	(10,568)	(11,431)
Taxation charge	2,114	2,106
Decrease in debtors	81,370	276,988
(Decrease) / increase in creditors	(324,786)	90,713
Corporation tax paid	(2,286)	(2,904)
<b>Net cash generated from operating activities</b>	<u>(403,935)</u>	<u>1,027,239</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(31,179)	-
Interest received	10,568	11,431
<b>Net cash from investing activities</b>	<u>(20,611)</u>	<u>11,431</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(424,546)</u>	<u>1,038,670</u>
Cash and cash equivalents at beginning of year	3,539,776	2,501,106
<b>Cash and cash equivalents at the end of year</b>	<u><u>3,115,230</u></u>	<u><u>3,539,776</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,115,230	3,539,776
	<u><u>3,115,230</u></u>	<u><u>3,539,776</u></u>

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**ENGLAND ATHLETICS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**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 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 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

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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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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 within 'other operating income' in the Statement of Comprehensive Income.

2.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period 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.

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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**ENGLAND ATHLETICS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**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 accounts receivable and payable, 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 payables or receivables, 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 Income Statement.

**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 payments obligations.

The contributions are recognised as an expense in the Income Statement 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.

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**2. Accounting policies (continued)**

**2.11 Interest income**

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

**2.12 Taxation**

Tax is recognised in the Income Statement, except that a change 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.

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**4. Analysis of 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:

	2016 £	2015 £
Grants receivable	5,151,402	5,262,486
Membership and affiliation	1,978,437	1,548,460
Sponsorship	65,091	124,999
Course, education and other income	1,520,266	1,811,871
	<u>8,715,196</u>	<u>8,747,816</u>

All income arose within the United Kingdom.

**5. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	5,324	217
Other operating lease rentals	124,869	139,368
Defined contribution pension cost	202,893	165,186
	<u>202,893</u>	<u>165,186</u>

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6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	8,900	8,625
	<u>8,900</u>	<u>8,625</u>
All other services	1,000	250
	<u>1,000</u>	<u>250</u>

7. Employees

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

	2016 £	2015 £
Wages and salaries	2,945,139	2,370,439
Social security costs	308,467	247,220
Cost of defined contribution scheme	202,893	165,186
	<u>3,456,499</u>	<u>2,782,845</u>

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

	2016 No.	2015 No.
	81	70

The directors consider the Board and Senior Leadership Team to be key management personnel. Total remuneration paid to these individuals was £545,340 (2015: £519,136).

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	163,948	170,203
Company contributions to defined contribution pension schemes	8,251	8,946
	<u>172,199</u>	<u>179,149</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

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**9. Interest receivable**

	2016 £	2015 £
Other interest receivable	10,568	11,431
	<u>10,568</u>	<u>11,431</u>

**10. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	2,114	2,286
Adjustments in respect of previous periods	-	(180)
	<u>2,114</u>	<u>2,106</u>
<b>Taxation on profit on ordinary activities</b>	<u>2,114</u>	<u>2,106</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	(76,862)	640,993
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(15,372)	128,199
<b>Effects of:</b>		
non-taxable deficit / (surplus)	17,486	(126,093)
<b>Total tax charge for the year</b>	<u>2,114</u>	<u>2,106</u>

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.

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11. Tangible fixed assets

	Equipment £
<b>Cost or valuation</b>	
At 1 April 2015	48,693
Additions	31,179
At 31 March 2016	<u>79,872</u>
<b>Depreciation</b>	
At 1 April 2015	48,693
Charge for the year	5,324
At 31 March 2016	<u>54,017</u>
<b>Net book value</b>	
At 31 March 2016	<u>25,855</u>
At 31 March 2015	<u>-</u>

12. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>88,360</u>	<u>12,233</u>
	<u>88,360</u>	<u>12,233</u>

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**13. Debtors**

	2016 £	2015 £
Trade debtors	136,916	148,117
Other debtors	5,646	48,912
Prepayments and accrued income	223,575	250,479
	<u>366,137</u>	<u>447,508</u>

**14. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	3,115,230	3,539,776
	<u>3,115,230</u>	<u>3,539,776</u>

At 31 March 2016, total amounts held in a designated client account for Sport England capital grants were £159,648 (2015: £nil).

**15. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	312,701	254,824
Corporation tax	2,114	2,286
Taxation and social security	82,196	72,257
Deferred income	492,577	815,676
Accruals	589,776	659,280
	<u>1,479,364</u>	<u>1,804,323</u>



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**16. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	142,562	197,029
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(312,701)	(254,824)

Financial assets 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 £202,893 (2015: £165,186). Contributions totalling £25,101 (2015: £992) were payable to the fund at the balance sheet date.

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**20. Commitments under operating leases**

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
<b>Land and Buildings</b>		
Not later than 1 year	11,600	13,500
<b>Total</b>	<u>11,600</u>	<u>13,500</u>
	2016 £	2015 £
<b>Equipment</b>		
Not later than 1 year	107,680	112,741
Later than 1 year and not later than 5 years	185,354	18,105
<b>Total</b>	<u>293,034</u>	<u>130,846</u>

**21. Related party transactions**

In 2015 Wendy Sly Associates, an entity owned by W Sly, charged the company for consultancy fees during the year totalling £33,800. There were no such transactions in 2016.

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. There were no amounts outstanding at the year end (2015: £nil).

	2016 Transaction £	2015 Transaction £
M Harris	3,000	3,000
N Rowe	-	1,650
P Crawshaw	3,000	2,201
	<u>6,000</u>	<u>6,851</u>

**22. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.