

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	G D Arthur P J Avis S J Cain J Coates N I Coward M P Draisey A Wafula Strike M I Whittingham
Company secretary	M P Draisey
Registered number	03686940
Registered office	Athletics House Alexander Stadium Walsall Road Perry Barr Birmingham B42 2BE
Independent auditors	Haysmacintyre LLP 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 3 LH
UK Members Council	J Allen I Beattie A Clements H England J Gardener - President R Gibbard A Minichiello N Nimmo S Perks S Reid J Starkey A Williams

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their Strategic Report on the Company for the year ended 31 March 2020.

Athletics review

The athletics highlights of the last year included performances at the World Championships, significantly in Doha gold medals for Dina Asher-Smith 200m and Katarina Johnson Thompson Heptathlon. Dina Asher-Smith became the first British athlete to take home three World Championship medals. In addition, Dina set British records in the 100m and 200m with Katarina following suit with a British record in the Heptathlon.

The British Para Athletics team enjoyed a similarly successful World Championships in Dubai, winning 25 medals (this includes the marathon medal won in the WPA Marathon Championships earlier in the year), as well as 5 athletes setting World Records during the summer season; Sophie Hann T38 100m, Hannah Cockcroft T34 100m, Harrison Walsh F44 Shot Put (non-Tokyo event), Hannah Cockcroft T34 200m (non-Tokyo event) and Sophie Hann T38 200m (non-Tokyo event).

In other athletics disciplines the British team performed well across the year with the Mountain Running team bringing home all four gold medals available for the men at the European Mountain Running Championships in Switzerland in July, followed by three medals from November's World Mountain Running Championships in Argentina. The IAU Trail team achieved two medals at their World Championships in Portugal whilst the ultra runners enjoyed great success over the 50km distance taking home 5 World Championship medals from Romania. Britain also claimed 5 gold medals and one bronze out of six team events at the European Cross country championships in Portugal.

Across the outdoor season, from all age groups and disciplines an international championship total of 105 medals were won by GB & NI athletes. Several championships during the indoor season between January and March 2020 were cancelled due to the Covid 19 pandemic.

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

Financial review

Total income of £21,574,417 (2019: £24,569,213) is 12% lower than in the prior year. Commercial income from Athletics events totalled £7,930,514 (2019: £9,885,040) and is 20% lower than the prior year due to it including the revenues from the inaugural Athletics World Cup event which was not delivered this year. Total expenditure of £22,264,786 (2019: £25,699,845) is 13% lower than in the prior year which is primarily due to the additional costs associated with the inaugural Athletics World Cup event.

The resultant loss after tax and before 'Other Comprehensive income' is £438,332 (2019: loss £825,324). There was no other comprehensive income or expenditure in this year or prior year.

In accordance with the Company's Articles of Association, no dividend can be paid.

Going concern

The worldwide outbreak of the Covid-19 virus represents a significant event during the financial period. It has impacted the day to day operations of the Company, including athletes training at the performance centre in Loughborough and across the country, the ability to stage major events and the need to temporarily close our main office. The Company's response has been to move quickly to protect the health and safety of its staff, athletes, coaches, officials and volunteers and to continue to provide high quality services while operating remotely or under controlled conditions

In light of the impact of the Covid-19 virus, the Company has reviewed its financial and cash flow forecasts and considered the impact on going concern. The Directors have considered the financial forecasts over a period of

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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

12 months from the date of approval of these accounts and have reviewed projections beyond this year over a further period to March 2025, in alignment with next UK Sport funding cycle.

These forecasts necessarily include uncertainties created by Covid-19 and how the sports and entertainment sector emerges from it. To understand these uncertainties part of the forecasting has included sensitivity analysis to identify potential impacts, such as changes to revenue streams. Should these arise then mitigating action would be taken to protect the Company's reserves.

Based on the outcome of these reviews, the Directors have concluded that the Company can continue as a going concern and have therefore adopted 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

Income from grants and sponsorship dedicated to the World Class Performance Programme was £10.0m, an increase of 14%, principally due to an increase in funding drawn down from the UK Sport grant. Expenditure on this programme matched the income. The bulk of this income (£8.0m) 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 decreased to £7.9m (down 20%) principally due to the prior year including revenue from staging of the inaugural Athletics World Cup, which was not repeated this year

Other Sponsorship grants and income has decreased to £3.7m (down 37%), due to the previous year benefitting from our share of the distribution of the savings achieved by the 2017 World Championships.

Costs for development, governance and operations for the year, at £4.4m (down 13%), have decreased due to a management focus on operational costs to reflect the impact of the reduction in income.

The decrease in employee costs of £0.2 Million (down 3%) compared to the prior year is due in the main to the reduction in average headcount of 6 in the development, governance and operations areas.

At the end of the financial year, the Company held an Income and Expenditure Reserve of £2.36m (2018: £2.8m), which is below the minimum reserves stipulated in the reserves policy approved by the Audit Committee of £2.4m. The Company is developing an action plan to increase reserves in future financial years. The Net Current Assets are £2.4m (2019: 2.7m) and Tangible Fixed Assets are £0.06m (2019: £0.08m). Included within the current assets is cash at bank of £6.0m which is a £4.0m reduction in comparison to the previous year and is caused by the difference in timing of major cash receipts between the two years.

During the year the Company spent £0.003m on capital expenditure (2019: £0.04m) and did not dispose of any fixed assets (2019: Nil).

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:

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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. The formal medal targets for the World Athletics Championships held in Doha in September/October 2019 were 7 9 medals, the British Athletics Team won 2 gold, and 3 silver medals. At the WPA World Championships, held in Dubai in November, the Team won 11 gold, 8 silver and 6 bronze medals, (23 of which were won in Tokyo events). The formal medal target for the WPA World Championships were 24-28 medals.

In addition to the formal medal targets for the team there were several specific targets relating to athletes achieving their Individual Athlete Plan (IAP) goals and relay team performances. These measures continued to indicate that TeamGB Athletics was on track to achieve the Tokyo Medal targets although this does not take into account potential the impacts of Covid-19.

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 2019, with 9 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). Implementation of the Talent Plan has progressed by UK Athletics and HCAFs in the Autumn 2019 with headline performance measures for the identification, development, progression and productivity of the talent system. Two Talent Hubs are operational in England and national academies operational in Scotland, Wales and Northern Ireland. A consistent national athlete profiling system to monitor the progression of individual athletes is being piloted out through the Youth Talent Programme and Futures Programme.

Members and Board Attendance

The members of the Company during the year are noted below. During the year there were four Members Council meetings. The overall attendance record at those meetings was 94% (2019 – 90%).

Member	Date of initial appointment	Date ceased to be a Member
J Gardener	4 December 2015	
J Allen	12 December 2019	
I Beattie	30 June 2018	
A Clements	15 December 2017	
R Corry	24 November 2006	12 December 2019
H England	15 December 2017	
R Gibbard	14 December 2018	
M Harris	1 July 2017	13 December 2019
W Haxell	26 November 2011	13 December 2019
A Minichiello	15 December 2017	
M Nimmo	9 December 2016	
S Perks	20 September 2019	
S Reid	13 December 2019	
J Starkey	13 December 2019	
A Williams	13 December 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. Risks are managed actively and mitigation strategies implemented to reduce the Company's levels of risk. The risks to the organisation associated with Covid-19 are discussed as part of our assessment of going concern. The wider risks to the Company are covered with reference to Market Risk, Organisational Risk and Environmental and Political 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. This continues to be a major focus for the Company and for 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. A recently established coaching working group will be responsible for developing best practices to identify, train and retain the best possible coaches.

The Board is focused on establishing best practice regulatory processes and procedures. During the year commissioned an independent review to evaluate existing safeguarding provision in athletics. The report was published in July 2020 with a series of recommendations which the sport is implementing through an action management plan. The Board will measure and monitor progress against this plan on an ongoing basis.

The Company recognises that the long term success of the sport is dependent on the continued support of a wide range of stakeholders across the athletic community, and failure to achieve this support is a risk to the sport. The Board believes that effective engagement and communication is key to manage this potential risk and is a renewed focus.

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.

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 UK organisation, or Government decisions which have an impact. 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. During the year UK Sport commissioned an independent review of the leadership, governance and management of Athletics at the UK level. The key findings are summarised in the section on Change in Governance Arrangements

Change in Governance Arrangements

The independent review commissioned by UK Sport and undertaken by Dame Sue Street published its findings in May 2020 and recommended areas of change and organisational development to ensure that the leadership, governance and management of Athletics at the UK level is 'fit for the future'. Following publication UKA has, in parallel with the four Home Country Athletic Federations (HCAF's) been working to implement a change plan and has progressed this through a new framework agreement between the five national governing bodies. Key areas of focus include:

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- Agreed roles and responsibilities between the five organisations on the basis that each has equal status (except as required for UKA being the World Athletics member) but operating at different levels/with different geographical scope, under an agreed strategy for athletics in the UK (not a strategy set by the UKA for implementation by others).
- All organisations agreeing to work to deliver a shared vision and shared goals for the sport, as set out in An Athletic Nation and a new UK Wide strategy for the sport.
- HCAF nominated directors on UKA board (subject to current UKMC approval as Members).
- CEO Forum to lead implementation of the framework agreement and UK Wide Strategy, advised and assisted by Working Groups.
- Standards Ethics and Rules committee to address key regulatory issues for all five organisations.

This report was approved by the Board, and duly signed on its behalf on 30th October 2020 by:



M P Draisey
Company Secretary

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their annual report and the audited financial statements for the year ended 31 March 2020.

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 £438,332 (2019: Deficit - £825,324) and the total comprehensive income for the year is a deficit of £438,332 (2019: Deficit - £825,324).

Reserves

The Company's Income and Expenditure Reserve as at 31 March 2020 stood at £2,359,842 (2019: £2,798,174).

Directors

Directors who are in post as at the date of signing the accounts including, where relevant, the date of appointment are noted below.

Name	Appointment Date (if after 1 April 2019)/Notes
G D Arthur	
P J Avis	
S J Cain	1 December 2019
J Coates	18 March 2020, Chief Executive Officer
N I Coward	29 January 2020, initially as interim Chief Executive Officer, becoming Chair on 18 March 2020
M P Draisey	12 June 2020, Chief Finance Officer
A Wafula Strike	
M I Whittingham	1 January 2020

All directors are non-executive except the Chief Executive Officer and the Chief Finance Officer

Directors who served from the period commencing 1 April 2019 to the date of signing accounts, but who are no longer directors at the date of signing the accounts, are noted below along with their date of resignation

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Name	Date of Resignation
D C Bedford	30 September 2020
C J Clark	18 March 2020
N M Holl	31 October 2019
J R Orr	12 June 2020
Dr S L Rowell	30 April 2020
P L Taylor	19 June 2019

On 22 August 2019 it was announced that Zara Hyde Peters OBE had been appointed as Chief Executive Officer. On 25 November 2019 it was announced that she would not be taking up the post.

Directors are members of and attend Board meetings and are appointed to or attend at least one of the Audit Committee, the Remuneration Committee and the Performance Oversight Committee (which no longer exists). The overall attendance record for all Directors at these meetings in the year was 91% (2019 – 95%)

The Board wishes to express its gratitude to all the directors who left in the year 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 continued staff interaction and engagement with various Equality Diversity and Inclusion initiatives following the introduction of advocates in the previous 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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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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 judgements 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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 and duly signed on its behalf on 30th October 2020 by:



M P Draisey
Company Secretary

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CORPORATE GOVERNANCE REPORT
AS AT 31 MARCH 2020

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 31 March 2020 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.
- Review the Company's whistleblowing policy on an annual basis to ensure appropriateness.
- Review Insurance Policies and cover annually.

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CORPORATE GOVERNANCE REPORT (continued)
AS AT 31 MARCH 2020

The members of this Committee during the 2019-20 financial year were P J Avis (Chair), S Cain, C Clark, N Coward in addition M Allen was a co-optee to the Committee until his resignation on the 12th December 2019.

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 2019-20 financial year were G D Arthur (Chair), C Clark, N Coward, Dr 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.

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.

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CORPORATE GOVERNANCE REPORT (continued)
AS AT 31 MARCH 2020

During the financial year 2019-20, the Athletics Appointments Panel convened to consider the following appointments – Chris Clark, Zara Hyde Peters, Mike Whittingham, Stuart Cain, Stef Reid, Joanna Coates and Mark Draisey – Panel members involved in the year included Chris Clarke, Penny Avis, David Bedford and others.

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.

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 2019-20 financial year were Dr S L Rowell (Chair), A Wafula Strike and D C Bedford.

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EQUALITY, DIVERSITY AND INCLUSION REPORT
AS AT 31 MARCH 2020

The Company continues to strive to be the leading sport in Equality, Diversity and Inclusion, by taking positive action to embed ED&I at all levels of the sport. The Company is working with England Athletics to achieve the Equality Standard in Sport Advanced Level, by reviewing and amending process, policies and practices, celebrating the successes and growing an inclusive sport.

The Equality Diversity & Engagement Lead and the Equality Diversity & Inclusion Advocate Group have successfully delivered the following initiatives during the year:

- An ED&I Workshop was delivered for the first time at the Officials Conference. This followed an invitation from the South of England Officials Association to deliver an ED&I Workshop at their conference.
- LGBT+ has been a focus and the delivery of a 'Let's talk about LGBT+' and brought the athletics LGBT+ community together to discuss issues they experience within the sport.
- Collaboration with AKD Solutions delivered a one-day session named "I'm only as good as my team" for Crossrail senior leaders, where they experienced a high performance environment at the NPI. Neil Black, Steve Paulding and Donna Fraser were key speakers, giving an insight into elite performance and how this resonates with business.
- Staff engagement with cultural awareness and ED&I activities continues to be popular, particularly personal stories; features included World Menopause Day, International Women's Day, National Coaching Week and Black History Month.
- Pension Workshops were organised for HQ and Loughborough staff, giving individuals the opportunity to have 1-2-1 sessions with our independent Pensions advisor.
- Our commitment to the Time to Change Employer Pledge means that mental health awareness continues to be a focal point of communication to our staff; utilising our Mental Health First Aiders to be accessible points of contacts.
- The Code for Sports Governance Diversity Action Plan continues to be monitored on a quarterly basis.
- A 12 month partnership with ECB (England & Wales Cricket Board) to deliver a mentoring programme for ED&I Advocates as mentees. The plan is for the partnership to continue whereby UKA provide the mentors and ECB provide the mentees.

The Company is proud to be a Disability Confident Leader and a signatory of the Time to Change Workplace Pledge which addresses disability and mental health in the workplace. The Company endorses supplier diversity and encourages suppliers to become Disability Confident and have Equality Policy in place. The Company continues to commit to the five principles under the Race at Work Charter.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UK ATHLETICS LIMITED

Opinion

We have audited the financial statements of UK Athletics Limited (the 'Company') for the year ended 31 March 2020, 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 2020 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 SHAREHOLDERS 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 SHAREHOLDERS OF UK ATHLETICS LIMITED
(CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 8, 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 shareholders 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 shareholders 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 shareholders 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: 30 October 2020

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
World class performance grants and related sponsorship		9,964,822	8,830,962
Major events and related sponsorship		7,930,514	9,885,040
Other sponsorship, grants and income		3,679,081	5,853,211
		<u>21,574,417</u>	<u>24,569,213</u>
World class performance, GB & NI team		(9,964,822)	(8,830,962)
Major events		(7,880,963)	(11,780,235)
Development, governance and operations		(4,419,001)	(5,088,648)
Operating loss	5	(690,369)	(1,130,632)
Interest receivable and similar income	10	127,759	138,954
Loss before tax		<u>(562,610)</u>	<u>(991,678)</u>
Tax on loss	11	124,278	166,354
Loss for the financial year		<u>(438,332)</u>	<u>(825,324)</u>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 21 to 40 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 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	59,327	77,908
Investments	14	11,259	11,259
		<u>70,586</u>	<u>89,167</u>
Current assets			
Debtors: amounts falling due within one year	15	3,508,465	2,027,095
Cash at bank and in hand	16	5,933,551	10,044,556
		<u>9,442,016</u>	<u>12,071,651</u>
Creditors: amounts falling due within one year	17	(7,152,760)	(9,362,644)
		<u>2,289,256</u>	<u>2,709,007</u>
Net current assets		<u>2,289,256</u>	<u>2,709,007</u>
Net assets		<u>2,359,842</u>	<u>2,798,174</u>
Capital and reserves			
Profit and loss account	20	2,359,842	2,798,174
		<u>2,359,842</u>	<u>2,798,174</u>

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



M P Draisey
Director

Date: 30th October 2020

The notes on pages 21 to 40 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 2020

	Accumulated fund - income and expenditure reserve £	Total reserves £
At 31 March 2018	3,623,498	3,623,498
Surplus for the year	(825,324)	(825,324)
At 31 March 2019	<u>2,798,174</u>	<u>2,798,174</u>
Deficit for the year	(438,332)	(438,332)
At 31 March 2020	<u><u>2,359,842</u></u>	<u><u>2,359,842</u></u>

The notes on pages 21 to 40 form part of these financial statements.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(438,332)	(825,324)
Adjustments for:		
Depreciation of tangible assets	21,448	15,016
Interest received	(127,759)	(138,954)
Taxation charge	(124,278)	(166,354)
(Increase)/decrease in debtors	(1,700,056)	909,101
Decrease in creditors	(1,866,920)	(1,023,516)
Corporation tax paid	-	(99,178)
Net cash generated from operating activities	<u>(4,235,897)</u>	<u>(1,329,209)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,867)	(39,631)
Purchase of fixed asset investments	-	(3)
Interest received	127,759	138,954
Net cash from investing activities	<u>124,892</u>	<u>99,320</u>
Net decrease in cash and cash equivalents	(4,111,005)	(1,229,889)
Cash and cash equivalents at beginning of year	10,044,556	11,274,445
Cash and cash equivalents at the end of year	<u><u>5,933,551</u></u>	<u><u>10,044,556</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,933,551	10,044,556
	<u><u>5,933,551</u></u>	<u><u>10,044,556</u></u>

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	10,044,556	(4,111,005)	5,933,551
	<u><u>10,044,556</u></u>	<u><u>(4,111,005)</u></u>	<u><u>5,933,551</u></u>

The notes on pages 21 to 40 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 2020

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 judgement 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 incorporated subsidiaries, Athletics World Cup Limited and Track and Field World Cup Limited. The Company has a 100% interest in both companies. Consolidated accounts have not been prepared for the Year Ended 31 March 2020 due to the immaterial nature of the subsidiaries.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Going concern

The worldwide outbreak of the Covid-19 virus represents a significant event during the financial period. It has impacted the day to day operations of the Company, including athletes training at the performance centre in Loughborough and across the country, the ability to stage major events and the need to temporarily close our main office. The Company's response has been to move quickly to protect the health and safety of its staff, athletes, coaches, officials and volunteers and to continue to provide high quality services while operating remotely or under controlled conditions

In light of the impact of the Covid-19 virus, the Company has reviewed its financial and cash flow forecasts and considered the impact on going concern. The Directors have considered the financial forecasts over a period of

12 months from the date of approval of these accounts and have reviewed projections beyond this year over a further period to March 2025, in alignment with next UK Sport funding cycle.

These forecasts necessarily include uncertainties created by Covid-19 and how the sports and entertainment sector emerges from it. To understand these uncertainties part of the forecasting has included sensitivity analysis to identify potential impacts, such as changes to revenue streams. Should these arise then mitigating action would be taken to protect the Company's reserves.

Based on the outcome of these reviews, the Directors have concluded that the Company can continue as a going concern and have therefore adopted the going concern basis of accounting in preparing these financial statements.

2.4 Revenue Recognition

Income

Income represents amounts derived principally from grants, 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 £770,411 (2019: £760,015) 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 (2019: £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

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

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.

(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.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.7 Investments in associates

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

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.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

UK ATHLETICS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements 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 2020 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.

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements 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:

	2020 £	2019 £
Grants receivable - UK Sport	8,007,329	7,171,070
Grants receivable - Sport England	770,411	760,015
Grants receivable - Other	257,206	296,577
Sponsorship and rights fees	7,059,869	7,549,327
TV broadcasting	2,888,480	3,030,416
Ticket sales	1,374,924	3,086,831
Local Organising Committee services	-	200,000
Other income	1,216,199	2,474,977
	<u>21,574,418</u>	<u>24,569,213</u>

UK ATHLETICS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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

	2020 £	2019 £
United Kingdom	17,390,075	19,348,074
Rest of European Union	2,789,862	3,755,051
Other European	1,394,481	1,466,088
	21,574,418	24,569,213

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

	UK Sport	Sport England	Other Income	Total
Revenue Grants	8,007,329	770,411	-	8,777,740
Other Grants	-	-	257,206	257,206
Sponsorship Income	-	-	7,059,869	7,059,869
TV Broadcasting	-	-	2,888,480	2,888,480
Ticket sales	-	-	1,374,924	1,374,924
Other Income	-	-	1,216,196	1,216,196
Total income	8,007,329	770,411	12,796,677	21,574,417
Overheads /Support costs	844,943	10,678	2,686,534	3,542,155
Performance	7,117,386	617,874	2,167,969	9,903,229
Coaching	-	141,859	107,805	249,664
TV Events	-	-	7,880,963	7,880,963
Competitions and International Relations	45,000	-	643,558	688,558
Total expenditure (before tax and interest)	8,007,329	770,411	13,486,829	22,264,569
Net income	-	-	(690,152)	(690,152)
Cash and Net Deferred/ (Accrued) Grant Reconciliation				
	UK Sport	Sport England	Total	
Opening Balance - deferred grants	252,000	54,941	306,941	
Opening Balance -Accrued grants	-	-	-	
Cash received in year	8,215,176	678,933	8,894,109	
Released to P&L (to match expenditure)	(8,007,329)	(733,874)	(8,741,203)	
Closing balance - Net Deferred/ (Accrued) Grants	459,847	-	459,847	

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. Operating (loss) / profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	21,448	15,016
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	29,250	24,250
Operating Lease Rentals - Buildings	142,150	150,898
Operating Lease Rentals - Other	67,036	56,927
Foreign exchange (gain)/loss	(51,138)	(317,210)
	<u> </u>	<u> </u>

6. Auditors' remuneration

Audit-related assurance services	29,250	24,250
All other services	18,600	11,540
	<u> </u>	<u> </u>

7. Employees

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

	2020 No.	2019 No.
World Class Performance	47	47
Major Events	14	14
Development, Governance and Operations	37	43
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Wages and salaries	4,886,665	4,987,392
Social security costs	542,579	571,236
Staff pension costs	485,734	501,018
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Remuneration of key management personnel

Aggregate remuneration for key management personnel was as follows:

	2020 £	2019 £
Wages and salaries	778,287	873,702
Staff pension costs	60,224	75,971
	<u>838,511</u>	<u>949,673</u>

9. Directors' remuneration

	2020 £	2019 £
Emoluments including bonuses	384,013	537,797
Pension scheme contributions	14,304	16,954
	<u>398,317</u>	<u>554,751</u>

	2020 No	2019 No
The number of Directors who:		
Receive Remuneration (Average)	9	8
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>

Remuneration of highest paid Director

	2020 £	2019 £
Emoluments	176,140	186,169
Pension scheme contributions	-	10,000
	<u>176,140</u>	<u>196,169</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. **Directors' remuneration (continued)**

	2020 £	2019 £
Non-Exec Directors		
C J Clark	28,667	-
S R Bowker	-	34,003
Dr S L Rowell	20,675	18,078
G D Arthur	13,967	13,693
P J Avis	13,967	13,693
D C Bedford	13,967	13,693
A Wafula Strike	13,967	13,693
S J Cain	4,656	-
M I Whittingham	3,492	-
P L Taylor	-	-
	<u>113,358</u>	<u>106,853</u>

10. **Interest receivable**

	2020 £	2019 £
Bank interest receivable on cash and cash equivalents	<u>127,759</u>	<u>138,954</u>
	<u>127,759</u>	<u>138,954</u>

UK ATHLETICS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on (loss) / profit for the year	-	(99,161)
Adjustments in respect of previous periods	-	1,539
	-	(97,622)
Total current tax	-	(97,622)
Deferred tax		
Origination and reversal of timing differences	(124,278)	(68,732)
Total deferred tax	(124,278)	(68,732)
Taxation on loss on ordinary activities	(124,278)	(166,354)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(562,610)	(991,678)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(106,896)	(188,459)
Effects of:		
Expenses not deductible for tax purposes	749	2,389
Adjustments to tax charge in respect of prior periods	-	1,539
Other differences	(18,131)	18,177
Total tax charge for the year	(124,278)	(166,354)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Intangible assets

	Computer software £
Cost	
At 1 April 2019	633,210
At 31 March 2020	<u>633,210</u>
Amortisation	
At 1 April 2019	633,210
At 31 March 2020	<u>633,210</u>
Net book value	
At 31 March 2020	<u><u>-</u></u>
At 31 March 2019	<u><u>-</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 2020

13. Tangible fixed assets

	Leasehold Improvements £	Equipment, fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2019	80,362	466,298	114,847	661,507
Additions	-	-	2,867	2,867
At 31 March 2020	<u>80,362</u>	<u>466,298</u>	<u>117,714</u>	<u>664,374</u>
Depreciation				
At 1 April 2019	49,204	419,548	114,847	583,599
Charge for the year on owned assets	4,852	16,596	-	21,448
At 31 March 2020	<u>54,056</u>	<u>436,144</u>	<u>114,847</u>	<u>605,047</u>
Net book value				
At 31 March 2020	<u>26,306</u>	<u>30,154</u>	<u>2,867</u>	<u>59,327</u>
At 31 March 2019	<u>31,158</u>	<u>46,750</u>	<u>-</u>	<u>77,908</u>

14. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2019	4	11,255	11,259
At 31 March 2020	<u>4</u>	<u>11,255</u>	<u>11,259</u>

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Athletics World Cup Limited	as per note 1	Ordinary	100%
Track and Field World Cup Limited	as per note 1	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

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

Investments in subsidiaries

The Company has two dormant 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 (2019: £nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Debtors

	2020 £	2019 £
Trade debtors	2,370,388	516,569
Amounts owed by joint ventures and associated undertakings	-	490
Other debtors	56,421	586,915
Prepayments and accrued income	703,726	669,498
Corporation tax receivable	99,190	99,161
Deferred taxation (see note 19)	278,740	154,462
	<u>3,508,465</u>	<u>2,027,095</u>

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	5,933,551	10,044,556
	<u>5,933,551</u>	<u>10,044,556</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	525,999	963,047
Other taxation and social security	496,280	623,323
Other creditors	197,297	559,350
Accruals and deferred income	5,933,184	7,216,924
	<u>7,152,760</u>	<u>9,362,644</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Financial instruments

	2020 £	2019 £
Financial assets		
Equity instruments measured at cost less impairment	11,259	11,259
Financial assets that are debt instruments measured at amortised cost	2,660,063	1,338,889
	2,671,322	1,350,148
	2,671,322	1,350,148
Financial liabilities		
Financial liabilities measured at amortised cost	2,883,605	3,118,001
	2,883,605	3,118,001
	2,883,605	3,118,001

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 and amounts owed by associated undertakings.

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

19. Deferred taxation

	2020 £	2019 £
At beginning of year	154,462	85,730
Credited to income and expenditure account	124,278	68,732
At end of year	278,740	154,462
	278,740	154,462

The deferred tax asset is made up as follows:

	2020 £	2019 £
Decelerated capital allowances	21,655	22,855
Tax losses and other differences	234,291	107,695
Short term other differences	22,794	23,912
	278,740	154,462
	278,740	154,462

UK ATHLETICS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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 £471,898 (2019: £490,208). As at the reporting date, amounts payable of £49,637 (2019: £nil) had 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 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 £13,836 (2019: £10,810). As at the reporting date all amounts had been paid over to the scheme.

22. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	225,214	216,946
Later than 1 year and not later than 5 years	145,216	379,807
	<u>370,430</u>	<u>596,753</u>

A total of £209,186 was recognised as an operating lease expense in the period (2019: £207,825).

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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NOTES TO THE FINANCIAL STATEMENTS
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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 24 April 2019.

The Company received £572 (2019: £1,483,356) from London 2017 Limited during the year, and a debtor balance of £Nil (2019: Nil) 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 £507 (2019: Nil) to London Championships Limited during the year, and a debtor balance of £Nil (2019: £490) is outstanding from London Championships Limited at the year end.

Dr S L 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. During the financial year the Company received grant funding and rights fees from London Marathon Limited £260,000 (2019: £260,000). The Company also paid for hire of facilities and staff £Nil (2019: £4,238) of which £Nil (2019: £4,238) was outstanding at the year end.

J Gardener, President of the Company, is a consultant for DC-Activ, a supplier of digital services. During the financial year the Company paid for services totalling £35,040 (2019: £Nil) of which £Nil (2019: £Nil) was outstanding at the year end.

A Wafula-Strike, a non-executive Director of the Company is a Director of the British Paralympic Association. S Reid sits on the Company's Members Council and is also a member of the British Paralympic Association Athletes Commission. During the financial year the Company paid for Team Kit for Tokyo and annual subscriptions £10,916 (2019: £2,674) of which £Nil (2019: £Nil) 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.