

Company Registration No. 3686940

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

Report and Financial Statements

For the year ended 31 March 2009

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2009

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UK ATHLETICS LIMITED
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REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C G Bartholomew	(appointed 1 November 2008)
T J Colton	(appointed 20 January 2009)
I R Fox	
J Gardener	(appointed 23 June 2008)
Dame T C D Grey-Thompson	
R M Simons	(resigned 31 March 2009)
J R Taylor	
N E de Vos	
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 2009

The directors present their annual report and the audited financial statements for the year to 31 March 2009.

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 Central and Local Government, Home Country Athletics Associations, Schools and Clubs.

RESULTS

The results for the year after taxation show a surplus of £70,897 (2008: £316,760). This is in line with the budget objective of a break even or positive result after interest and tax. The high cash balance at the year end reflects the nature of this kind of organisation, where sponsorship and grant cash is received in advance of the activity or period to which it relates. This year, some cash was also received early, just before the year end.

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 nationwide 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

Work has continued to develop a mix of sponsorship and grant funding, with further arrangements in prospect for 2009/10 onwards, providing a sound financial basis for the sport going forward. A significant sponsorship agreement with McCain running to 2013 was concluded in 2008/09 supporting several activities including the UK Challenge and the Young Athletes League. The important BBC and adidas agreements have been extended beyond 2012. These complement the major sponsorship from Aviva running to the end of 2012.

DIRECTORS

The directors who served during the year 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
(A Company Limited by Guarantee)

DIRECTORS' REPORT
Year to 31 March 2009

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 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

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. Risks are managed actively and mitigation strategies implemented.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the companies Web Site. 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.

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.

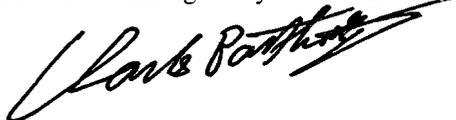
AUDIT INFORMATION

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 on 25 July 2009.

Charles Bartholomew
Company Secretary



**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 2009 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.

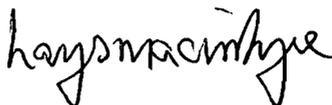
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2009 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



25 July 2009

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
Year to 31 March 2009

	Note	2009 £	2008 £
INCOME			
TV Events		8,101,807	8,717,925
World Class Performance grants and sponsorship		8,532,762	7,553,608
Sponsorship, grants and other income		8,198,728	7,218,527
		<u>24,833,297</u>	<u>23,490,060</u>
EXPENDITURE			
TV Events		7,137,357	7,253,779
World Class Performance, GB & NI team		8,567,262	7,553,608
Development, governance and operations		9,351,817	8,630,748
		<u>25,056,436</u>	<u>23,438,135</u>
(DEFICIT)/SURPLUS FROM OPERATING ACTIVITIES	4	(223,139)	51,925
Interest received		<u>298,658</u>	<u>251,124</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		75,519	303,049
Tax (charge)/credit on ordinary activities	5	<u>(4,622)</u>	<u>13,711</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u><u>70,897</u></u>	<u><u>316,760</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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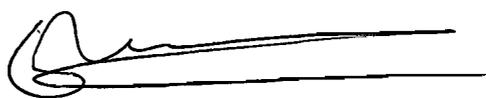
BALANCE SHEET
31 March 2009

	Note	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6	654,778		502,905	
Investments	7	<u>7,499</u>		<u>32,518</u>	
			662,277		535,423
CURRENT ASSETS					
Debtors	8	1,798,752		2,043,517	
Cash at bank and in hand	9	<u>9,314,972</u>		<u>4,831,215</u>	
		11,113,724		6,874,732	
CREDITORS: amounts falling due within one year	10	<u>(10,347,844)</u>		<u>(6,052,895)</u>	
NET CURRENT ASSETS			<u>765,880</u>		<u>821,837</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,428,157</u>		<u>1,357,260</u>
RESERVES					
Accumulated fund	11		<u>1,428,157</u>		<u>1,357,260</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2009 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 2009

	Note	2009 £	2008 £
Cash inflow from operating activities	12	4,747,416	507,570
Returns on investments and servicing of finance			
Interest received		298,658	251,124
Taxation (paid)/recovered in the year		(71,606)	11,043
Capital expenditure			
Purchase of tangible fixed assets		(483,212)	(204,356)
Purchase of investments		(7,499)	-
Increase in cash in the period		<u>4,483,757</u>	<u>565,381</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £
Increase in cash in the period	4,483,757
Net funds at 1 April 2008	<u>4,831,215</u>
Net funds at 31 March 2009	<u>9,314,972</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 2009

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 over the period, or in the same period as the activities, to which they relate, whichever is appropriate.

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.

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
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009	2008
	£	£
Directors' remuneration		
Emoluments	295,856	314,178
Contribution to a money purchase pension scheme	15,090	20,711
	No.	No.
Number of directors who are members of a money purchase scheme	2	2
Remuneration of the highest paid director		
Emoluments	156,050	128,333
Company contributions to a money purchase scheme	11,611	10,333
	£	£
Employee costs during the year (including directors)		
Wages and salaries	4,329,558	4,641,493
Social security costs	512,573	521,441
Pension costs	348,030	379,668
	5,190,161	5,542,602

Average number of employees by category	2009			2008		
	Head Office	Performance Centres etc	Total	Head Office	Performance Centres etc	Total
Coaching and development strategy	2	1	3	15	-	15
Competitions	6	-	6	5	-	5
Chief Executive's Office & Board	6	-	6	6	-	6
Marketing and communications	10	-	10	12	1	13
Finance and operations	13	-	13	18	-	18
Sub-total - Strategy	37	1	38	56	1	57
Performance	21	47	68	12	44	56
Athletics Services	5	2	7	3	3	6
Total whole time equivalents	63	50	113	71	48	119
			2009			2008

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.

37	141
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UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

3. GRANTS RECEIVED

Grants include the following:

	2009	2008
	£	£
UK Sport	7,055,603	6,300,061
Sport England	1,013,994	1,103,725
World and European athletics bodies	32,487	55,972
National Sports Foundation	798,013	274,447
Other	185,940	130,160
	<u>9,086,037</u>	<u>7,864,365</u>

4. SURPLUS FROM OPERATING ACTIVITIES

Surplus from operating activities is stated after charging:

Auditors' remuneration	18,450	18,000
Operating lease expenditure – land and buildings	186,034	186,034
Operating lease expenditure – other	22,047	22,343
Impairment of investments	-	17,843
Depreciation of tangible fixed assets	<u>331,339</u>	<u>231,822</u>

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

5. TAX (CHARGE)/CREDIT ON ORDINARY ACTIVITIES

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

	2009	2008
	£	£
Current tax		
Corporation tax based on the surplus for the year	34,770	62,865
Adjustment in respect of prior periods	5,570	2,321
	<u>40,340</u>	<u>65,186</u>
Deferred tax		
Origination and reversal of timing differences	(35,718)	(78,897)
	<u>4,622</u>	<u>(13,711)</u>

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

The current tax charge arising in respect of the year is different from the standard rate of UK corporation tax of 28% (2008 - 30%). The differences are explained below.

	£	£
Surplus on ordinary activities before tax	75,519	303,049
Surplus multiplied by standard rate of 28% (2008:30%)	21,145	90,915
Effects of:		
Expenses not deductible for tax purposes	3,826	34,391
Movement in provisions	(24,786)	(11,912)
Interest received net of tax in previous periods not taxable	(10,546)	-
Depreciation in excess of capital allowances	61,229	1,602
Marginal relief	(10,308)	(12,472)
Prior year adjustment	5,570	2,321
Use of losses brought forward	(5,790)	(39,659)
Current tax charge for the year	<u>40,340</u>	<u>65,186</u>

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2008	255,981	626,330	64,515	946,826
Additions	-	315,458	167,754	483,212
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	255,981	941,788	232,269	1,430,038
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2008	99,018	308,283	36,620	443,921
Charge for the year	36,514	269,841	24,984	331,339
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	135,532	578,124	61,604	775,260
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2009	120,449	363,664	170,665	654,778
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2008	156,963	318,047	27,895	502,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. INVESTMENTS

	Investments in joint ventures £
Cost	
At 1 April 2008	50,001
Additions	7,499
Disposals	(50,001)
	<hr/>
At 31 March 2009	7,499
	<hr/> <hr/>
Diminution in value	
At 1 April 2008	17,843
Disposal in the year	(17,843)
	<hr/>
At 31 March 2009	-
	<hr/> <hr/>
Net book value	
At 31 March 2009	7,499
	<hr/> <hr/>
At 31 March 2008	32,518
	<hr/> <hr/>

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 March 2009

8. DEBTORS

	2009	2008
	£	£
Trade debtors	518,372	706,265
Other debtors	84,330	213,934
Deferred tax	133,218	97,500
Value added tax	-	211,799
Prepayments and accrued income	1,062,832	814,019
	<u>1,798,752</u>	<u>2,043,517</u>

**Movement on deferred taxation
balance in the period**

	2009	2008
	£	£
Opening balance	97,500	18,603
Credit to income and expenditure account	35,718	78,897
	<u>133,218</u>	<u>97,500</u>

Analysis of deferred tax balance

Capital allowances in excess of depreciation	125,297	88,684
Short term timing differences	7,921	8,816
	<u>133,218</u>	<u>97,500</u>

9. CASH

Cash balances include amounts received from Sports Councils which can only be used for the purpose for which the grant was awarded, and have not yet been spent.

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade creditors	1,034,127	570,084
Other taxation and social security	240,592	186,335
Other creditors	1,268,382	606,054
Deferred income	4,946,661	2,722,115
Corporation tax	31,599	62,865
Accruals	2,826,483	1,905,442
	<u>10,347,844</u>	<u>6,052,895</u>

11. ACCUMULATED FUND

	£
Balance at 1 April 2008	1,357,260
Surplus for the period	70,897
	<u>1,428,157</u>

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

	2009	2008
	£	£
Operating (deficit)/surplus	(223,139)	51,925
Disposal of investments	32,518	17,483
Depreciation	331,339	231,822
Decrease in debtors	280,483	1,559,459
Increase/(decrease) in creditors	4,326,215	(1,353,119)
	<u>4,747,416</u>	<u>507,570</u>

13. ANALYSIS OF NET FUNDS

	At 1 April 2008	Cash Flow	At 31 March 2009
	£	£	£
Cash at bank and in hand	<u>4,831,215</u>	<u>4,483,757</u>	<u>9,314,972</u>

UK ATHLETICS LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 March 2009

14. OPERATING LEASE COMMITMENTS

At 31 March 2009, the group had annual commitments under non-cancellable operating leases as set out below:-

	At 31 March 2009		At 31 March 2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	-	4,004	-	731
In second to fifth year	-	17,577	-	19,963
In more than five years	208,500	-	208,500	-
	<u>208,500</u>	<u>21,581</u>	<u>208,500</u>	<u>20,694</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.