

Registered number: 03686940

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	G D Arthur P J Avis D C Bedford S R Bowker N M Holl J R Orr S L Rowell P L Taylor A Wafula Strike
Company secretary	J R Orr
Registered number	03686940
Registered office	Athletics House Alexander Stadium Walsall Road Perry Barr Birmingham B42 2BE
Independent auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank Plc 125 Colmore Row Birmingham B3 3SF
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
UK Members Council	C Anthony L Clarke A Clements R Corry H England D Fraser J Gardener - President M Harris W Haxell A Minichiello M Nimmo N Rowe L Roy

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Business review

The Directors present their Strategic Report on the Company for the year ended 31 March 2018.

The undoubted Athletics highlight of the year was the successful staging of the IAAF World Championships and the IPC Athletics World Championships at the London Stadium in the Summer of 2017. The IAAF Championships were staged by London 2017 Limited and the IPC Championships staged by London Championships Limited. The Company and its team members played a vital role in the operation of the Local Organising Committees of both events.

The British Athletics Team secured a 6th place finish in the IAAF World Championships medal table. Two individual medals were delivered by Mo Farah and medals were also delivered by all four relay teams, the first time in history that a British Team has won medals in all four relay events.

The British Team secured a 3rd place finish in the IPC World Championships medal table. A total of 39 medals were secured (18 gold, 8 silver, 13 bronze), which was accompanied by 7 world records.

Congratulations are due to each athlete at both events, along with their coaches and support teams, for their performances.

The Company's continued investment in the sport of athletics was sustained with payment of the second and final tranche of prize money to London 2017 Limited totalling \$2.8m. In the previous year the first instalment of \$4.6m was made resulting in a total payment over the last two years of \$7.2m. This investment and investment of resources to support the IPC Athletics World Championships will generate future benefits for the Company and for the sport of athletics.

As expected, total income of £23,773,749 (2017: £24,668,470) is 4% lower than in the prior year. Commercial income from Athletics events totalled £7,022,609 (2017: £9,463,696), this was adversely impacted by the Muller Anniversary Games having one less day in the current year due to the staging of the World Championships in the year in the same stadium. This loss of income was partially compensated for by a rise in sponsorship income to £3,093,717 (2017: £2,771,956). Total expenditure of £23,129,552 (2017: £25,981,428) is 11% lower than in the prior year which is primarily due to the IAAF prize fund payment being \$2m (£1.8m) lower in the current year when compared to the previous year.

The resultant surplus after tax and before 'Other Comprehensive income' is £594,873 (2017: deficit £998,626).

The Company's total comprehensive income for the year is a surplus of £166,862 (2017: deficit of £1,125,563), after recognising other comprehensive expenditure of £428,011 (2017 expenditure: £128,937) relating to the reversal of exchange differences in connection with the Company's payment of US dollar prize money for the 2017 IAAF World Championships as referred to above.

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

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Going concern

The Directors have carefully considered the business plan for the period to 31 March 2021, and the extent to which risks arise might affect the applicability of the going concern basis of preparation of the financial statements. Based on this assessment, the Directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. In addition, the Company's assets are assessed for recoverability on a regular basis, and the Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt a going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the Directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

Key Performance Indicators

Key performance indicators are measured and reviewed on a regular basis to enable the business to set its performance targets and monitor its performance against these targets.

Financial key performance Indicators

Turning to the individual areas of operation, Income from grants and sponsorship dedicated to the World Class Performance Programme was £9.8m, an increase of 5%, principally due to increased sponsorship deals. Expenditure on this programme matched the income. The bulk of this income (£8.2m) is provided by UK Sport whose contribution is strictly ring-fenced to support the World Class Performance Programme and we are delighted with the results of our partnership with UK Sport.

Income for Major Events has reduced to £7m (down 26%) due to the loss of one day of the Muller Anniversary Games resulting in ticket sales reductions, and a reduction in related broadcast income. Costs have decreased to £7.1m (down 13 %) reflecting the shortened Muller Anniversary Games event.

Other Sponsorship, grants and income has increased to £6.9m (up 19%), largely due to additional income from the provision of the LOC for the two 2017 World Championships in Athletics.

Costs for development, governance and operations for the year at £6.2m (down 27%), have decreased due to the payment of the second tranche of prize money for the 2017 IAAF World Championships in Athletics, accounting for a decrease of £1.8m compared to the payment of £3.7m in the last financial year. The costs for the year also benefitted from the release of £1.1m of excess accruals that had accumulated over previous years.

The increase in employee costs of £0.8m (up 15%) compared to the prior year is due to inflation based payroll awards in the year, the additional staff costs associated with the delivery of the World Championships in 2017 and the effects of a restructure in the World Class Performance area to support the objectives of the Tokyo plan.

At the end of the financial year, the Company held an Income and Expenditure Reserve of £3.6m (2017: £3.0m) and a Cash Flow Hedge Reserve of nil (2017: £0.4m) with Net Current Assets of £3.6m (2017: £3.4m) and Tangible Fixed Assets of £0.05m (2017: £0.04m). These Current Assets include Bank balances of £11m which are £2m lower than in 2017, due to the unwinding of deferred income and accruals, and other working capital movements.

During the year the Company spent £0.03m on capital expenditure (2017: £0.01m) and did not dispose of any fixed assets (2017: Nil).

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Other key performance indicators

The following additional key performance indicators are measured and reviewed on a regular basis by the Directors to provide visibility of the organisation's performance from a non-financial information perspective:

UK Sport

UK Sport set UK Athletics milestone targets (MST's) for each year of the Olympic/Paralympic Cycle in order to ensure the sport is on track to the agreed Tokyo medal targets of 7-9 (Olympic) and 28-32 (Paralympic) medals. At the London 2017 Limited IAAF World Championships, the British Athletics Team won 2 gold, 3 silver and 1 bronze medal (against a target of 6-8 medals with 50% relay conversion) and achieved an additional 19 4th to 8th places (against a secondary UKS target of 3-5 additional top 8's). At the 2017 IPC Athletics World Championships, the Team won 14 gold, 8 silver and 10 bronze medals – in Tokyo medal events only (against a target of 26-30 medals).

Sport England

Performance metrics related to the health of the combined UK Athletics/Home Country Athletics Federations grass-roots and talent programmes were reset for the Tokyo cycle. Central to this is the formation of a new, coherent, sport-wide talent programme for both the Olympic and Paralympic streams. UK Athletics appointed a new Talent Director, in late 2017 and a new combined Talent plan for athletics is scheduled for presentation to the UK Athletics and HCAF Boards in the Autumn. Annual measures for progression of athletes through the Olympic and Paralympic pathways will be taken in December this year, and will be aligned to metrics for the new talent programme as a whole.

Major Events

There are a number of Key Performance Indicators relating to the staging of major events in one of the company's commercial agreements. These Key Performance Indicators were successfully achieved for the 2017 calendar year.

UK ATHLETICS LIMITED
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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Members and Board Attendance

Members of the UK Members Council and the Directors take an active participative role in UK Athletics. There were 153 attendances at meetings out of a possible 172 achieved – an attendance record of 89% (2017 – 82%). The attendances of individuals at the relevant meetings are set out in the table below.

Attendance at Meetings 1 April 2017 to 31 March 2018

(Attendances/Total meetings whilst a member)

	Board (Inc Special Board meetings)	UK Members Council	Audit Committee	Human Resource and Remuneration Committee	Performance Oversight Committee
G D Arthur	8/10			2/2	
P Avis	2/3		2/2		
D C Bedford	10/10				4/4
S R Bowker	10/10			2/2	
N E de Vos	10/10				
J Orr	4/4				
S L Rowell	9/10			2/2	4/4
S Smart	5/5		2/2		
K Taylor	6/6				
P L Taylor	8/10		4/4		
A Wafula Strike	8/10				2/4
E W Warner	5/5				
M Allen (Co-optee)			4/4		
C Anthony		4/4			
L Clarke		1/4			
A Clements		4/4			
R Corry		3/4			
H England		2/2			
D Fraser		4/4			
J Gardener		3/4			
W Haxell		3/4			
M Nimmo		3/4			
A Minichiello		2/2			
K Reed		3/3			
N Rowe		2/4			
L Roy		4/4			
T Soutar		1/1			
K Woods		1/1			

UK ATHLETICS LIMITED
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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Principal risks and uncertainties

The Senior Leadership Team maintains a risk register which is reviewed by the Audit Committee (a sub-committee of the Board), which in turn reports to the Board of Directors. Risks are managed actively and mitigation strategies implemented to reduce the Company's levels of risk.

Market risk

The Company's main exposure to market risk is considered to be the ability to secure future commercial income at the levels needed to support its strategic plans. A commercial rights agency is dedicated to securing sponsorship deals, and prompt renegotiation of major existing arrangements takes place well in advance of contract expiry. The Board is regularly updated with progress on mitigation of these risks.

Organisational risk

A significant risk to the organisation is the ability to attract, retain and develop world class coaches. A recent restructure, new appointments made within the National Performance Institute and a revised coach education programme, has placed the development of coaches at the heart of the Accelerated Elite Performance Development Programme. This will help attract world class coaches and reduce the attrition rate.

The ability to continue to stage future athletic events at both the London Stadium and at the Alexander Stadium is important if the Company is to build upon the successful staging of previous events. The executive remains focused on ensuring that both stadia continue to host UKA events over the coming years without interruption.

Environmental and Political risk

The Board is conscious of the ever changing security environment that the organisation operates in for its Major Events. The safety and security of all the stakeholders is a key priority and it is acknowledged that changing security requirements at the events may significantly affect costs. The Company continues to work with all venue operators and independent risk experts and security teams to ensure that appropriate measures are taken to mitigate this risk.

Another risk faced by the organisation is the risk to its UK Sport and Sport England funding should there be any performance or governance concerns raised by either organisation. The Company pays careful attention to its governance and control processes, as recorded in our self-assurance returns to UK Sport and Sport England, and have scheduled a programme of Risk Assurance work to help further underpin strong processes and strong corporate governance. The Company is pleased to report that it operates in full compliance with the Code for Sports Governance which is required as a prerequisite of our funding from these bodies for the 2017 to 2021 funding cycle.

The Board is conscious of the changing technological environment that the organisation operates in and is developing a digital strategy to ensure the Organisation is well placed for the future.

This report was approved by the Board on **28th NOVEMBER 2018** and signed on its behalf.



J R Orr
Company Secretary

UK ATHLETICS LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The Directors present their report and the audited financial statements for the year ended 31 March 2018.

Principal activity

The principal activities of the Company during the year were to carry out the functions of the National Governing Body of Athletics in the UK as required by the International Association of Athletics Federations and the International Paralympic Committee. In particular these responsibilities include the preparation and selection of Great Britain & Northern Ireland teams to compete in European and World Championships. The Company works in close partnership with UK Sport in the delivery and management of its elite performance programme.

The Company stages and promotes a number of televised athletics events, most notably two IAAF Diamond League meetings, which generate revenues to fund the operational costs of the National Governing Body and the services it provides.

The Company continues to provide strategic leadership in the development of the sport of athletics across the UK, working in partnership with UK Sport, Sport England, Central and Local Government, Home Country Athletics Federations, Clubs and Schools.

Results

The surplus after taxation for the year is £594,873 (2017: Deficit - £996,626) and the total comprehensive income for the year is a surplus of £166,862 (2017: Deficit - £1,125,563).

Reserves

The Company's Income and Expenditure Reserve as at 31 March 2018 stood at £3,623,499 (2017: £3,028,626). The Company has a nil cash flow hedge reserve (2017: £428,011).

Directors

The directors who served during the year were:

G D Arthur – Chair of Remuneration Committee, Equality & Diversity Champion. First term ends 31 August 2020.

P J Avis - Chair of Audit Committee. Appointed 8 December 2017. First term ends 7 December 2021.

D C Bedford – First term ends 29 February 2020.

S R Bowker - Appointed Chair 16 June 2017. First term ends 25 January 2021.

N E de Vos – Chief Executive Officer. Ex officio officer. (resigned 1 October 2018)

J R Orr – Chief Finance Officer and Company Secretary. Ex officio officer. Appointed 8 December 2017.

S L Rowell - Chair of Performance Oversight Committee. Final term ends 23 May 2020. (appointed 8 December 2017)

S Smart - Resigned 31 August 2017.

K Taylor - Resigned 30 September 2017.

P L Taylor - Senior Independent Director. First term ends 31 August 2020. (resigned 30 September 2017)

A Wafula Strike - First term ends 4 December 2018.

E W Warner - Resigned 16 June 2017.

Note – All Directors are independent except the Chief Executive Officer and the Chief Finance Officer. N M Holl was appointed as Interim Chief Executive Officer, Ex Officio officer on 24 October 2018.

Directors and Officers liability Insurance

Directors and Officers liability insurance has been purchased by the Company during the year.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

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, alongside the active operation of an employee forum, and an annual 2 day off site 'All Colleagues' strategy and operational meeting.

Volunteers

The Directors would like to offer their appreciation for all those individuals who have given their time and expertise freely for the benefit of athletics and without whom the wonderful sport of athletics could not take place. The invaluable efforts of volunteers involved in clubs, coaching, officiating, advisory groups, UK Members Council, our own events and other administrative roles are of inestimable worth to the sport of athletics. The Directors continue to give thanks and appreciation to each of our volunteers for their continued and valued contribution.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited 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 audited 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 profit or loss of the Company for that period.

In preparing these audited financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the audited 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 to enable them to ensure that the audited 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.

Matters covered In the Strategic Report

As permitted by paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the business review, key performance indicators and principal risks and uncertainties.

UK ATHLETICS LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Disclosure of information to auditors

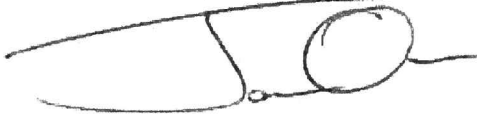
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

Post balance sheet events

There were no post balance sheet events which had an impact on the Company's Financial Statements.

This report was approved by the Board on 28th NOVEMBER 2018 and signed on its behalf.



J R Orr
Company Secretary

UK ATHLETICS LIMITED
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CORPORATE GOVERNANCE REPORT
AS AT 31 MARCH 2018

The Company seeks to adopt the highest principles of good corporate governance, and requires all Directors to act at all times in accordance with the Company's Board Code of Conduct. This ensures that the organisation operates in accordance with two of its key values of; integrity and accountability and this also contributes to the effectiveness and efficiency of the Company's operations. During the year it was confirmed that the Company operates in full compliance with the Code for Sports Governance which has been jointly issued by UK Sport and Sport England.

The Board ensures that appropriate policies and procedures are adopted and communicated to Directors, staff and volunteers. All policies are subject to a rolling 2-year review and approval cycle through the Board, sub committees and Senior Leadership meetings as deemed relevant.

The Company proactively addresses and manages any conflicts of interest that may arise with individual Directors. Where these result in a related party transaction, this is disclosed under the Related Party note of the Financial Statements as seen in note 24.

The Board has a number of sub committees as detailed below.

Audit Committee

The Board has appointed an Audit Committee comprising of a Chair and at least 1 other non-executive member of The Board, and a Co-optee.

The Committee meets at least three times a year. The Chief Executive Officer, the Chief Finance Officer and Head of Finance are invited to be present at each meeting.

Part of at least one meeting a year is set aside for the Committee to meet with the external auditors without the presence of the company's executive team. The Company's external statutory auditor for the year ended 31st March 2018 is haysmacintyre.

The 'Terms of Reference' document outlines the functions and responsibilities of the Committee. This document is reviewed annually by the Audit Committee and presented to the Board thereafter for approval. This was last reviewed by the Audit Committee and approved by the Board in January 2018.

The key tasks and responsibilities of the Committee are to:

- Make recommendation to the Board on the (re-) appointment of the Company's external auditors and their remuneration.
- Monitor the integrity of the financial statements, challenging where necessary management actions regarding significant financial reporting issues and any judgements therein. With particular focus on compliance with legislation and standards, critical accounting policies, decisions requiring significant areas of judgement, unusual transactions and the possible impairment of assets.
- Make recommendations to the Board as a result of the Annual Audit.
- Perform a review of financial reports provided to the Committee in order to highlight any material issues that should be brought to the attention of the Board.
- Review the effectiveness of the company financial reporting and internal control policies and procedures.
- Review the reports of audits and financial and or governance reviews conducted on behalf of UK Sport and Sport England.
- Review the effectiveness of the company's risk management strategy and underlying procedures for the identification, assessment, control and reporting of risks.
- Review the Business Continuity Plan and Crisis Simulation Test Reports.
- Review the company's whistleblowing policy on an annual basis to ensure appropriateness. Review Insurance Policies and cover annually.

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 MARCH 2018

The members of this Committee during the 2017-18 financial year were S Smart / P J Avis (Audit Committee Chairs), and P L Taylor, in addition M Allen is a co-optee to the Committee.

Human Resources and Remuneration Committee

The Board has appointed a Human Resources and Remunerations Committee which comprises of a Chairperson and at least two other non-executive Board members and meets at least twice a year. The Chief Executive Officer is to attend where discussions are taking place regarding Senior and Executive Managers salaries. The Head of Human Resources will also be asked to attend for those meetings where general remuneration is discussed.

The 'Terms of Reference' document outlines the functions and responsibilities of the Committee. This document is reviewed annually by the Audit Committee and presented to the Board thereafter for approval. This was last reviewed in September 2017 and approved by the Board in October 2017.

The key tasks and responsibilities of the Committee are to:

- Prepare a framework for remuneration of all staff, including the Senior Leadership Team, and the Board.
- Review and approve increases in remuneration of all staff with salaries in excess of £100,000 per annum.
- Ensure that a process is in place for annual review of pay for all employees.
- Prepare a framework for Employee Equality, Diversity and Engagement.
- Ensure that HR Policies and Procedures comply with relevant legislation and are aligned with the Company values.
- Monitor arrangements for the appointment, remuneration, suspension and dismissal of the members of the Senior Leadership Team.
- Carry out the annual appraisal of the Chief Executive Officer in conjunction with the Company's Chair.
- Recommend to the Board any remuneration of the Chief Executive Officer and Senior Leadership Team.

The members of this Committee during the 2017-18 financial year were S L Rowell, S R Bowker and G D Arthur.

Athletics Appointments Panel

The Board has an Athletics Appointment Panel to oversee senior Board and UK Members Council appointments. This Panel is established from time to time as required during the course of business.

The panel will usually consist of three members, being; Chair of the Board and two other independent Non-Executive Directors. Where five members are needed it will also consist of one other independent non-executive Director plus one other member selected on the basis of their skill and expertise in relation to the nature of the individual appointment to be considered by the Panel.

For appointments to Chair of the Board, a panel of five members shall be established.

The 'Terms of Reference' document outlines the functions and responsibilities of the Panel. This was last reviewed and approved by the Board in June 2018.

The key tasks and responsibilities of the Panel are to:

- Make recommendations to the Board on the appointment and removal of the Chair of the Board, The Chief Executive and other Board appointed Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 MARCH 2018

- Make recommendations to the UKMC Members on the appointment and removal of the President and Vice-President.

During the financial year 2017-18, the Athletics Appointments Panel met once to consider the following appointment: P J Avis – Panel consisted of S R Bowker, P L Taylor, J R Orr, R Knibbs and I Beattie.

Performance Oversight Committee

The Board has appointed a Performance Oversight Committee to oversee the performance strategy and provide the Board with assurance around the operational delivery of that strategy. This Committee meets at least 3 times a year.

The membership will consist of at least 3 Non-executive Directors. There is a minimum expectation that both the Performance Director and the Deputy Performance Director will attend each meeting.

The 'Terms of Reference' document outlines the functions and responsibilities of the Committee. This was last reviewed by the Committee in June 2017 and approved by the Board in July 2017.

The key tasks and responsibilities of the Committee are to:

- Provide a more in depth informed level of review to provide the Board with assurance in the operational delivery of the agreed performance strategy, particularly pertaining to identified risks.
- As delegated by the Board, to ratify performance decisions around policy philosophy, criteria and selection for the World Class Programme and international competitions.
- Review the effectiveness of the performance policies and procedures.
- Review UK Sport performance reports (Mission 2020) and where necessary make recommendations to the Board on actions required as a result of the review process.

The members of this committee during the 2017-18 financial year were S L Rowell (Chairperson), A Wafula Strike and D C Bedford.

EQUALITY, DIVERSITY AND INCLUSION REPORT
AS AT 31 MARCH 2018

The Company continues to strive to be the leading sport in Equality, Diversity and Inclusion (ED&I), by taking positive action to attract and retain diverse talent into the organisation. The Company, working closely with the Home Countries, is seeking to achieve the Equality Standard in Sport Advanced Level, through reviewing and amending process, policies and practices.

The Equality, Diversity & Engagement Lead along with the Equality, Diversity & Inclusion Board Champion have delivered the following initiatives during the year:

- Annual staff survey conducted with Action Plan developed.
- Values & Behaviours workshops rolled out to all staff as part of the integration of core values in staff appraisal process.
- Projects delivered to address gender, disability and LGBT equality – COACH and Women on Track, UKAbility and Stonewall Rainbow Laces campaign.
- ED&I Advocate roles introduced for staff to support the ED&I agenda internally and as part of their individual personal development plans.
- Collaboration with the company charity partner, Right to Play to highlight the importance of female role models.
- Staff engagement with culture awareness and ED&I activities.
- Code for Sports Governance Diversity Action Plan approved and rolled out.
- Induction process review to ensure ED&I is embedded from the outset for new starters.
- Roll out of Equality, Diversity & Inclusion 18-month programme for the Board and Senior Leadership Team.

The Company is proud to be a Disability Confident Leader and aims to address mental health in the workplace and supplier diversity by encouraging suppliers to become Disability Confident and review their Equality policies.

UK ATHLETICS LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK ATHLETICS LIMITED

Opinion

We have audited the financial statements of UK Athletics Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK ATHLETICS LIMITED (CONTINUED)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK ATHLETICS LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.



David Cox (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 24 November 2018

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
World class performance grants and related sponsorship		9,832,825	9,371,682
Major events and related sponsorship		7,022,609	9,463,696
Other sponsorship, grants and income		6,918,315	5,833,092
		<u>23,773,749</u>	<u>24,668,470</u>
World class performance, GB & NI team		(9,832,825)	(9,371,682)
Major events		(7,135,307)	(8,223,832)
Development, governance and operations		(6,161,420)	(8,385,914)
Operating profit/(loss)	5	644,197	(1,312,958)
Interest receivable and similar income	10	93,514	76,889
Profit/(loss) before tax		737,711	(1,236,069)
Tax on profit/(loss)	11	(142,838)	239,443
Profit/(loss) for the financial year		594,873	(996,626)
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		-	760,000
Unrealised surplus/(deficit) on revaluation of intangible assets		-	(144,400)
Unrealised deficit on revaluation of fixed asset investments		(528,410)	(934,878)
Unrealised surplus on impairment of tangible fixed assets		100,398	190,341
Other comprehensive income for the year		(428,012)	(128,937)
Total comprehensive income for the year		166,861	(1,125,563)

The notes on pages 20 to 41 form part of these financial statements.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03686940

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	53,293	37,920
Investments	14	11,256	11,255
		<u>64,549</u>	<u>49,175</u>
Current assets			
Debtors: amounts falling due within one year	15	2,768,303	2,260,959
Cash at bank and in hand	16	11,274,445	13,499,401
		<u>14,042,748</u>	<u>15,760,360</u>
Creditors: amounts falling due within one year	17	(10,483,799)	(12,352,898)
Net current assets		<u>3,558,949</u>	<u>3,407,462</u>
Total assets less current liabilities		<u>3,623,498</u>	<u>3,456,637</u>
Net assets		<u>3,623,498</u>	<u>3,456,637</u>
Reserves			
Cash flow hedge reserve	20	-	428,012
Accumulated fund - income and expenditure reserve	20	3,623,498	3,028,625
		<u>3,623,498</u>	<u>3,456,637</u>

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


J R Orr
Company Secretary


S R Bowker
Chair

Date: **28th NOVEMBER 2018**

Date: **28th NOVEMBER 2018**

The notes on pages 20 to 41 form part of these financial statements.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Cash flow hedge reserve £	Accumulated fund - income and expenditure reserve £	Total reserves £
At 31 March 2016	556,949	4,025,251	4,582,200
Comprehensive Income for the year			
Deficit for the year	-	(996,626)	(996,626)
Transfer to income and expenditure	(934,878)	-	(934,878)
Tax on transfer in the year	190,341	-	190,341
Fair value gains on hedging instrument	760,000	-	760,000
Tax charge for the year	(144,400)	-	(144,400)
At 31 March 2017	428,012	3,028,625	3,456,637
Comprehensive Income for the year			
Surplus for the year	-	594,873	594,873
Transfer to income and expenditure	(528,410)	-	(528,410)
Tax on transfer in the year	100,398	-	100,398
At 31 March 2018	-	3,623,498	3,623,498

The notes on pages 20 to 41 form part of these financial statements.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	594,873	(996,626)
Adjustments for:		
Depreciation of tangible assets	10,745	76,244
Foreign exchange (loss) / gain	(528,409)	1,156,709
Interest received	(93,514)	(76,889)
Taxation charge	142,838	(239,443)
(Increase)/decrease in debtors	(764,405)	22,095
(Decrease) in creditors	(1,966,738)	(1,150,910)
Corporation tax received/(paid)	312,259	(327,774)
Net cash generated from operating activities	(2,292,351)	(1,536,594)
Cash flows from Investing activities		
Purchase of tangible fixed assets	(26,118)	(22,341)
Purchase of fixed asset investments	(1)	-
Interest received	93,514	76,889
Net cash from Investing activities	67,395	54,548
Net (decrease) in cash and cash equivalents	(2,224,956)	(1,482,046)
Cash and cash equivalents at beginning of year	13,499,401	16,313,034
Effect of exchange rates on cash and cash equivalents	-	(1,331,587)
Cash and cash equivalents at the end of year	11,274,445	13,499,401
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,274,445	13,499,401
	11,274,445	13,499,401

The notes on pages 20 to 41 form part of these financial statements.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. General Information

UK Athletics Limited ('the Company') is a company limited by guarantee incorporated in the United Kingdom. The address of its registered office and principal place of business is Athletics House, Alexander Stadium, Walsall Road, Perry Barr, Birmingham, B42 2BE. The principal activities of the Company are to carry out the functions of the National Governing Body of athletics in the UK as required by the International Association of Athletics Federations. Further information regarding the Company's responsibilities is set out in the Directors' Report.

The Company is considered to be a public benefit entity for the following principal reasons:

- It undertakes activities to generate a surplus to fund its primary activities which include developing new programmes for athletics, co-ordinating United Kingdom and international athletics affairs and developing strategies for performance, development and competition
- It generates revenue with the sole aim of reinvesting funds into athletics rather than to provide a return to investors
- It provides services to the community by investing directly in athletics and broadening the reach of athletics to the general public and community
- It promotes the popularity of athletics by investing in athletics activities

The financial statements have been presented in Pounds Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

London 2017 Limited and London Championships Limited, companies limited by guarantee, were incorporated for the purpose of staging the 2017 IAAF World Championships in Athletics and World Para Athletics Championships, respectively, in London. The Company is a joint member of both these companies. Consolidated financial statements have not been prepared as the Company does not control these companies and hence these financial statements present the results of the Company and its subsidiary only.

The Company has a newly incorporated subsidiary, Athletics World Cup Limited, which has been established as a wholly owned company limited by shares. The Company has a 100% interest in Athletics World Cup Limited. Consolidated accounts have not been prepared for the Year Ended 31 March 2018 as Athletics World Cup Limited was a dormant company at that time.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Going concern

The Directors have carefully considered the business plan for the period to 31 March 2021, and the extent to which risks arising might affect the applicability of the going concern basis of preparation of the financial statements. Based on this assessment, the Directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. In addition, the Company's assets are assessed for recoverability on a regular basis, and the Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the Directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

2.4 Revenue Recognition

Income

Income represents amounts derived principally from grants receivable, Local Organising Committee services provided, event sponsorship, TV broadcasting and the sale of tickets to events, which fall within the Company's ordinary activities and arise primarily within the United Kingdom. Income is stated exclusive of value added tax.

(i) Grant revenue

Income arising from grants is recognised when there is reasonable assurance that any conditions attached to the grants are met and the grants are receivable. Grants are classified as relating to revenue, rather than capital, and grant income is recognised on a systematic basis over the period in which the related costs associated with the grant are recognised.

Income from grants includes Sport England Whole Sport Plan Award funding of £698,806 (2017: £500,824) for activities undertaken by UK Athletics. This award is an agreement between UK Athletics and Sport England, within which UK Athletics, under a passport agreement, also commissions England Athletics to undertake some of the activities and hence passes some of the grant funding directly to England Athletics following receipt from Sport England. UK Athletics acts as agent for this Sport England Award and hence the grant funding passed to England Athletics of £143,500 (2017: £3,762,819) is not recognised in the financial statements of the Company.

(ii) Sponsorship revenue

Income arising from sponsorship is normally recognised over the period of the sponsorship term. When the sponsorship is linked to a particular event or condition, revenue is recognised when the specific event has taken place or the condition has been met.

(iii) TV broadcasting revenue

Income arising from TV broadcasting is recognised when a major televised event is aired and is apportioned according to the number of days of the televised event.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

(iv) Ticket sales revenue

Income arising from event ticket sales is recognised when the event takes place.

(v) Value in kind revenue

Value in kind agreements, whereby sponsors provide goods or services in return for sponsorship benefits, are recognised at the relevant market value of the item received at the time of receipt. The gross value is recognised both as income and a corresponding expense.

(vi) Interest

Income is recognised as interest accrues using the effective interest rate method.

2.5 Intangible assets

Intangible assets are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is charged on a straight line basis to income and expenditure over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful lives are as follows:

Computer software	- 3 years
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Intangible assets are tested for Impairment where indication of Impairment exists at the reporting date.

2.6 Tangible fixed assets

Tangible fixed assets are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently tangible fixed assets are measured at cost less accumulated depreciation and Impairment losses.

Depreciation is charged so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10 years
Equipment, fixtures and fittings	- 5 years
Computer equipment	- 3 years

Tangible fixed assets are tested for impairment where an indication of impairment exists at the reporting date.

2.7 Investments in associates

Investments in associates are held at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments which comprise investments, cash and cash equivalents, trade and other receivables and trade and other payables. The Company has chosen to apply the provisions of FRS102 Section 11 Basic Financial Instruments and FRS102 Section 12 Other Financial Instruments in full.

Financial assets - classified as basic financial Instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received net of any impairment.

At the end of each reporting period the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognised immediately in income and expenditure.

(iii) Investments

The Company's equity investments are stated at cost less accumulated impairment losses. The Company's investments do not have a quoted market price in an active market. On this basis there is no reliable way to measure the fair value of the investments.

Financial liabilities - classified as basic financial Instruments

(i) Trade and other payables

Trade and other payables are initially measured at the transaction price including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts payable are classified as current liabilities where payment is due within one year. Where this is not the case, they are presented as due in more than one year. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

Financial Instruments - classified as complex financial Instruments

(v) Hedging arrangements

The Company does not use derivative Instruments to manage exposure to risks arising from holding financial Instruments, nor does the Company hold or Issue derivative financial instruments for speculative purposes.

The Company does apply hedge accounting to manage exposure to foreign currency risk arising from certain firm commitments associated with future events. The hedging relationship between the hedged item and the hedging instrument is designated as a cash flow hedge. Changes in the fair value of the hedging instrument, which is effective, are recognised in other comprehensive income and recognised within equity in a separate cash flow hedge reserve. Any ineffectiveness in the hedging relationship, being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge, is recognised in income and expenditure. Fair value gains or losses recognised in other comprehensive Income are reclassified to profit or loss when the hedge relationship ceases.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Operating leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.11 Retirement benefits

The Company operates a defined contribution pension scheme. Obligations for contributions to the defined contribution pension scheme are charged to income and expenditure in the period to which the contributions relate.

In addition, one employee is a member of The Teachers' Pension Scheme which is an unfunded defined benefit scheme operated by the UK Government on behalf of teachers in England. The Company has no claim over the assets of the scheme and has no liability to make good future shortfalls in the scheme except in so far as future service contribution rates may be revised by the Government Actuary. Contributions payable are charged to income and expenditure in the period to which the contribution relates.

2.12 Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

3.1 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The critical judgements that the Directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are specified below.

(i) Volunteer services

The Company relies on the assistance of unpaid general volunteers in carrying out its activities. Placing a monetary value on the contribution made by volunteers poses a significant challenge. Additionally, volunteers tend to complement the work of paid staff rather than replace them. These factors, together with the lack of a market comparator price for general volunteers, make it impracticable for their contribution to be measured reliably for accounting purposes and hence volunteer services are not recognised within these financial statements.

(ii) Investments in associate undertakings

The investments in London 2017 Limited and London Championships Limited are accounted for as investments in associate undertakings on the basis that the Company has significant influence over these entities. The Company has a 50% interest in both of these undertakings, which have been established as companies limited by guarantee. Due to the level of Board representation, the Company has the power to participate in the financial and operating policy decisions of each entity.

The Company has a 100% interest in the Athletics World Cup Limited which has been established as a company limited by shares. Consolidated accounts have not been prepared for the Year ended 31 March 2018 as the Athletics World Cup was a dormant company at that time.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified below:

(i) Investments in Diamond League AG and Athletics G5

The Company's shares in Diamond League AG are a prerequisite for the right to organise and stage two major televised events held in Great Britain. The share structure of Diamond League AG enables a collective approach to negotiating international TV rights and administering the Diamond League brand within one organisation.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. Judgments in applying accounting policies (continued)

The Company's shares in Athletics G5 are in relation to a partnership with French, German, Italian and Spanish counterparts with the aim to develop programmes and marketing rights, as well as the organisation of collective events that will be implemented by Athletics G5.

These shares are not freely transferrable, with certain specific requirements to be met by a prospective purchaser as set out in the shareholders' agreements, and there is no dividend income from ownership of the shares. The investments' fair values are therefore not considered to be separable from the value expected to be derived from hosting events or other activities of the entities in the future and accordingly the fair value is not able to be reliably determined.

The investments in Diamond League AG and Athletics G5 are therefore measured at cost less impairment.

(ii) Provision of bad and doubtful debts

At the end of each reporting period, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when management consider that there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts.

4. Turnover

An analysis of the Company's income by class and category of business is as follows:

	2018 £	2017 £
Grants receivable - UK Sport	8,260,995	8,299,762
Grants receivable - Sport England	698,806	500,824
Grants receivable - Other	516,619	338,224
Sponsorship and rights fees	7,415,334	6,754,301
TV broadcasting	2,421,795	2,944,953
Ticket sales	1,164,121	2,787,264
Local Organising Committee services	2,748,484	2,151,869
Other income	547,615	891,273
	<u>23,773,749</u>	<u>24,668,470</u>

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

An analysis of the Company's income by geographical market is as follows:

	2018 £	2017 £
United Kingdom	18,551,484	20,006,521
Rest of European Union	3,544,360	3,330,250
Other European	1,677,905	1,331,699
	<u>23,773,749</u>	<u>24,668,470</u>

In accordance with the Sport Governance Code, funding has been spent as follows:

	UK Sport	Sport England	Other Income	Total
Revenue Grants	8,260,995	698,806		8,959,801
Other Grants			516,619	516,619
Sponsorship Income			7,415,334	7,415,334
TV Broadcasting			2,421,795	2,421,795
Ticket Sales			1,164,121	1,164,121
LOC Services			2,748,464	2,748,464
Other Income			547,615	547,615
Total income	8,260,995	698,806	14,813,948	23,773,749
Overheads /Support costs	803,024	1,227	3,996,863	4,801,114
Performance	7,429,471	546,576	2,273,351	10,249,398
Coaching		151,003	212,306	363,309
TV Events			7,135,307	7,135,307
Competitions and International Relations	28,500		551,924	580,424
Total expenditure (before tax and interest)	8,260,995	698,806	14,169,751	23,129,552
Net income	-	-	644,197	644,197

Cash and Net Deferred/ (Accrued) Grant Reconciliation

	UK Sport	Sport England	Total
Opening Balance - deferred grants	35,000	210,000	245,000
Cash received in year	8,249,700	168,629	8,418,329
Released to P&L (to match expenditure)	(8,260,995)	(698,806)	(8,959,801)
Closing Balance - Net Deferred/ (Accrued) Grants	23,705	(320,177)	(296,472)

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. Operating surplus / (deficit)

The operating surplus / (deficit) is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	10,745	76,244
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	23,500	22,000
Other operating lease rentals - buildings	130,300	507,900
Other operating lease rentals - other	8,850	8,475
Foreign exchange gain on foreign currency hedge	(318,913)	(934,878)
Foreign exchange loss / (gain)	137,909	(221,830)

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	23,500	22,000
Audit-related assurance services	1,900	825
All other services	6,830	2,701

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. Employees

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

	2018 No.	2017 No.
World Class Performance	47	35
Major Events	12	14
Development, Governance and Operations	46	47
	<u>105</u>	<u>96</u>

Staff costs, including Director's remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	5,304,317	4,653,939
Social security costs	603,671	515,771
Staff pension costs	508,232	457,887
Long term incentive plan	85,053	28,635
	<u>6,501,273</u>	<u>5,656,232</u>

8. Remuneration of key management personnel

Aggregate remuneration for key management personnel was as follows:

	2018 £	2017 £
Wages and salaries	924,468	1,055,257
Staff pension costs	82,093	190,036
Long term incentive plan	85,053	28,635
	<u>1,091,614</u>	<u>1,273,928</u>

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. Directors' remuneration

	2018 £	2017 £
Emoluments including bonuses	463,443	440,910
Pension scheme contributions	23,585	67,615
Long term incentive plan	85,053	28,635
	<u>572,081</u>	<u>537,160</u>

The number of Directors who:

	2018 No.	2017 No.
Receive Remuneration (Average)	9	9
Are members of a money purchase pension scheme	<u>2</u>	<u>1</u>

Remuneration of highest paid Director

	2018 £	2017 £
Emoluments	211,650	191,486
Bonus	19,380	-
Pension scheme contributions	22,085	67,615
Long term incentive plan	85,053	28,635
	<u>338,168</u>	<u>287,736</u>

The Long term incentive plan of £85,053 in 2018 relates to the IAAF World Championships 2017 and the IPC Athletics World Championships 2017. The Company received fees totalling £142,720 (2017:£175,492) from London 2017 Limited and London Championships Limited for the provision of all services of the highest paid Director for those World Championship events. Pension contributions in 2017 include £34,000 sacrificed from the Long term incentive plan.

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. Directors' remuneration (continued)

	2018 £	2017 £
Non-Exec Directors		
S R Bowker	33,293	2,396
E W Warner	17,002	40,005
D C Bedford	13,425	13,161
G D Arthur	13,425	7,678
S L Rowell	13,425	20,061
A Wafula Strike	13,425	13,161
P J Avis	4,475	-
S Smart	5,594	13,161
W R Worth	-	13,161
P L Taylor	-	-
	<u>114,064</u>	<u>122,784</u>

10. Interest receivable

	2018 £	2017 £
Bank interest receivable on cash and cash equivalents	93,514	76,889
	<u>93,514</u>	<u>76,889</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on surplus / (deficit) for the year	95,726	(120,004)
Adjustments in respect of previous periods	-	(9,068)
	<u>95,726</u>	<u>(129,072)</u>
Total current tax	<u>95,726</u>	<u>(129,072)</u>
Deferred tax		
Origination and reversal of timing differences	47,112	(110,371)
Total deferred tax	<u>47,112</u>	<u>(110,371)</u>
Taxation on profit/(loss) on ordinary activities	<u>142,838</u>	<u>(239,443)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>737,711</u>	<u>(1,236,069)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	140,165	(247,214)
Effects of:		
Expenses not deductible for tax purposes	2,673	5,675
Adjustments to tax charge in respect of prior periods	-	(9,068)
Other differences	-	11,164
Total tax charge for the year	<u>142,838</u>	<u>(239,443)</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% is due to come into effect from 1 April 2020.

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation Included in other comprehensive income:

	2018 £	2017 £
Current tax:		
Corporation tax on fair value gain transfer at 19% (2017: 20%)	(100,398)	(190,341)
Deferred tax:		
Deferred tax charge at 19% (2017: 20%)	-	144,400
	<u>-</u>	<u>144,400</u>

12. Intangible assets

	Computer software £
Cost	
At 1 April 2017	633,210
At 31 March 2018	<u>633,210</u>
Amortisation	
At 1 April 2017	633,210
At 31 March 2018	<u>633,210</u>
Net book value	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

The above relates to computer software which is fully depreciated but still in use.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. Tangible fixed assets

	Leasehold Improvements £	Equipment, fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	63,814	412,097	114,847	595,758
Additions	11,548	14,570	-	26,118
At 31 March 2018	80,362	426,667	114,847	621,876
Depreciation				
At 1 April 2017	33,854	412,097	111,887	557,838
Charge for the year on owned assets	7,531	767	2,447	10,745
At 31 March 2018	41,385	412,864	114,334	568,583
Net book value				
At 31 March 2018	38,977	13,803	513	53,293
At 31 March 2017	34,960	-	2,960	37,920

14. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2017	-	11,255	11,255
Additions	1	-	1
At 31 March 2018	1	11,255	11,258
Net book value			
At 31 March 2018	1	11,255	11,256
At 31 March 2017	-	11,255	11,255

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Athletics World Cup Limited	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Athletics World Cup Limited	1
	<hr/> 1 <hr/>

Investments in subsidiaries

The Company has a newly incorporated subsidiary, Athletics World Cup Limited, which has been established as a wholly owned limited company. The Company has 100% of the issued share capital of £1 (2017: £nil)

Investments in equity interests

Investments in equity interests comprise equity share in Diamond League AG of CHF 12,000 and shares in Athletics G5 of €500.

Investments in associate undertakings

Investments in associate undertakings relate to the Company's interest in London 2017 Limited and London Championships Limited. The Company has a 50% interest in both of these undertakings. Both entities are Companies limited by guarantee and accordingly the cost of both investments is £nil (2017: £nil).

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. Debtors

	2018 £	2017 £
Trade debtors	837,576	494,814
Amounts due from associated undertakings	123,185	771,954
Other debtors	872,101	21,465
Prepayments and accrued income	849,711	629,937
Corporation Tax recoverable	-	310,345
Deferred taxation (see note 19)	85,730	32,444
	<u>2,768,303</u>	<u>2,260,959</u>

The amounts due from associated undertakings are interest free and repayable on demand.

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	11,274,445	13,499,401
	<u>11,274,445</u>	<u>13,499,401</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	795,639	752,065
Corporation tax	97,639	-
Other taxation and social security	355,628	728,111
Other creditors	613,949	944,401
Accruals	2,138,615	2,782,813
Deferred income	6,482,329	7,145,508
	<u>10,483,799</u>	<u>12,352,898</u>

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. Financial Instruments

	2018 £	2017 £
Financial assets		
Equity instruments measured at cost less impairment	11,256	11,255
Financial assets that are debt instruments measured at amortised cost	13,283,034	13,880,360
Financial assets designated within a hedging relationship	-	2,080,000
	<u>13,294,290</u>	<u>15,771,615</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>9,731,708</u>	<u>12,352,898</u>

Equity instruments measured at cost less impairment comprise investments.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and cash and cash equivalents.

Financial assets designated within a hedging relationship comprise cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade and other creditors.

Hedging arrangements

During a prior year the Company purchased US Dollars to mitigate the currency exposure on prize money payments to London 2017 Limited. During the year the final payment of US\$2,600,000 was paid to London 2017 Limited. The foreign exchange gain relating to the payment amounted to £528,409 has been transferred from Other Comprehensive Income to Income and Expenditure together with the associated tax charge.

19. Deferred taxation

	2018 £	2017 £
At beginning of year	32,444	66,473
Credited to income and expenditure account	(47,112)	110,371
Charged to other comprehensive income	100,398	(144,400)
At end of year	<u>85,730</u>	<u>32,444</u>

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

19. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	38,961	52,661
Short term other differences	46,769	(20,217)
	<u>85,730</u>	<u>32,444</u>

The company has no unrecognised unused tax losses, unused tax credits or unclaimed capital allowances; all timing differences have been recognised.

20. Reserves

Accumulated fund - income and expenditure reserve

This reserve comprises accumulated surpluses and deficits retained in previous periods and in the current period.

21. Retirement benefits

The Company operates a defined contribution plan which is available to all employees of the Company.

Contributions made into this plan are paid by the Company at rates specified in the rules of the scheme. The total amount recognised in Income and Expenditure during the period was £497,634 (2017: £447,479). As at the reporting date, amounts payable of £nil (2017: £nil) have not been paid over to the plan.

In addition, one employee is a member of The Teachers' Pension Scheme which is an unfunded defined benefit scheme operated by the UK Government on behalf of teachers in England. The Company has no claim over the assets of the scheme and has no liability to make good future shortfalls in the scheme except in so far as future service contribution rates may be revised by the Government Actuary.

Contributions made into this plan are paid by the Company at rates specified in the rules of the scheme. The total amount recognised in the Income and Expenditure account during the period was £10,598 (2017: £10,408). As at the reporting date all amounts been paid over to the scheme.

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

22. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	158,279	306,750
Later than 1 year and not later than 5 years	550,459	467,371
Later than 5 years	-	2,184
	<u>708,738</u>	<u>776,305</u>

A total of £139,150 (2017: £516,375) was recognised as an operating lease expense in the period.

23. Commitments and off balance sheet arrangements

In pursuing its principal activity, the Company makes various commitments to provide future funding to support and promote athletics in the UK. The provision of this funding is recognised in the financial statements as and when incurred.

The Company has not entered into any off balance sheet arrangements.

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

24. Related party transactions

The Company is a joint 50% member of London 2017 Limited along with the Greater London Authority. The Company recharged costs totalling £3,628,473 (2017: £3,564,636) to London 2017 Limited during the year, and a debtor balance of £123,185 (2017: £705,719) is outstanding from London 2017 Limited at the year end. The Company also provided London 2017 Limited \$2,600,000 to fund athletics prize money for the 2017 IAAF World Championships in Athletics.

The Company is a joint 50% member of London Championships Limited along with the Greater London Authority. The Company recharged costs totalling £793,570 (2017: £551,201) to London Championships Limited during the year, and a debtor balance of £Nil (2017: £66,235) is outstanding from London Championships Limited at the year end.

E Warner was Chairman of the Company to 16 June 2017 and is a Non-Executive Director of Grant Thornton. The Company entered into a Value in Kind agreement with Grant Thornton during the year where £192,380 (2017: £306,878) of staff costs were received from Grant Thornton and £192,380 (2017: £306,878) of commercial rights provided to Grant Thornton.

J Gardener, President of the Company, is a Trustee of London Marathon Events Limited as part of the presidents role with Youth Sports Trust. S Rowell, a non-executive Director of the Company, is a member of the Board of London Marathon Events Limited in the role of UK Athletics designated Board Director. D Bedford, a non-executive Director of the Company works as a consultant for London Marathon Events Limited. During the financial year the Company received grant funding and rights fees from London Marathon Limited £250,000 (2017: £250,000).

D Bedford, a non-executive Director of the Company, is an independent member of the UK Sport Gold Events Board. During the Financial year the Company received grant awards of £8,260,995 (2017: £8,299,762) from UK Sport.

25. Post balance sheet events

There were no post balance sheet events which had an impact on the Company's Financial Statements.

26. Controlling party

There is no parent undertaking and no ultimate controlling party.

27. 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 UK Members Council members, as defined in the Company's articles of Association.