

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

Company Registration Number: 3686940

UK ATHLETICS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

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UK ATHLETICS LIMITED

COMPANY INFORMATION

YEAR ENDED 31 MARCH 2011

MEMBERS COUNCIL

W Adcocks
S Burton
S Backley
H Clitheroe
Lord S Coe
C Cohen
R Corry
L Davies

F Dick
J Graves
L Harries
M Harris
G Jessop
K May
N Rowe
R Simons

DIRECTORS

C G Bartholomew (resigned 28th February 2011)
T J Colton
I R Fox
J Gardener
Baroness T C D Grey-Thompson

J R Taylor
K Taylor (appointed 28th February 2011)
N E de Vos
E W Warner

COMPANY SECRETARY

K Taylor

COMPANY REGISTRATION NUMBER

3686940

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 & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

UK ATHLETICS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors present their annual report and the audited financial statements for the year ended 31 March 2011.

Principal activities

The principal activities of the company during the year 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 the Home Country Athletics Associations, Central and Local Government, Schools and Clubs.

Business review

Income growth of 8% to £26.9m for the financial year has enabled the company to extend its activities in the development and modernisation of athletics across the country. Expenditure has also been increased by 8% and total expenditure of £26.7m includes expansion in all three primary areas of the company's activities, namely World Class Performance, TV Events and Development, Governance & Operations.

The company has continued to work with UK Sport in delivering its successful World Class Performance Programme targeted at winning medals in World Championships, Olympics and Paralympics.

The company is on course to deliver the objectives of its major funding bodies and is now over half way through the current four year funding cycle to 31 March 2013. The company has continued to invest funds from its sponsors and its successful commercial programmes into its major events programme (The Aviva Series), coach education, competition provision and the nationwide development of athletics. The company is also focussed on growing the value and range of its commercial activities, alongside the continuation of public funding beyond 2013, to ensure athletics continues to prosper into the future and can play its full part in establishing an athletics legacy beyond the London 2012 Olympic Games.

The established pattern of elite performance work and development activity carried out by the company in conjunction with the Home Country Athletics Associations, progressed during the year under the leadership of the CEO Forum which involves the Chief Executives of each of the Home Countries and the company.

At the end of the financial year, the company held Reserves of £1.7m with Net Current Assets of £1.5m and Fixed Assets of £0.2m. These assets include bank balances of £7.3m which are £1.4m higher than in 2010 as substantial receipts were received immediately prior to the balance sheet date in respect of activities to be undertaken in the following year. It should also be noted that the company's debtors of £2.8m and creditors of £8.6m as at 31 March 2011 were £1.7m and £0.7m lower respectively than the prior year.

In accordance with the company's Memorandum and Articles of Association, no dividend can be paid. This position is unchanged since the company's incorporation.

Results

The surplus after taxation for the year is £171,395 (2010: £111,240).

Directors

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

UK ATHLETICS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

Directors' and Officers' liability insurance

Directors' and officers' liability insurance has continued to be purchased by the company during the year.

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 consultative forum.

Financial instruments

The company finances its operations by careful management of its bank balances and working capital. The cash flow is also regularly monitored.

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 major financial risks currently facing the company are the reduction in income, both commercial and grant funding, due to difficulties in the current economic climate in the medium term.

The company maintains a risk register which is reviewed by the Audit Committee (sub-committee of the Board), which in its turn reports to the Board. Risks are managed actively and mitigation strategies implemented.

Statement of Directors' responsibilities

The directors are responsible for preparing 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

UK ATHLETICS LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 MARCH 2011

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.



Kevan Taylor
Company Secretary

1st August 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

UK ATHLETICS LIMITED

We have audited the financial statements of UK Athletics Limited for the year ended 31 March 2011 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

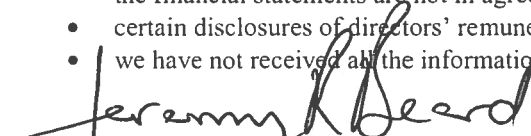
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Fairfax House
15 Fulwood Place
London
WC1V 6AY

1st August 2011

UK ATHLETICS LIMITED**INCOME AND EXPENDITURE ACCOUNT****YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
INCOME			
World Class Performance		8,865,031	8,544,524
TV Events		8,543,268	7,899,773
Sponsorship, grants and other income		9,496,619	8,367,597
		<u>26,904,918</u>	<u>24,811,894</u>
EXPENDITURE			
World Class Performance, GB & NI team		8,865,690	8,570,475
TV Events		7,428,004	6,825,967
Development, governance and operations		10,359,096	9,328,247
		<u>26,652,790</u>	<u>24,724,689</u>
SURPLUS FROM OPERATING ACTIVITIES	3	252,128	87,205
Interest receivable		41,448	52,133
		<u>293,576</u>	<u>139,338</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		293,576	139,338
Tax charge on ordinary activities	4	(122,181)	(28,098)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	9	<u>171,395</u>	<u>111,240</u>

All income and expenditure derives from continuing activities.

World Class Performance includes income and expenditure for both the Olympic and Paralympic programmes, together with IAAF and European Athletics competitions.

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 9 to 13 form part of the financial statements.

UK ATHLETICS LIMITED

BALANCE SHEET

AT 31 MARCH 2011

Registration Number: 3686940

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	227,188		415,671	
Investments	6	7,499		7,499	
			234,687		423,170
CURRENT ASSETS					
Debtors	7	2,773,462		4,495,040	
Cash at bank and in hand		7,323,620		5,968,445	
		10,097,082		10,463,485	
CREDITORS: amounts falling due within one year	8	(8,620,977)		(9,347,258)	
NET CURRENT ASSETS			1,476,105		1,116,227
TOTAL ASSETS LESS CURRENT LIABILITIES			1,710,792		1,539,397
RESERVES					
Accumulated fund	9		1,710,792		1,539,397

The financial statements were approved and authorised for issue by the Board of Directors on 1st August 2011 and were signed below on its behalf by:

Niels de Vos
Chief Executive

Edmond Warner
Chairman

The notes on pages 9 to 13 form part of the financial statements.

UK ATHLETICS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Cash inflow/(outflow) from operating activities	10	1,394,410	(3,314,400)
Returns on investments			
Interest receivable		41,448	52,133
Taxation paid in the year		(61,431)	(31,599)
Capital expenditure			
Purchase of tangible fixed assets		(19,252)	(52,661)
Increase/(decrease) in cash in the period	11	<u>1,355,175</u>	<u>(3,346,527)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2011 £	2010 £
Increase/(decrease) in cash in the period		1,355,175	(3,346,527)
Net funds at 1 April 2010		<u>5,968,445</u>	<u>9,314,972</u>
Net funds at 31 March 2011	11	<u>7,323,620</u>	<u>5,968,445</u>

The notes on pages 9 to 13 form part of the financial statements

UK ATHLETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

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 grants received and the sale of services to sponsors, broadcasters and participants in athletics which fall within the company's ordinary activities and arise primarily within the United Kingdom. Income is stated exclusive of value added tax.

Income from grants, sponsorship and TV Events is recognised over the period, or in the same period as the activities, to which they relate, whichever is appropriate.

Other income is recognised on the date it becomes contractually receivable.

Interest receivable

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

Tangible fixed assets

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:

Computer equipment	3 years
Sports 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.

In addition, certain employees are members of a multi-employer defined benefit scheme, for which contributions are determined annually by the administrators of that scheme. Contributions payable for the year in respect of both schemes are charged in the income and expenditure account.

Investments

Investments are stated at cost less provisions for impairment.

Operating leases

Rentals applicable to operating leases are charged to the income and expenditure account in equal amounts over the period of the lease.

UK ATHLETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2011

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES	2011 £	2010 £
Directors' remuneration		
Emoluments	356,068	379,560
Contributions to a money purchase pension scheme	28,302	28,384
	No.	No.
Directors who receive remuneration (average)	8	8
Number of directors who are members of a money purchase scheme	2	2
Remuneration of the highest paid director		
Emoluments	168,974	175,906
Company contributions to a money purchase scheme	18,195	17,075
	£	£
Employee costs during the year (including directors)		
Wages and salaries	4,903,240	4,868,949
Social security costs	562,056	562,147
Pension costs	489,345	435,289
	5,954,641	5,866,385
	No.	No.
Employees including Directors (average full time equivalents)	105	102
3. SURPLUS FROM OPERATING ACTIVITIES	2011 £	2010 £
Surplus from operating activities is stated after charging:		
Auditors' remuneration - audit	19,000	19,000
Auditors' remuneration – other services	4,625	8,760
Operating lease expenditure – land and buildings	390,272	343,610
Operating lease expenditure – other	19,245	21,615
Depreciation of tangible fixed assets	207,735	291,767
4. TAX CHARGE ON ORDINARY ACTIVITIES	2011 £	2010 £
Analysis of the tax charge in the year		
Current tax		
Corporation tax based on the surplus for the year	112,162	61,431
	112,162	61,431
Deferred tax		
Origination and reversal of timing differences	10,019	(33,333)
	122,181	28,098

UK ATHLETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2011

4. TAX CHARGE ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge of the year

The current tax charge arising in respect of the year is different from the standard rate of UK corporation tax of 28% (2010: 21%). The differences are explained below.

	2011 £	2010 £
Surplus on ordinary activities before tax	293,576	139,338
Surplus multiplied by standard rate of 28% (2010: 21%)	82,201	29,261
Effects of:		
Expenses not deductible for tax purposes	35,631	4,108
Movement in provisions	2,111	5,933
Depreciation in excess of capital allowances	10,327	23,687
Marginal relief	(18,108)	-
Use of losses brought forward	-	(1,558)
Current tax charge for the year	112,162	61,431

5. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Computer Equipment £	Sports Equipment £	Total £
Cost				
At 1 April 2010	260,801	941,788	280,110	1,482,699
Additions	-	-	19,252	19,252
Disposals	-	-	(5,300)	(5,300)
At 31 March 2011	260,801	941,788	294,062	1,496,651
Depreciation				
At 1 April 2010	172,333	784,789	109,906	1,067,028
Charge for the year	37,202	117,046	53,487	207,735
Depreciation on Disposals	-	-	(5,300)	(5,300)
At 31 March 2011	209,535	901,835	158,093	1,269,463
Net book value				
At 31 March 2011	51,266	39,953	135,969	227,188
At 31 March 2010	88,468	156,999	170,204	415,671

UK ATHLETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2011

6. INVESTMENTS

	£
Cost	
At 1 April 2010 and at 31 March 2011	7,499
Net book value	
At 1 April 2010 and at 31 March 2011	7,499
Investments represent 2 shares in Diamond League AG	

7. DEBTORS

	2011 £	2010 £
Trade debtors	1,048,038	2,669,272
Other debtors	361,819	619,453
Prepayments and accrued income	1,207,073	1,039,764
Deferred tax	156,532	166,551
	<u>2,773,462</u>	<u>4,495,040</u>
Movement on deferred taxation balance in the year		
Opening balance	166,551	133,218
(Charge)/Credit to income and expenditure account	(10,019)	33,333
	<u>156,532</u>	<u>166,551</u>
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	141,801	152,798
Short term timing differences	14,731	13,753
	<u>156,532</u>	<u>166,551</u>

8. CREDITORS: amounts falling due within one year

	2011 £	2010 £
Deferred income	4,706,861	3,890,880
Trade creditors	613,578	754,811
Other creditors	1,218,030	2,365,950
Accruals	1,726,009	1,996,312
Corporation tax	112,162	61,431
Other taxation and social security	244,337	277,874
	<u>8,620,977</u>	<u>9,347,258</u>

UK ATHLETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2011

9. ACCUMULATED FUND	£
Balance at 1 April 2010	1,539,397
Surplus for the year	171,395
Balance at 31 March 2011	<u><u>1,710,792</u></u>

10. RECONCILIATION OF SURPLUS FROM OPERATING ACTIVITIES TO OPERATING CASH FLOWS	2011	2010
	£	£
Operating surplus	252,128	87,205
Depreciation	207,735	291,768
Decrease/(increase) in debtors	1,711,559	(2,662,955)
Decrease in creditors	(777,012)	(1,030,418)
Net cash inflow from operating activities	<u><u>1,394,410</u></u>	<u><u>(3,314,400)</u></u>

11. ANALYSIS OF CHANGES IN NET FUNDS	At 1 April	Cash	At 31 March
	2010	Flow	2011
	£	£	£
Cash at bank and in hand	<u>5,968,445</u>	<u>1,355,175</u>	<u>7,323,620</u>

12. OPERATING LEASE COMMITMENTS

At 31 March 2011, the company had annual commitments under non-cancellable operating leases as set out below:

	2011		2010	
	Buildings	Other	Buildings	Other
	£	£	£	£
Operating leases which expire				
Within one year	-	3,990	32,344	1,668
Between the second and fifth years	126,444	1,618	113,374	17,577
In more than five years	310,798	4,343	280,282	-
	<u>437,242</u>	<u>9,951</u>	<u>426,000</u>	<u>19,245</u>

13. 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.

14. RELATED PARTIES

During the year, Bath Bullet Limited, a company owned by J Gardener, a director of the company, received fees of £3,000 (2010 : £1,500) for services to athletics. Tanni Grey-Thompson Limited, a company owned by Baroness T C D Grey-Thompson, a director of the company, received nil (2010: £7,286) for services to athletics. At 31 March 2011 there were no (31 March 2010: £nil) amounts due to either party

