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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

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**COMPANY INFORMATION**

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<b>Directors</b>	G D Arthur P J Avis D C Bedford C J Clark N M Holl J R Orr S L Rowell A Wafula Strike
<b>Company secretary</b>	J R Orr
<b>Registered number</b>	03686940
<b>Registered office</b>	Athletics House Alexander Stadium Walsall Road Perry Barr Birmingham B42 2BE
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Lloyds Bank Plc 125 Colmore Row Birmingham B3 3SF
<b>Solicitors</b>	Harper Macleod LLP The Ca'd'oro 45 Gordon Street Glasgow G1 3PE
<b>UK Members Council</b>	I Beattie A Clements R Corry H England J Gardener - President R Gibbard M Harris W Haxell A Minichiello M Nimmo S Perks

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**UK ATHLETICS LIMITED**  
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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The Directors present their Strategic Report on the Company for the year ended 31 March 2019.

**Athletics review**

The athletics highlights of the last year include excellent British Team performances at European Championship level. The British Athletics team performing in Berlin brought home an 18-medal haul, whilst the team that competed at the European Indoors in Glasgow in March won a superb 12 medals – the highest number ever – and more than any other nation competing at the championships.

Highlights from Berlin included a superlative triple gold haul for Dina Asher-Smith who won the women's 100m, 200m setting British Records and world leading times, before running the anchor leg for the women's 4x100m relay win.

The para athletics team enjoyed a similarly successful campaign in their respective European Championships in Berlin last summer winning 50 medals, as well as four athletes setting World Records during the summer season; Kare Adenegan T34 100m, Hollie Arnold F46 Javelin, Richard Chiassaro T54 800m and Sophie Hahn T38 200m.

Mo Farah made substantial progress in his transition to the marathon distance last autumn, setting a European marathon record in the Chicago marathon.

In other athletics disciplines the British team performed well across the year with the Mountain Running team bringing home two team medals from September's World Mountain Running Championships in Andorra, the IAU Trail team also achieving a brace of medals at their World Championship in Spain whilst the ultra runners enjoyed 24-hour race success in Romania also with two medals. Britain also claimed junior women's team gold in the European Cross-country championships, one of six medals they brought home from The Netherlands.

Across the year, from all age groups and disciplines indoors and out, an international championship total of 159 medals were won by GB & NI athletes.

Congratulations are due to all athletes, along with their coaches and support teams, for their performances.

**Financial review**

Total income of £24,569,213 (2018: £23,773,749) is 3% higher than in the prior year. Commercial income from Athletics events totalled £9,885,040 (2018: £7,022,609) is 41% higher than the prior year due to an additional day being staged at the Muller Anniversary Games compared to the previous year, the inclusion of revenues from the inaugural Athletics World Cup event, and an increase in profit share receipts from the Diamond League. Total expenditure of £25,699,845 (2018: £23,129,552) is 11% higher than in the prior year which is primarily due to the additional costs associated with the inaugural Athletics World Cup event, an additional one day of costs for the Anniversary Game event, offset by a reduction in costs due to the payment last year of the final tranche of the IAAF prize fund of \$2.6m.

The resultant loss after tax and before 'Other Comprehensive income' is £825,324 (2018: surplus £594,873).

The Company's total comprehensive income for the year is a loss of £825,324 (2018: surplus of £166,861), after recognising other comprehensive expenditure of £nil (2018 expenditure: £428,012) the prior year 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.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Going concern**

The Directors have carefully considered the financial forecasts for the period to 31 March 2022, 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 any material potential 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.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Financial key performance indicators**

Turning to the individual areas of operation, Income from grants and sponsorship dedicated to the World Class Performance Programme was £8.8m, a decrease of 10%, principally due to reduction in funding drawn down from the UK Sport grant. Expenditure on this programme matched the income. The bulk of this income (£7.2m) 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 increased to £9.9m (up 41%) principally due to reverting to a two-day Muller Anniversary Games and the additional income arising from the staging of the inaugural Athletics World Cup.

During the year the Board took the decision to invest in the start-up costs of the Athletics World Cup which was successfully staged at the London Stadium in the summer of 2018. The overall investment was in line with budgets agreed by the Board in the planning stages. It featured the top eight athletic nations competing in teams for the coveted Platinum Trophy. It was an innovative short format, finals only, exciting event with mass audience appeal reaching well beyond the traditional athletics fan base. The concept has been delivered and the Company is now looking to commercially build upon its success. Principally as a result of this investment, costs for Major Events have increased to £11.8m (up 65 %).

Other Sponsorship grants and income has decreased to £5.9m (down 15%), due to the previous year benefitting from additional income generated by the provision of Local Organising Committee services to the 2017 World Championships.

Costs for development, governance and operations for the year at £5.1m (down 17%), have decreased due to the payment of the second tranche of prize money (£1.8 Million) for the 2017 World Championships in the previous year.

The decrease in employee costs of £0.4 Million (down 7%) compared to the prior year is due to the inclusion of bonuses paid during the prior year and a reduction in the additional staff costs associated with the delivery of the World Championships in 2017.

At the end of the financial year, the Company held an Income and Expenditure Reserve of £2.8m (2018: £3.6m), this is comfortably in excess of the minimum reserves stipulated in the reserves policy approved by the Audit Committee. The Net Current Assets are £2.7m (2018: £3.6m) and Tangible Fixed Assets are £0.08m (2018: £0.05m). Included within the current assets is cash at bank of £10m which is a £1.2m reduction in comparison to the previous year.

During the year the Company spent £0.04m on capital expenditure (2018: £0.03m) and did not dispose of any fixed assets (2018: Nil).

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 formal milestone targets (MST's) throughout the Olympic/Paralympic Cycle at key World Championships in order to ensure the sport is on track to meet the agreed Tokyo medal targets. However, there were no formal medal targets for the European Championships held in Berlin in August 2018, where the British Athletics Team won 7 gold, 5 silver and 6 bronze medals. At the Para European Championships, also in Berlin, the Team won 20 gold, 14 silver and 16 bronze medals, (39 of which were won in Tokyo events). The European Indoor Championships in Glasgow saw a record number of medals won, as the British Athletics Team won 4 Gold, 6 Silver and 2 Bronze medals.

Although no formal medal targets were in place for these competitions, there were several specific targets relating to athletes achieving their Individual Athlete Plan (IAP) goals and relay team performances. These measures continue to indicate that UK Athletics is on track to achieve the Tokyo Medal targets. The next key focus for medals will now be at the World Championships in Doha and Dubai in September 2019 and November 2019 respectively.

**Sport England**

Performance metrics related to the development of a talent pathway are agreed with Sport England. The core target is the production of 7-9 athletes that are capable of progression to the Olympic and Paralympic World Class programmes. This was successfully achieved in December 2018, with 8 athletes meeting this standard. Milestone targets included the development of an aligned Talent Pathway Framework and plan across the Home Country Athletic Federations (HCAF's). The Talent Plan was agreed by UK Athletics and HCAFs in the Autumn 2018 with headline performance measures for the identification, development, progression and productivity of the talent system. A consistent national athlete tracking system to monitor the progression of individual athletes is under development and planned to be operational in December 2019.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**Members and Board Attendance**

Members of the UK Members Council and the Directors take an active participative role in UK Athletics. During the year there were 150 attendances at meetings out of a possible 161 – an overall attendance record of 93% (2018 – 89%).

The table below sets out the attendance records of various individuals during the financial year at meetings that they are eligible to attend.

**Attendance at Meetings 1 April 2018 - 31 March 2019**

	<b>Board (Inc Special Board meeting)</b>	<b>UK Members Council</b>	<b>Audit Committee</b>	<b>Remuneration Committee</b>	<b>Performance Oversight Committee</b>
G D Arthur	8/8			3/3	
P Avis	8/8		4/4		
D C Bedford	8/8				2/2
S R Bowker	7/7		2/3	2/2	
N E de Vos	3/3		1/1	2/2	
N M Holl	3/3		2/3	1/1	
J Orr	7/7		4/4	3/3	
S L Rowell	8/8		1/1	2/2	2/2
P L Taylor	8/8		3/4		
A Wafula Strike	6/8			1/1	1/2
M Allen (COOPTEE)			4/4		
C Anthony		4/4			
I Beattie		3/4			
A Clements		3/4			
R Corry		3/4			
H England		3/4			
D Fraser		4/4			
J Gardener		4/4			
R Gibbard		1/1			
W Haxell		3/4			
M Harris		4/4			
M Nimmo		4/4			
A Minichiello		4/4			
M Munro		1/1			
R Yates		1/1			
N Rowe		2/2			



**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 and media 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 Company has engaged various third parties to assist it to develop and exploit current and potential media arrangements. The current broadcast arrangements with the BBC are due to expire at the end of 2020, exploiting wider media opportunities and contracting broadcast arrangements for 2021 and beyond will be a major focus for the Company in the coming year.

**Organisational risk**

A risk to the organisation is the ability to attract, retain, and develop coaches capable of working with our world class athletes at the appropriate level. This has previously been addressed through utilising overseas coaching talent to supplement British home-grown coaches. The currently commissioned coaching review will address this issue with long term solutions in mind – better and more focused development and commitment to British coaches and equipping them with the skills to coach successfully in the world class arena.

The ability to continue to stage future athletic events at both the London Stadium and at 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 successful UKA events over the coming years – both domestic televised events and also through successful bids to host International events.

**Environmental and Political risk**

The Board is conscious of the ever-changing security environment and the safety and security of all the stakeholders is a key priority. The Company continues to work with venue operators and independent risk experts and security teams to ensure that appropriate measures are taken to mitigate this risk.

There is a risk faced by the Company in respect of 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 various reporting to both UK Sport and Sport England. The Company also seeks to have a strong transparent day to day relationship with both bodies 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 funding from these bodies for the 2017 to 2021 funding cycle.

As noted previously the Board is conscious of the changing commercial and media environment and with the assistance of experts is developing new commercial strategies to ensure the Company is well placed for the future.

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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This report was approved by the Board on 15<sup>th</sup> October 2019 and signed on its behalf.



**J R Orr**  
Company Secretary

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**UK ATHLETICS LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The Directors present their report and the audited financial statements for the year ended 31 March 2019.

**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 Olympic, Paralympic, 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 showcase the sport, gives further opportunity for British athletes to perform on a global stage and generates 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 HCAF's, UK Sport, Sport England, Central and Local Government, Clubs and Schools.

**Results**

The deficit after taxation for the year is £825,324 (2018: Surplus - £594,873) and the total comprehensive income for the year is a deficit of £825,324 (2018: Surplus - £166,861).

**Reserves**

The Company's Income and Expenditure Reserve as at 31 March 2019 stood at £2,798,174 (2018: £3,623,498).

**Directors**

The directors of the Company during the period, and up to the date of this report were as follows:

G D Arthur - Chair of Remuneration Committee, Equality & Diversity Champion. First term ends 31 August 2020.  
P J Avis - Senior Independent Director. Chair of Audit Committee. First term ends 7 December 2021.  
D C Bedford - First term ends 29 February 2020.  
S R Bowker - Resigned 31 January 2019.  
C J Clark - Chair. Appointed 1 July 2019.  
N E de Vos - Resigned 1 October 2018.  
N M Holl - Chief Executive Officer (Interim). Ex officio officer. Appointed 24 October 2018.  
J R Orr - Chief Finance Officer and Company Secretary. Ex officio officer.  
S L Rowell - Chair of Performance Oversight Committee. Final term ends 23 May 2021.  
P L Taylor - Resigned 19 June 2019.  
A Wafula Strike - Final term ends 4 December 2022.

**Note – All Directors are independent except the Chief Executive Officer and the Chief Finance Officer.**

On 16 January 2019 it was announced that Richard Bowker had decided to step down as Chair and would leave the organisation on 31 January 2019. Sarah Rowell assumed the duties and responsibilities of the Chair on an interim basis until the appointment of Chris Clark on 1 July 2019.

On 14 September 2018 it was also announced that the Chief Executive Officer Niels de Vos would be leaving the organisation after eleven years at the end of September 2018. During his period of leadership British Athletics

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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became firmly established as one of the nation's most successful sporting teams. In addition British Athletics delivered the hugely successful IAAF World Championships and World Para Athletics Championships and established the Anniversary Games. Nigel Holl assumed the role of interim Chief Executive Officer.

On 22 August 2019 it was announced by the Company that Zara Hyde Peters OBE had been appointed as Chief Executive Officer.

The Board wishes to express its gratitude to Richard, Niels and Nigel for their hard work, dedication and leadership over this period.

**Directors and Officers Liability Insurance**

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

**Employee involvement**

The Company has continued its practice of keeping employees informed of the factors affecting the performance of the Company and other matters affecting them as employees. This is achieved through regular staff meetings at the offices at Alexander Stadium and at Loughborough, alongside the active operation of an employee forum, and an annual 2 day off site 'All Colleagues' strategy and operational meeting. The last 12 months have seen the introduction of Equality Diversity and Inclusion advocates leading on staff interaction and engagement in various initiatives throughout the year.

**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 sport of athletics could simply 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.

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**UK ATHLETICS LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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.

**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.

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**UK ATHLETICS LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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This report was approved by the Board on 15<sup>th</sup> October 2019 and signed on its behalf.

  
J R On  
Company Secretary

**CORPORATE GOVERNANCE REPORT**  
**AS AT 31 MARCH 2019**

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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. 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 to 4-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 Chair, Chief Executive Officer, Chief Financial 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 2019 is Haysmacintyre LLP.

The 'Terms of Reference' document outlines the functions and responsibilities of the Committee. This document is reviewed every four years 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 recommendations 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.

**CORPORATE GOVERNANCE REPORT (continued)**  
**AS AT 31 MARCH 2019**

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- Review the Company's whistleblowing policy on an annual basis to ensure appropriateness.
- Review Insurance Policies and cover annually.

The members of this Committee during the 2018-19 financial year were P J Avis (Chair), 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 Chair and at least two other non-executive Board members.

The Committee meets at least twice a year. The Chief Executive Officer, Chief Financial Officer and Head of Human Resources are invited to be present at each meeting.

The 'Terms of Reference' document outlines the functions and responsibilities of the Committee. This document is reviewed every four years by the Human Resources and Remuneration Committee and presented to the Board thereafter for approval. This was last reviewed in November 2018 and approved by the Board in December 2018.

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 are aligned with the Company's 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 2018-19 financial year were G D Arthur (Chair), S R Bowker, S L Rowell and A Wafula Strike.

**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.



**CORPORATE GOVERNANCE REPORT (continued)**  
**AS AT 31 MARCH 2019**

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

During the financial year 2018-19, the Athletics Appointments Panel met once to consider the following appointment: N M Holi (Interim Chief Executive Officer) – Panel consisted of S R Bowker, S L Rowell and G D Arthur.

The whole Board additionally approved the appointment of S L Rowell as Interim Chair.

**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 usually meets at least three times a year, however it met only twice in the year to 31 March 2019.

The membership will consist of at least 3 Non-executive Directors. The Chief Executive Officer is invited to be present at each meeting and there is a minimum expectation that either the Performance Director or 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 2018-19 financial year were S L Rowell (Chair), A Wafula Strike and D C Bedford.

**EQUALITY, DIVERSITY AND INCLUSION REPORT**  
**AS AT 31 MARCH 2019**

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The Company continues to strive to be the leading sport in Equality, Diversity and Inclusion, by taking positive action to attract and retain diverse talent into the organisation. The Company, working closely with the Home Country Athletic Federations, is seeking to achieve the Equality Standard in Sport Advanced Level, through creating an inclusive organisation by reviewing and amending process, policies and practices.

The Equality Diversity & Engagement Lead along with the newly formed Equality Diversity & Inclusion Advocate Group have successfully delivered the following initiatives during the year:

- Diversity Profile staff survey conducted to provide a clearer picture of the organisation's diversity in order to implement processes to support staff.
- National Inclusion Week was celebrated whereby various staff activities were undertaken with the attendance of a number of external speakers.
- The Stonewall Rainbow Laces campaign was visible at both the indoor and outdoor British Championships.
- Collaboration with UK Sport, Sport England and Vercida to deliver an event for Transgender Awareness Week showcasing the work the Company is undertaking in this space.
- Collaboration with Parliament's BAME Network – ParliReach, to host the 'COACH' project at the Houses of Parliament, supported by the former Sports Minister, Tracey Crouch and other Members of Parliament and Sporting Equals.
- Staff engagement with cultural awareness and ED&I activities including staff features for the 70th Anniversary of Windrush and International Women's Day featuring female Officials.
- Partnership with The Hive College who continue to offer six-week work placements for young adults with a learning and/or physical disability.
- Code for Sports Governance Diversity Action Plan is live on the British Athletics website and continues to be monitored.

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. The Company also signed the Time to Change Employer Pledge which demonstrates the commitment to support staff with mental health issues.

The Company was recognised in the Vercida Awards as Top 10 inclusive employers for Gender, LGBT, Disability and BAME.

The Company signed the Race at Work Charter which means that the Company will take practical steps to ensure the workplace is tackling barriers that ethnic minority people face in recruitment and progression and that the organisation is representative of British society today and the sport.

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

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**Opinion**

We have audited the financial statements of UK Athletics Limited (the 'Company') for the year ended 31 March 2019, 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 2019 and of its loss 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.

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

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**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.

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

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

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**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement on page 10, 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](http://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 LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG  
Date:

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
World class performance grants and related sponsorship		8,830,962	9,832,825
Major events and related sponsorship		9,885,040	7,022,609
Other sponsorship, grants and income		5,853,211	6,918,315
		<u>24,569,213</u>	<u>23,773,749</u>
World class performance, GB & NI team		(8,830,962)	(9,832,825)
Major events		(11,780,235)	(7,135,307)
Development, governance and operations		(5,088,648)	(6,161,420)
<b>Operating (loss)/profit</b>	5	(1,130,632)	644,197
Interest receivable and similar income	10	138,954	93,514
<b>(Loss)/profit before tax</b>		<u>(991,678)</u>	<u>737,711</u>
Tax on (loss)/profit	11	166,354	(142,838)
<b>(Loss)/profit for the financial year</b>		<u>(825,324)</u>	<u>594,873</u>
<b>Other comprehensive income for the year</b>			
Unrealised deficit on revaluation of fixed asset investments		-	(528,410)
Unrealised surplus on impairment of tangible fixed assets		-	100,398
<b>Other comprehensive income for the year</b>		-	(428,012)
<b>Total comprehensive income for the year</b>		<u>(825,324)</u>	<u>166,861</u>

The notes on pages 23 to 44 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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	77,908	53,293
Investments	14	11,259	11,256
		<u>89,167</u>	<u>64,549</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	2,027,095	2,768,303
Cash at bank and in hand	16	10,044,556	11,274,445
		<u>12,071,651</u>	<u>14,042,748</u>
Creditors: amounts falling due within one year	17	(9,362,644)	(10,483,799)
<b>Net current assets</b>		<u>2,709,007</u>	<u>3,558,949</u>
<b>Total assets less current liabilities</b>		<u>2,798,174</u>	<u>3,623,498</u>
<b>Net assets</b>		<u>2,798,174</u>	<u>3,623,498</u>
<b>Capital and reserves</b>			
Profit and loss account	20	<u>2,798,174</u>	<u>3,623,498</u>
		<u>2,798,174</u>	<u>3,623,498</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**

Date: 15<sup>th</sup> October 2019



**C J Clark**  
**Chair**

Date: 15<sup>th</sup> October 2019

The notes on pages 23 to 44 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 2019**

	Cash flow hedge reserve £	Accumulated fund - income and expenditure reserve £	Total reserves £
<b>At 31 March 2017</b>	<b>428,012</b>	<b>3,028,625</b>	<b>3,456,637</b>
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
<b>At 31 March 2018</b>	<b>-</b>	<b>3,623,498</b>	<b>3,623,498</b>
Deficit for the year	-	(825,324)	(825,324)
<b>At 31 March 2019</b>	<b>-</b>	<b>2,798,174</b>	<b>2,798,174</b>

The notes on pages 23 to 44 form part of these financial statements.



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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss) / profit for the financial year	(825,324)	594,873
<b>Adjustments for:</b>		
Depreciation of tangible assets	15,016	10,745
Foreign exchange gain / (loss)	-	(528,409)
Interest received	(138,954)	(93,514)
Taxation (credit) / charge	(166,354)	142,838
Decrease / (increase) in debtors	908,101	(764,405)
Decrease in creditors	(1,023,516)	(1,966,738)
Corporation tax (paid)/received	(99,178)	312,259
<b>Net cash generated from operating activities</b>	<b>(1,329,209)</b>	<b>(2,292,351)</b>
<b>Cash flows from Investing activities</b>		
Purchase of tangible fixed assets	(39,631)	(26,118)
Purchase of fixed asset investments	(3)	(1)
Interest received	138,954	93,514
<b>Net cash from investing activities</b>	<b>99,320</b>	<b>67,395</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,229,889)</b>	<b>(2,224,956)</b>
Cash and cash equivalents at beginning of year	11,274,445	13,499,401
<b>Cash and cash equivalents at the end of year</b>	<b>10,044,556</b>	<b>11,274,445</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	10,044,556	11,274,445
	<b>10,044,556</b>	<b>11,274,445</b>

The notes on pages 23 to 44 form part of these financial statements.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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's 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 subsidiaries only.

The Company has two newly incorporated subsidiaries, Athletics World Cup Limited and Track and Field World Cup Limited, which have been established as wholly owned companies limited by shares. The Company has a 100% interest in both companies. Consolidated accounts have not been prepared for the Year Ended 31 March 2019 due to the immaterial nature of the subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The Directors have carefully considered the financial forecasts for the period to 31 March 2022, 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 any material potential 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 £760,015 (2018: £698,806) 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 £574,000 (2018: £574,000) 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 2019**

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**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 and 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 2019**

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**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 2019**

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**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**

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Payments made under operating lease arrangements are charged to income and expenditure on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within income and expenditure on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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 2019**

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**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 both the Athletics World Cup Limited and Track and Field World Cup Limited which have been established as companies limited by shares. Consolidated accounts have not been prepared for the Year ended 31 March 2019 due to the immaterial nature of the subsidiaries.

**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.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**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:

	2019 £	2018 £
Grants receivable - UK Sport	7,171,070	8,260,995
Grants receivable - Sport England	760,015	698,806
Grants receivable - Other	296,577	516,619
Sponsorship and rights fees	7,549,327	7,415,334
TV broadcasting	3,030,416	2,421,795
Ticket sales	3,086,831	1,164,121
Local Organising Committee services	200,000	2,748,464
Other income	2,474,977	547,615
	<u>24,569,213</u>	<u>23,773,749</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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An analysis of the Company's income by geographical market is as follows:

	2019 £	2018 £
United Kingdom	19,348,074	18,551,484
Rest of European Union	3,755,051	3,544,360
Other European	1,466,088	1,677,905
	<u>24,569,213</u>	<u>23,773,749</u>

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

	<b>UK Sport</b>	<b>Sport England</b>	<b>Other Income</b>	<b>Total</b>
Revenue Grants	7,171,070	760,015		7,931,085
Other Grants	.	.	296,577	296,577
Sponsorship Income	.	.	7,549,327	7,549,327
TV Broadcasting	.	.	3,030,416	3,030,416
Ticket sales	.	.	3,086,831	3,086,831
LOC Services	.	.	200,000	200,000
Other Income	.	.	2,474,977	2,474,977
<b>Total income</b>	<b>7,171,070</b>	<b>760,015</b>	<b>16,638,128</b>	<b>24,569,213</b>

Overheads /Support costs	760,224	.	3,175,671	3,935,895
Performance	6,377,346	571,016	1,882,600	8,830,962
Coaching	.	188,999	240,960	429,959
TV Events	.	.	11,780,235	11,780,235
Competitions and International Relations	33,500	.	689,294	722,794
<b>Total expenditure (before tax and interest)</b>	<b>7,171,070</b>	<b>760,015</b>	<b>17,768,760</b>	<b>25,699,845</b>

<b>Net income</b>	-	-	(1,130,632)	(1,130,632)
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**Cash and Net Deferred/ (Accrued) Grant Reconciliation**

	<b>UK Sport</b>	<b>Sport England</b>	<b>Total</b>
Opening Balance - deferred grants	23,705	(320,177)	(296,472)
Cash received in year	7,399,365	1,135,133	8,534,498
Released to P&L (to match expenditure)	(7,171,070)	(760,015)	(7,931,085)
<b>Closing balance - Net Deferred/ (Accrued) Grants</b>	<b>252,000</b>	<b>54,941</b>	<b>306,941</b>

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

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

	2019 £	2018 £
Depreciation of tangible fixed assets	15,016	10,745
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	24,250	23,500
Operating Lease Rentals - Buildings	150,898	130,300
Operating Lease Rentals - Other	56,927	8,850
Foreign exchange gain on foreign currency hedge	-	(318,913)
Foreign exchange (gain)/loss	(317,210)	137,909

**6. Auditors' remuneration**

Audit-related assurance services	24,250	23,500
All other assurance services	-	1,900
All other services	11,540	6,830

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**7. Employees**

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

	2019 No.	2018 No.
World Class Performance	47	47
Major Events	14	12
Development, Governance and Operations	43	46
	<u>104</u>	<u>105</u>

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

	2019 £	2018 £
Wages and salaries	4,987,392	5,304,317
Social security costs	571,236	603,671
Staff pension costs	501,018	508,232
Long term incentive plan accrual	-	85,053
	<u>6,059,646</u>	<u>6,501,273</u>

**8. Remuneration of key management personnel**

Aggregate remuneration for key management personnel was as follows:

	2019 £	2018 £
Wages and salaries	873,702	924,468
Staff pension costs	75,971	82,093
Long term incentive plan accrual	-	85,053
	<u>949,673</u>	<u>1,091,614</u>

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**9. Directors' remuneration**

	2019 £	2018 £
Emoluments including bonuses	537,797	463,443
Pension scheme contributions	16,954	23,585
Long term incentive plan	-	85,053
	<u>554,751</u>	<u>572,081</u>
	2019 No	2018 No
The number of Directors who:		
Receive Remuneration (Average)	8	9
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>

**Remuneration of highest paid Director**

	2019 £	2018 £
Emoluments	186,169	211,650
Bonus	-	19,380
Pension scheme contributions	10,000	22,085
Long term incentive plan	-	85,053
	<u>196,169</u>	<u>338,168</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 £Nil (2018: £142,720) from London 2017 Limited and London Championships Limited for the provision of all services of the highest paid Director for those World Championship events.

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**9. Directors' remuneration (continued)**

	2019 £	2018 £
<b>Non-Exec Directors</b>		
S R Bowker	34,003	33,293
E W Warner	-	17,002
D C Bedford	13,693	13,425
G D Arthur	13,693	13,425
S L Rowell	18,078	13,425
A Wafula Strike	13,693	13,425
P J Avis	13,693	4,475
S Smart	-	5,594
P L Taylor	-	-
	<u>106,853</u>	<u>114,064</u>

**10. Interest receivable**

	2019 £	2018 £
Bank interest receivable on cash and cash equivalents	<u>138,954</u>	<u>93,514</u>
	<u>138,954</u>	<u>93,514</u>

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**11. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on (loss) / profit for the year	(99,161)	95,726
Adjustments in respect of previous periods	1,539	-
	<u>(97,622)</u>	<u>95,726</u>
<b>Total current tax</b>	<u>(97,622)</u>	<u>95,726</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(68,732)	47,112
<b>Total deferred tax</b>	<u>(68,732)</u>	<u>47,112</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(166,354)</u>	<u>142,838</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(991,678)</u>	<u>737,711</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(188,459)	140,165
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,389	2,673
Adjustments to tax charge in respect of prior periods	1,539	-
Other differences	18,177	-
<b>Total tax charge for the year</b>	<u>(166,354)</u>	<u>142,838</u>

**Factors that may affect future tax charges**

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



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**11. Taxation Included In other comprehensive Income:**

	2019 £	2018 £
<b>Current tax:</b>		
Corporation tax on fair value gain transfer at 19% (2018: 19%)	-	(100,398)
<b>Deferred tax:</b>		
Deferred tax charge at 19% (2018: 19%)	-	-
	<u>-</u>	<u>-</u>

**12. Intangible assets**

	Computer software £
<b>Cost</b>	
At 1 April 2018	633,210
At 31 March 2019	633,210
<b>Amortisation</b>	
At 1 April 2018	633,210
At 31 March 2019	633,210
<b>Net book value</b>	
At 31 March 2019	-
At 31 March 2018	-

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

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**13. Tangible fixed assets**

	Leasehold Improvements £	Equipment, fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	80,362	426,667	114,847	621,876
Additions	-	39,631	-	39,631
At 31 March 2019	80,362	466,298	114,847	661,507
<b>Depreciation</b>				
At 1 April 2018	41,385	412,864	114,334	568,583
Charge for the year on owned assets	7,819	6,684	513	15,016
At 31 March 2019	49,204	419,548	114,847	583,599
<b>Net book value</b>				
At 31 March 2019	31,158	46,750	-	77,908
At 31 March 2018	38,977	13,803	513	53,293

**14. Fixed asset investments**

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	1	11,255	11,256
Additions	3	-	3
At 31 March 2019	4	11,255	11,259

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**14. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Athletics World Cup Limited	as above	Ordinary	100%
Track and Field World Cup Limited	as above	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit/(Loss)</b>
	<b>£</b>	<b>£</b>
Athletics World Cup Limited	(2,538)	(2,540)
Track and Field World Cup Limited	2	-

**Investments in subsidiaries**

The Company has two newly incorporated subsidiaries, Athletics World Cup Limited and Track and Field World Cup Limited, which have been established as wholly owned limited companies. The Company has 100% of the issued share capital of £2 for each entity.

**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 (2018: £nil).

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**15. Debtors**

	2019 £	2018 £
Trade debtors	516,569	837,576
Amounts owed by joint ventures and associated undertakings	490	123,185
Other debtors	586,915	872,101
Prepayments and accrued income	669,498	849,711
Corporation tax receivable	99,161	-
Deferred taxation (see note 19)	154,462	85,730
	<u>2,027,095</u>	<u>2,768,303</u>

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

**16. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	10,044,556	11,274,445
	<u>10,044,556</u>	<u>11,274,445</u>

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

	2019 £	2018 £
Trade creditors	963,047	795,639
Corporation tax	-	97,639
Other taxation and social security	623,323	355,627
Other creditors	559,350	613,949
Accruals and deferred income	7,216,924	8,620,945
	<u>9,362,644</u>	<u>10,483,799</u>

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**18. Financial Instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Equity instruments measured at cost less impairment	11,259	11,256
Financial assets that are debt instruments measured at amortised cost	11,383,445	13,757,043
	<u>11,394,704</u>	<u>13,768,299</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>3,118,001</u>	<u>3,548,204</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, accrued income, amounts owed by associated undertakings and cash and cash equivalents.

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

**19. Deferred taxation**

	2019 £	2018 £
At beginning of year	85,730	32,444
Credited to income and expenditure account	68,732	(47,112)
Charged to other comprehensive income	-	100,398
<b>At end of year</b>	<u>154,462</u>	<u>85,730</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Decelerated capital allowances	22,855	38,961
Tax losses and other differences	107,695	-
Short term other differences	23,912	46,769
	<u>154,462</u>	<u>85,730</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 £490,208 (2018: £497,634). As at the reporting date, amounts payable of £nil (2018: £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 rate may be revised by the Government Authority.

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 £10,810 (2018: £10,598). As at the reporting date all amounts had been paid over to the scheme.

**22. Commitments under operating leases**

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	216,946	158,279
Later than 1 year and not later than 5 years	379,807	550,459
	<u>596,753</u>	<u>708,738</u>

A total of £207,825 was recognised as an operating lease expense in the period (2018: £139,150).

**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.

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**24. Related party transactions**

The Company was a joint 50% member of London 2017 Limited along with the Greater London Authority. The winding up of this venture commenced on 24th April 2019.

The Company received £1,483,356 (2018: £3,628,473) from London 2017 Limited during the year, and a debtor balance of £Nil (2018: £123,185) is outstanding from London 2017 Limited at the year end.

The Company is a joint 50% member of London Championships Limited along with the Greater London Authority. The Company recharged costs totalling £490 (2018: £793,570) to London Championships Limited during the year, and a debtor balance of £490 (2018: Nil) is outstanding from London Championships Limited at the year end.

J Gardener, President of the Company, is a Trustee of London Marathon Limited as part of the president's role with Youth Sports Trust. S L Rowell, a non-executive Director of the Company, is a member of the Board of London Marathon Limited in the role of UK Athletics designated Board Director. D C Bedford, a non-executive Director of the Company, worked as a consultant for London Marathon Events during the year. During the financial year the Company received grant funding and rights fees from London Marathon Limited of £260,000 (2018: £250,000). The Company also paid for hire of facilities and staff £4,238 (2018: £1,941) of which £4,238 (2017: £410) was outstanding at the year end.

**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.