

Company Registration No. 3686940

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

Report and Financial Statements

For the year ended 31 March 2008

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2008

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UK ATHLETICS LIMITED
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REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I R Fox
J Gardener (appointed 23rd June 2008)
Dame T C D Grey-Thompson (appointed 14th May 2007)
Z Hyde Peters (resigned 31st January 2008)
R M Simons
J R Taylor
N E de Vos (appointed 1st May 2007)
E W Warner

REGISTERED OFFICE

Athletics House
Central Boulevard
Blythe Valley Park
Solihull
B90 8AJ

BANKERS

National Westminster Bank plc
30a Harborne Road
Edgbaston
Birmingham
B15 3AA

SOLICITORS

Farrer & Company
66 Lincoln's Inn Fields
London
WC2A 3LH

AUDITORS

haysmacintyre
Chartered Accountants
Fairfax House
15 Fulwood Place
London WC1V 6AY

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
Year to 31 March 2008

The directors present their annual report and the audited financial statements for the year to 31 March 2008.

ACTIVITIES

The principal activities of the company during the period were to carry out the functions of the governing body of athletics in the UK as required by the International Association of Athletics Federations. In particular these responsibilities included the preparation and selection of GB teams to compete in European and World championships, Olympics and Paralympics. The company also directed and facilitated the development of the sport of athletics across the UK, working in partnership with Central and Local Government, Home Country Athletics Associations, Schools and Clubs.

RESULTS

The results for the year after taxation show a surplus of £316,760 (2007: £190,633).

The company has continued to invest from its successful commercial programmes to accelerate the modernisation of the sport across the UK, as well as continuing to make significant monetary commitments to the nation wide development of athletics.

In accordance with the Memorandum and Articles of Association, no dividend can be paid and this is unchanged since incorporation.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

2007/08 was the first full year during which UK Athletics has benefited from the extension of the Aviva commitment to athletics until the end of 2012. Work has continued to develop a mix of sponsorship and grant funding, with further arrangements in prospect for 2008/09 onwards, providing a sound financial basis for the sport going forward.

DIRECTORS

The directors who served during the period and to the present date are listed on page 1.

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the period.

EMPLOYEE INVOLVEMENT

The company has continued its practice of keeping employees informed of the factors affecting the performance of the company and other matters affecting them as employees. This is achieved through regular management and employee meetings and the active operation of an employee forum.

FINANCIAL INSTRUMENTS

The company finances its operations using bank balances and overdraft, if necessary, plus debtors and creditors. The cash flow is also regularly monitored.

UK ATHLETICS LIMITED
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DIRECTORS' REPORT
Year to 31 March 2008

RISKS AND UNCERTAINTIES

The Company is classed as a 'medium-sized' company and, as such, the directors strive to apply the principles and procedures of good corporate governance as set out in the various codes of practice. The senior management group maintains a risk register which is reviewed by the Audit Committee (sub-committee of the Board), which in its turn reports to the Board of directors.

The major financial risks currently facing the Company are considered to be:

- A reduction in the willingness or ability of public sector grant making bodies to support the activities of the Company and of the Home Country associations
- A reduction in sponsorship for commercial reasons, non-achievement of desired outcomes or reduced perceived attractiveness of televised events

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- 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 proper accounting records which 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 1985. 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.

AUDITORS

haysmacintyre have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

AUDIT INFORMATION

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Approved by the Board of Directors and signed by order of the Board

Charles Bartholomew
Company Secretary



26 July 2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UK ATHLETICS LIMITED
(A Company Limited by Guarantee)**

We have audited the financial statements of UK Athletics Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of audit opinion

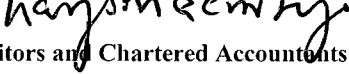
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

haysmacintyre 
Registered Auditors and Chartered Accountants
Fairfax House
15 Fulwood Place
London
WC1V 6AY

26 July 2008

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
Year to 31 March 2008

	Note	2008 £	2007 £
INCOME			
TV Events		8,717,925	7,792,759
World Class, Performance, GB & NI team		7,553,608	5,915,222
Sponsorship, grants and other income		7,218,527	8,267,695
		<u>23,490,060</u>	<u>21,975,676</u>
EXPENDITURE			
TV Events		7,253,779	6,766,241
World Class, Performance, GB & NI team		7,553,608	5,915,222
Development, governance and operations		8,630,748	9,203,831
		<u>23,438,135</u>	<u>21,885,294</u>
SURPLUS FROM OPERATING ACTIVITIES	4	51,925	90,382
Interest received		<u>251,124</u>	<u>123,767</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		303,049	214,149
Tax credit/(charge) on ordinary activities	5	<u>13,711</u>	<u>(23,516)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u><u>316,760</u></u>	<u><u>190,633</u></u>

All income and expenditure derives from continuing activities.

There are no recognised gains or losses other than the results for the current financial year and the preceding financial year.

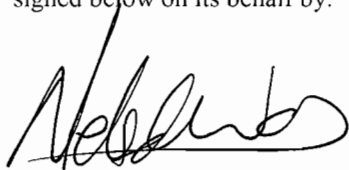
The notes on pages 8 to 15 form part of the financial statements.

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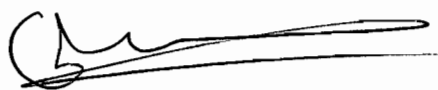
BALANCE SHEET
31 March 2008

	Note	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6	502,905		530,371	
Investments	7	32,518		50,001	
			535,423		580,372
CURRENT ASSETS					
Debtors	8	2,043,517		3,560,959	
Cash at bank and in hand					
Cash		4,469,072		3,320,840	
Restricted cash	9	362,143		944,994	
			6,874,732		7,826,793
CREDITORS: amounts falling due within one year	10	(6,052,895)		(7,366,665)	
NET CURRENT ASSETS			821,837		460,128
TOTAL ASSETS LESS CURRENT LIABILITIES			1,357,260		1,040,500
RESERVES					
Accumulated fund	11		1,357,260		1,040,500

The financial statements were approved and authorised for issue by the Board of Directors on 26 July 2008 and were signed below on its behalf by:



Niels de Vos
Chief Executive



Edmond Warner
Chairman

The notes on pages 8 to 15 form part of the financial statements.

UK ATHLETICS LIMITED
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CASH FLOW STATEMENT
Year to 31 March 2008

	Note	2008 £	2007 £
Cash inflow from operating activities	12	507,570	971,735
Returns on investments and servicing of finance			
Interest received		251,124	123,767
Taxation recovered in the year		11,043	6,655
Capital expenditure			
Purchase of tangible fixed assets		(204,356)	(307,750)
Increase in cash in the period		<u>565,381</u>	<u>794,407</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £
Increase in cash in the period	565,381
Net funds at 1 April 2007	<u>4,265,834</u>
Net funds at 31 March 2008	<u>4,831,215</u>

The notes on pages 8 to 15 form part of the financial statements.

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Income

Income represents amounts derived from the provision of goods and services and grants received which fall within the company's ordinary activities within the United Kingdom after deduction of value added tax.

Sponsorship and income from significant television contracts is recognised by allocating cash received against the number of attributed events each year. Other income is recognised on the day it becomes contractually payable.

Grants are recognised on the day they are received, or on the first day of the grant period, whichever is the later.

Interest is recognised on the basis of amounts receivable in the period.

Tangible fixed assets

Significant tangible fixed assets are stated at cost and are depreciated on a straight line basis from the month of purchase at the following annual rates:

Computer equipment	3 years
Office equipment	5 years
Leasehold improvements	7 years

Deferred Tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company for the financial year.

Investments

Investments in joint ventures are stated at cost less provisions for impairment.

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2008	2007
	£	£
Directors' remuneration		
Emoluments	314,178	384,364
Contribution to a money purchase pension scheme	20,711	52,064
	No.	No.
Number of directors who are members of a money purchase scheme	2	3
Remuneration of the highest paid director		
Emoluments	128,333	116,786
Company contributions to a money purchase scheme	10,333	29,746
	£	£
Employee costs during the year (including directors)		
Wages and salaries	4,641,493	4,492,414
Social security costs	521,441	492,413
Pension costs	379,668	366,035
	5,542,602	5,350,862

Average number of employees by category	2008			2007		
	Head Office	Performance Centres etc	Total	Head Office	Performance Centres etc	Total
Athlete Development including Competitions	21	-	21	24	-	24
Chief Executive's Office & Board	2	-	2	3	1	4
Business Development, Communications, HR	15	2	17	19	2	21
Operations	18	1	19	18	1	19
Sub-total - Strategy	56	3	59	64	4	68
Performance	12	44	56	14	35	49
Athletics Services	3	1	4	2	-	2
Total whole time equivalents	71	48	119	80	39	119

For the quarter to 30th June 2008 the whole time equivalent employees were: Strategy 37, Performance 57 and Athletics Services 7; total 101.

	2008	2007
UK Athletics also employed the following number of staff to deliver local athletics on a part time basis. They may have worked only for a few hours or days, for example providing coaching courses.	141	205

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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

3. GRANTS RECEIVED

Grants include the following:

	2008	2007
	£	£
UK Sport	6,300,061	5,197,767
Sport England	1,103,725	1,473,041
World and European athletics bodies	55,972	56,008
National Sports Foundation	274,447	-
Athletics Foundation	-	497,826
Foundation for Sport and the Arts	-	126,350
Other	130,160	141,486
	<u>7,864,365</u>	<u>7,492,478</u>

4. SURPLUS FROM OPERATING ACTIVITIES

Surplus from operating activities is stated after charging:

Auditors' remuneration	18,000	17,500
Operating lease expenditure – land and buildings	186,034	173,949
Operating lease expenditure – other	22,343	17,686
Impairment of investments	17,843	-
Depreciation of tangible fixed assets	231,822	141,224
	<u>476,042</u>	<u>450,359</u>

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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

5. TAX (CREDIT)/CHARGE ON ORDINARY ACTIVITIES

Analysis of the tax (credit)/charge in the year

	2008	2007
	£	£
Current tax		
Corporation tax at 30% (2007:30%) based on the surplus for the year	62,865	23,516
Adjustment in respect of prior periods	2,321	-
	<u>65,186</u>	<u>23,516</u>
Deferred tax		
Origination and reversal of timing differences	(78,897)	-
	<u>(13,711)</u>	<u>23,516</u>

Factors affecting the tax (credit)/charge for the year

The current tax credit arising in respect of the year is different from the standard rate of UK corporation tax of 30% (2007 - 30%). The differences are explained below.

	£	£
Surplus on ordinary activities before tax	<u>303,049</u>	<u>214,149</u>
Surplus multiplied by standard rate of 30% (2007:30%)	90,915	40,688
Effects of:		
Expenses not deductible for tax purposes	34,391	2,204
Movement in provisions	(11,912)	8,746
Capital allowances in excess of depreciation	-	(1,649)
Depreciation in excess of capital allowances	1,602	
Marginal relief	(12,472)	-
Prior year adjustment	2,321	-
Use of losses brought forward	<u>(39,659)</u>	<u>(26,473)</u>
Current tax charge for the year	<u>65,186</u>	<u>23,516</u>

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2007	232,263	449,593	60,615	742,471
Additions	23,718	176,737	3,900	204,355
	<u>255,981</u>	<u>626,330</u>	<u>64,515</u>	<u>946,826</u>
At 31 March 2008				
Depreciation				
At 1 April 2007	65,893	116,046	30,160	212,099
Charge for the year	33,125	192,237	6,460	231,822
	<u>99,018</u>	<u>308,283</u>	<u>36,620</u>	<u>443,921</u>
At 31 March 2008				
Net book value				
At 31 March 2008	<u>156,963</u>	<u>318,047</u>	<u>27,895</u>	<u>502,905</u>
At 31 March 2007	<u>166,370</u>	<u>333,546</u>	<u>30,455</u>	<u>530,371</u>

7. INVESTMENTS

	Investments in joint ventures £
Cost	
At 1 April 2007 and at 31 March 2008	<u>50,001</u>
Diminution in value	
At 1 April 2007	-
Impairment in the year	17,843
	<u>17,843</u>
At 31 March 2008	
Net book value	
At 31 March 2008	<u>32,158</u>
At 31 March 2007	<u>50,001</u>

The investment of £50,001 is in Athletics Plus Limited, a company registered in England and Wales. The investment represents 50% of the share capital of the company; the impairment reflects the reduction in shareholders' funds of the company.

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

8. DEBTORS

	2008	2007
	£	£
Trade debtors	380,589	1,296,940
Other debtors	539,610	569,155
Deferred tax	97,500	18,603
Corporation tax recoverable	-	36,880
Value added tax	211,799	199,236
Prepayments and accrued income	814,019	1,440,145
	<u>2,043,517</u>	<u>3,560,959</u>

The reduction in trade debtors of £916k is mainly due to the unwinding of specific amounts due at March 2007 in respect of contractual payments of a major sponsor (£587k) and sponsorship falling due (£377k). These amounts were both received in April 2007.

Movement on deferred taxation balance in the period	2008	2007
	£	£
Opening balance	18,603	18,603
Credit to income and expenditure account	78,897	-
Closing balance	<u>97,500</u>	<u>18,603</u>

Analysis of deferred tax balance

Capital allowances in excess of depreciation	88,684	14,839
Short term timing differences	8,816	3,764
	<u>97,500</u>	<u>18,603</u>

9. CASH

Some of the income received from the various Sports Councils is held within a trust account under a formal Trust Deed protecting it in the event of a forced distribution of assets, and can only be applied to specified expenditure. Balances in the Trust account are reported in the accounts as Restricted Cash.

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	570,084	872,467
Other taxation and social security	186,335	181,451
Other creditors	606,054	474,249
Deferred income	2,722,115	4,491,220
Corporation tax	62,865	23,516
Accruals	1,905,442	1,323,762
	<u>6,052,895</u>	<u>7,366,665</u>

Deferred income represents amounts invoiced or received in advance of events and activities due to take place in the following year. The reduction in deferred income of £1,769k is mainly due to the unwinding of 2007/08 lottery monies and major sponsorship for the first quarter of 2007/08 received in advance in March 2007.

11. ACCUMULATED FUND

	£
Balance at 1 April 2007	1,040,500
Surplus for the period	<u>316,760</u>
Balance at 31 March 2008	<u><u>1,357,260</u></u>

12. RECONCILIATION OF SURPLUS FROM OPERATING ACTIVITIES TO OPERATING CASH FLOWS

	2008	2007
	£	£
Operating surplus	51,925	90,382
Impairment of investments	17,483	-
Depreciation	231,822	141,224
Decrease/(increase) in debtors	1,559,459	(1,719,853)
(Decrease)/increase in creditors	<u>(1,353,119)</u>	<u>2,459,982</u>
Net cash inflow from operating activities	<u><u>507,570</u></u>	<u><u>971,735</u></u>

13. ANALYSIS OF NET FUNDS

	At 1 April 2007	Cash Flow	At 31 March 2008
	£	£	£
Cash at bank and in hand	<u>4,265,834</u>	<u>565,381</u>	<u>4,831,215</u>

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2008

14. OPERATING LEASE COMMITMENTS

At 31 March 2008, the group had annual commitments under non-cancellable operating leases as set out below:-

	At 31 March 2008		At 31 March 2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	-	731	-	-
In second to fifth year	-	19,963	-	6,384
In more than five years	208,500	-	208,500	15,959
	<u>208,500</u>	<u>20,694</u>	<u>208,500</u>	<u>22,343</u>

15. GUARANTEE

The members of the company have agreed to contribute £1 each to the assets of the company, if necessary, in the event of it being wound up. The members of the company are the sixteen members of the Council.