

SCOTTISH ATHLETICS LIMITED

A company limited by guarantee

YEAR ENDED 31 MARCH 2017

FINANCIAL STATEMENTS

Company Number: SC217377

Scottish Athletics Limited

Year ended 31 March 2017

COMPANY INFORMATION

Directors

Leslie Roy	(President)
Ian Beattie	(Chair)
Nigel Holl (resigned 31/05/16)	(Chief Executive Officer)
Mark Munro (appointed 17/10/16)	(Chief Executive Officer)
James Stewart (resigned 24/09/16)	
Ronald Morrison	
Sandra Frame	
Alison Johnstone	
John Rodger	
Margaret Brown	
Moir Maguire	
Hugh Buchanan	
Joanna Butterfield	

Secretary

David Lindgren

Company Number

SC217377

Registered Office

Caledonia House
South Gyle
Edinburgh
EH12 9DQ

Auditors

Henderson Loggie
Chartered Accountants
34 Melville Street
Edinburgh
EH3 7HA

REPORT OF THE DIRECTORS AND STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors present their report and financial statements for the year ended 31 March 2017.

Principal Activities

The company's principal activity is to act as the governing body for athletics in Scotland and as such to foster, develop and control the sport of athletics in Scotland. Our role is to provide a clear strategic lead for the sport whilst continuing to evolve and develop the support to all members (athletes, clubs, coaches, officials and event organisers) and we will be announcing some new initiatives to support clubs and volunteers at the heart of the sport in the near future. 2017-18 is the third year of our strategy, Perform When It Counts, and the development of the sport continues to grow and deliver effectively. As many will be aware, sport as a whole within Scotland faces a difficult financial environment and we will continue to concentrate our investment at the heart of the sport where it matters. Our business strategy and direction relies upon clear and transparent partnerships both within the sport i.e. member clubs and with key stakeholders. Our partnerships remain strong and it is important that we continue to build on these if we are to continue with the current direction of travel.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Review

The company has recorded a surplus for the year of £48,681 (2016 - £53,587) with reserves at 31 March 2017 of £334,842 (restated 2016 - £286,161).

The results are consistent with the budgetary expectations stated at the last annual general meeting.

As with recent years, the financial strategy of the company has been to maintain the normal operating budget for ongoing activities on a break-even basis, seeking to increase the Reserves by a minimum of 10% year on year - seeking to achieve a reserve of a minimum of three months operating costs ultimately. Investment funding from **sportscotland** is allocated primarily to staff costs, administration and to international performance and competition, with the balance of funding required to be generated from commercial income and sponsorship, membership or generated through activity.

Scottish Athletics is a company limited by guarantee incorporated on 28/03/2001. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed by the Articles of Association.

The total income of the company was £2,021,659 (restated 2016 - £2,134,214) with grant funding providing 56%, membership and event income 38%, marketing and sponsorship 1% and other sources 5%. The financial performance gives Scottish Athletics a solid platform to advance the sport in the coming years despite ongoing financial challenges across sport in Scotland.

Scottish Athletics Limited

YEAR ENDED 31 March 2017

REPORT OF THE DIRECTORS (continued)

Scottish Athletics would like to thank its partners and sponsors - Scottish Government, **sportscotland**, UK Athletics, Lindsays and Strathmore - for their support as well as the contributions made to events and essential development programmes by City of Edinburgh Council, Falkirk Leisure Trust, North Lanarkshire Leisure and Glasgow City Council, and the many other local authorities/leisure trusts who invest in the sport. Such support remains vital to the sport's success.

Directors

The directors of the company are detailed on page 1. With the exception of the Chief Executive Officer and those Board members representing the Commissions and other parties with representation rights on the Board, all Board members appointed shall be subject to retirement by rotation after they have been in office for four or more years since they were appointed or reappointed. Such Board members may serve a maximum of two terms. Any Board member retiring in accordance with these provisions shall be eligible for re-appointment after the end of their first tenure, but shall not be eligible for re-election thereafter.

Membership

At 31 March 2017, 169 Clubs and Associates were in membership of the company (2016 - 166) and there were 12,531 members of Athletics Scotland, the membership scheme of Scottish Athletics (2016 - 11,974).

Auditors

Henderson Loggie were reappointed as auditors at the 2016 AGM for another term.

Statement as to Disclosure of Information to Auditors

The Board Members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Board Members have confirmed that they have taken all the steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Small Company Rules

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board



Ian Beattie

Chair

31 July 2017

Independent auditors' report to the members of Scottish Athletics Limited

We have audited the financial statements of Scottish Athletics Limited for the year ended 31 March 2017 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Revised Ethical Standard 2016.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small company regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



James Davidson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie Chartered Accountants, Statutory Auditors
34 Melville Street, Edinburgh, EH3 7HA
31 July 2017

Scottish Athletics Limited

Profit and Loss Account

For the year ended 31 March 2017

	Notes	2017 £	Restated 2016 £
Income			
Income from grant funding		1,117,843	1,223,207
Income from marketing and sponsorship		24,959	14,844
Income from the membership and from events		768,705	741,105
Other income		110,150	155,058
Total operating income		2,021,657	2,134,214
Expenditure			
Administrative costs		604,159	572,462
Events and programme costs		1,275,589	1,442,562
Membership scheme costs		25,672	38,506
Marketing and fundraising costs		70,033	31,331
Total operating expenditure		1,975,453	2,084,861
Operating surplus/(deficit)	2	46,204	49,353
Interest receivable		6,043	6,887
Surplus for the year before taxation		52,247	56,240
Taxation		(3,566)	(2,653)
Surplus for the year		48,681	53,587

Scottish Athletics Limited

Balance Sheet

For the year ended 31 March 2017

	Notes	2017 £	Restated 2016 £
Fixed assets			
Investments	5	12,931	22,914
Tangible assets	6	7,138	28,568
		<u>20,069</u>	<u>51,482</u>
Current assets			
Debtors	7	43,159	120,062
Cash at bank and in hand		1,029,514	951,355
		<u>1,072,673</u>	<u>1,071,417</u>
Creditors: amounts falling due within one year	8	(757,900)	(836,738)
Net current assets		314,773	234,679
Total assets less current liabilities		<u>334,842</u>	<u>286,161</u>
Net assets		<u>334,842</u>	<u>286,161</u>
Reserves	9	<u>334,842</u>	<u>286,161</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime, and were approved and authorised for issue by the board on 31 July 2017 and signed on its behalf by:



Ian Beattie

Chair

31 July 2017

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparation

Scottish Athletics is a company limited by guarantee incorporated in Scotland. The registered office is as noted in page 1. The financial statements are prepared under the historical cost convention and in accordance with the provisions of FRS102 Section 1A small entities.

These financial statements are the first set that comply with FRS102 Section 1A small entities. The date of transition is 1 April 2015.

The transition to FRS102 Section 1A has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes and their impact on opening equity and surplus for the comparative period are explained in note 13.

Going concern

At 31 March 2017 the company had net current assets of £314,773 (restated 2016 - £234,679). Having reviewed the financial projections for the year to 31 March 2018 and having regard to both confirmed and indicative funding for the period to 2018, the Directors are satisfied that the going concern basis is appropriate.

Recognition of income

Income is credited in the accounts on the date of receipt, except for subscriptions, fees and grants received in advance that are credited in the year in which they fall due.

Should grant income received during the financial period be unspent during that period, the position is discussed with the funders and subject to the agreement of the organisation providing that income, the sums concerned will be deferred and utilised to meet appropriate business needs in subsequent financial periods.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off evenly the cost of fixed assets over their expected useful life, as follows:

Computer equipment	- 4 years
Other office equipment	- 4 years
Furniture and Fittings	- 10 years

Website design and content development costs are capitalised to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. The website costs are depreciated on a straight line basis over three years following completion of the development work. Grant income in respect of the development is released to the Profit and Loss account over the same 3 year period.

Investments

Fixed asset investments are stated at fair value.

Pensions

The company operates a group pension scheme, contributing a fixed percentage of each employee's salary to an individual pension plan. Costs in respect of this are charged to the Profit and Loss account in the period they are incurred.

Leased assets

The annual rentals on operating leases on equipment and vehicles, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Taxation

The tax currently payable is based on taxable profit for the year.

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2017

2. OPERATING SURPLUS/(DEFICIT)

	2017	Restated 2016
	£	£
Operating surplus/(deficit) is stated after charging:		
Depreciation of tangible fixed assets	22,484	24,131
Auditors' remuneration	6,280	6,400
Pension costs	38,349	43,610
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3. TAXATION

	2017	Restated 2016
	£	£
Corporation tax charge	3,566	2,653
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4. DIRECTORS EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

		2017	Restated 2016
		£	£
Emoluments receivable	Remuneration	52,529	96,789
	Pension	2,573	5,468
		<hr/>	<hr/>

As at 31 March 2017 retirement benefits were accruing to one director in respect of money purchase pension schemes.

The average number of employees during the year was 64 (split between 20 full time and 44 part time) (2016 - 21 full time and 39 part time).

5. INVESTMENTS

	2017	Restated 2016
	£	£
At 1 April 2016 and 31 March 2017	12,931	22,914
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Investments at the year ended 31 March 2017 relate to the McLanaghan Trust. All investments are held at fair value.

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2017

6. TANGIBLE FIXED ASSETS

	Office Equipment £	Furniture & Fittings £	Website £	Total £
Cost				
At 1 April 2016	116,884	11,315	77,590	205,789
Additions	1,054	-	-	1,054
At 31 March 2017	117,938	11,315	77,590	206,843
Depreciation				
At 1 April 2016	(103,210)	(11,178)	(62,833)	(177,221)
Charge for year	(7,590)	(137)	(14,757)	(22,484)
At 31 March 2017	(110,800)	(11,315)	(77,590)	(199,705)
Net book value				
At 31 March 2017	7,138	-	-	7,138
At 31 March 2016	13,674	137	14,757	28,568

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2017

7. DEBTORS

	2017	Restated
	£	2016
		£
Trade debtors	24,836	50,134
Other debtors	-	51,309
Prepayments	17,060	16,311
VAT debtor	1,263	2,308
	43,159	120,062

8. CREDITORS - Amounts falling due within one year

	2017	Restated
	£	2016
		£
Trade creditors	53,474	92,463
Corporation Tax	3,566	2,653
Trust fund creditors	12,177	12,177
Other creditors	89,791	90,316
Deferred income	476,487	428,879
Accrued charges	119,232	206,678
Pension charges	3,173	3,572
	757,900	836,738

9. RESERVES

	2017	Restated
	£	2016
		£
Prior year balance carried forward	286,161	232,574
Surplus for the current year	48,681	53,587
	334,842	286,161

10. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2017	2016
	£	£
Less than one year	45,401	47,579
In two to five years	8,163	19,335
	53,564	66,914

11. RELATED PARTY TRANSACTION

Scottish Athletics and SAMH have worked in partnership in areas of common interest governed by a Memorandum of Understanding since November 2013. During the year SAMH contributed £25,000 to Scottish Athletics to support the continuation of jogscotland. This aligns to the recreational element of the Scottish Athletics strategy and is considered to be in the normal course of business. Ian Beattie Scottish Athletics Chair, is also the Vice Chair of SAMH. Mr Beattie duly declared his interest at the Scottish Athletics Board meeting of the 20th March 2017, where this was discussed. This has been noted in the minute under item 16.

12. ULTIMATE CONTROLLING PARTY

The organisation is controlled by its Club and Associate members who are entitled to mandate one delegate each to attend any General Meeting, speak and vote on their behalf.

13. RECONCILIATIONS ON ADOPTION OF FRS102

Reconciliation of reserves	1 April 2015	31 March 2016
	£	£
Equity as reported under previous UK GAAP	243,037	296,624
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	(10,463)	(10,463)
Equity reported under FRS 102	232,574	286,161

Reconciliation of surplus for the previous financial period

Surplus as reported under previous UK GAAP and under FRS 102	53,587
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Notes to reconciliations on adoption of FRS 102

Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £10,463 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid.