

SCOTTISH ATHLETICS LIMITED
A company limited by guarantee

YEAR ENDED 31 MARCH 2021

FINANCIAL STATEMENTS

Company Number: SC217377

Scottish Athletics Limited

Year ended 31 March 2021

COMPANY INFORMATION

Directors

Ronald Morrison
Ian Beattie MBE
Colin Hutchison (appointed 01/02/2021)
Mark Munro (resigned 29/01/2021)
Leslie Roy MBE
Sandra Frame (resigned 13/10/2020)
Alison Johnstone
John Rodger
Margaret Brown
Hugh Buchanan
Joanna Butterfield MBE
Eilidh Doyle
Terry O'Hare
Jill O'Neil (appointed 01/01/2021)
David Ovens (appointed 22/03/2021)

(President)
(Chair)
(Chief Executive Officer)
(Chief Executive Officer)

Secretary

Laura McCallum

Company Number

SC217377

Registered Office

Caledonia House
South Gyle
Edinburgh
EH12 9DQ

Auditors

Henderson Loggie LLP
Chartered Accountants
11-15 Thistle Street
Edinburgh
EH2 1DF

Scottish Athletics Limited

Year Ended 31 March 2021

REPORT OF THE DIRECTORS AND STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors present their report and financial statements for the year ended 31 March 2021.

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 lead the sport of athletics in Scotland. Our role is to provide clear strategic leadership for the sport whilst continuing to evolve and develop the support to all members (athletes, clubs, coaches, officials and event organisers) and we will continue to evolve and provide initiatives to support clubs and volunteers at the heart of the sport.

Scottish Athletics has adapted well to the challenges posed by the COVID-19 pandemic to sustain the business and to provide the support required to the athletics community in Scotland. Our annual investment from **sportscotland** continued at £1,060,000 with flexibility given in how investment was used in 2020-21 to navigate the challenges posed by COVID-19.

Although COVID-19 impacted the organisation's proposed priorities for 2020-21, the focus of Scottish Athletics has remained on delivering the strategic initiatives set out in 'Building a Culture of Success'. The organisation unfortunately had to utilise the furlough scheme in 2020 to help secure the finances of the business, but this support alongside strong governance, leadership, and sound financial planning has enabled Scottish Athletics to maintain all staffing roles. Retention of existing staffing levels is crucial to the continued delivery of the strategy and to provide the support required from the athletics community to recover from the impacts of COVID-19 and continue to thrive.

Despite COVID-19 continuing to present challenges for the business, Scottish Athletics has worked closely with key stakeholders in athletics in Scotland to reduce the impact of restrictions on the sport, and to plan for the quick return of competition as restrictions ease. The Board of Scottish Athletics has agreed a Covid Recovery Plan to sit alongside the operational plan ensuring the organisation remains focussed on delivering 'Building a Culture of Success' whilst guiding the sport through COVID-19.

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 deficit for the year of £41,851 (2020 - £8,451 surplus) with reserves at 31 March 2021 of £363,867 (2020 - £405,718).

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 achieve a small surplus, and ultimately seeking to increase the Reserves by approximately 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, development work, 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 £1,774,425 (2020 - £2,281,181) with grant funding providing 67%, membership and event income 28%, marketing and sponsorship 3% and other sources 2%.

Scottish Athletics Limited

Year Ended 31 March 2021

REPORT OF THE DIRECTORS (continued)

Directors

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, (aside from exceptional circumstances).

Membership

At 31 March 2021, 166 Clubs and Associates were in membership of the company (2020 - 169) and there were 8,904* members of Athletics Scotland, the membership scheme of Scottish Athletics (2020 – 13,789).

*Impact of COVID-19 on membership renewals.

Auditors

Henderson Loggie LLP were reappointed as auditors at the 2020 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 MBE
Chair

3 August 2021

Scottish Athletics Limited

Year Ended 31 March 2021

Independent auditors' report to the members of Scottish Athletics Limited

Opinion

We have audited the financial statements of Scottish Athletics Limited (the 'company') for the year ended 31 March 2021 which comprise the Profit And Loss Account, the Balance Sheet and notes to the financial statements, 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 FRS 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 2021 and of its deficit 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 Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 auditor's 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 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

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 Directors' Report.

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 companies 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.

Scottish Athletics Limited

Year Ended 31 March 2021

Independent auditors' report to the members of Scottish Athletics Limited (continued)

Responsibilities of directors

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, 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.

Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including employment law, and fraud;
- Review of correspondence with regulators including the Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Davidson (Senior Statutory Auditor)
for and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

4 August 2021

Scottish Athletics Limited

Profit and Loss Account

For the year ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|------------------|
| Income | | | |
| Income from grant funding | | 1,184,302 | 1,142,701 |
| Income from marketing and sponsorship | | 53,361 | 140,747 |
| Income from the membership and from events | | 497,869 | 904,217 |
| Other income | | 38,893 | 93,516 |
| Total operating income | | <u>1,774,425</u> | <u>2,281,181</u> |
| Expenditure | | | |
| Administrative costs | | 596,144 | 653,659 |
| Events and programme costs | | 1,184,120 | 1,482,187 |
| Membership scheme costs | | 5,627 | 18,939 |
| Marketing and fundraising costs | | 26,259 | 103,460 |
| Total operating expenditure | | <u>1,812,150</u> | <u>2,258,245</u> |
| Operating surplus/(deficit) | 2 | (37,725) | 22,936 |
| Interest receivable | | 6,133 | 7,261 |
| Surplus/(deficit) for the year before taxation | | (31,592) | 30,197 |
| Taxation | | (10,259) | (21,746) |
| Surplus/(Deficit) for the year | | <u>(41,851)</u> | <u>8,451</u> |

Scottish Athletics Limited

Balance Sheet

For the year ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|------------------|
| Fixed assets | | | |
| Investments | 5 | 12,931 | 12,931 |
| Tangible assets | 6 | - | 730 |
| | | <u>12,931</u> | <u>13,661</u> |
| Current assets | | | |
| Debtors | 7 | 102,171 | 134,702 |
| Cash at bank and in hand | | 1,207,075 | 1,158,229 |
| | | <u>1,309,246</u> | <u>1,292,931</u> |
| Creditors: amounts falling due within one year | 8 | (958,310) | (900,874) |
| Net current assets | | 350,936 | 392,057 |
| Total assets less current liabilities | | <u>363,867</u> | <u>405,718</u> |
| Net assets | | <u>363,867</u> | <u>405,718</u> |
| Reserves | 9 | <u>363,867</u> | <u>405,718</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 3 August 2021 and signed on its behalf by:



Ian Beattie MBE
Chair
3 August 2021

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2021

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.

Going concern

As at 31 March 2021 the company had net current assets of £350,936 (2020 - £392,057). Like many organisations, Scottish Athletics has been significantly affected by the outbreak of COVID-19. Taking early steps at the start of the pandemic to reduce spending, furlough staff and streamline operations, as well as agreeing flexibility around the annual sportscotland investment spend, undoubtedly helped in reducing the impact on our reserves. Despite showing a deficit this year, having reviewed the financial projections for the year to 31 March 2022 and on confirmation of indicative funding for the period to 2022, the Directors are satisfied 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 three 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 2021

Judgements and estimation of uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2. OPERATING SURPLUS/(DEFICIT)

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Operating surplus/(deficit) is stated after charging: | | |
| Depreciation of tangible fixed assets | 730 | 456 |
| Auditors' remuneration | 7,500 | 6,860 |
| Pension costs | 55,130 | 54,203 |
| | <hr/> | <hr/> |

3. TAXATION

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Corporation tax charge | 10,259 | 21,746 |
| | <hr/> | <hr/> |

4. DIRECTORS EMOLUMENTS

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

| | | 2021 £ | 2020 £ |
|-----------------------|--------------|-----------|-----------|
| Emoluments receivable | Remuneration | 93,699 | 90,785 |
| | Pension | 4,440 | 4,080 |
| | | <hr/> | <hr/> |

As at 31 March 2021 retirement benefits were accruing to one director in respect of money purchase pension schemes.

The average number of employees during the year was 50 (split between 19 full time and 31 part time) (2020 - 19 full time and 34 part time).

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2021

5. INVESTMENTS

| | 2021 £ | 2020 £ |
|-----------------------------------|-----------|-----------|
| At 1 April 2020 and 31 March 2021 | 12,931 | 12,931 |

Investments at the year ended 31 March 2021 relate to the McLanaghan Trust. All investments are held at fair value.

6. TANGIBLE FIXED ASSETS

| | Office Equipment £ | Furniture & Fittings £ | Website £ | Total £ |
|-----------------------|--------------------------|------------------------------|-----------------|------------------|
| Cost | | | | |
| At 1 April 2020 | 117,938 | 11,315 | 77,590 | 206,843 |
| Additions | - | - | - | - |
| At 31 March 2021 | <u>117,938</u> | <u>11,315</u> | <u>77,590</u> | <u>206,843</u> |
| Depreciation | | | | |
| At 1 April 2020 | (117,208) | (11,315) | (77,590) | (206,113) |
| Charge for year | (730) | - | - | (730) |
| At 31 March 2021 | <u>(117,938)</u> | <u>(11,315)</u> | <u>(77,590)</u> | <u>(206,843)</u> |
| Net book value | | | | |
| At 31 March 2021 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 March 2020 | <u>730</u> | <u>-</u> | <u>-</u> | <u>730</u> |

7. DEBTORS

| | 2021 £ | 2020 £ |
|---------------|----------------|----------------|
| Trade debtors | 82,746 | 107,547 |
| Other debtors | 1,850 | - |
| Prepayments | 17,575 | 26,968 |
| VAT debtor | - | 187 |
| | <u>102,171</u> | <u>134,702</u> |

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2021

8. CREDITORS - Amounts falling due within one year

| | 2021 | 2020 |
|----------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 39,646 | 47,293 |
| VAT payable | 960 | - |
| Corporation Tax | 10,259 | 21,746 |
| Trust fund creditors | 12,177 | 12,177 |
| Other creditors | 89,791 | 89,791 |
| Deferred income | 541,030 | 558,299 |
| Accrued charges | 256,913 | 171,568 |
| Pension charges | 7,534 | - |
| | <u>958,310</u> | <u>900,874</u> |

9. RESERVES

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Prior year balance carried forward | 405,718 | 397,267 |
| Surplus/(deficit) for the current year | (41,851) | 8,451 |
| | <u>363,867</u> | <u>405,718</u> |

10. COMMITMENTS UNDER OPERATING LEASES

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

| | 2021 | 2020 |
|----------------------|---------------|---------------|
| | £ | £ |
| Less than one year | 34,418 | 52,052 |
| In two to five years | 3,245 | 39,557 |
| | <u>37,663</u> | <u>91,609</u> |

11. RELATED PARTY TRANSACTION

A number of directors were involved in clubs where levies and affiliation fees were paid to Scottish Athletics in the year. There is a long standing arrangement with 3-56 Media where Terence O'Hare is shareholder and director, to provide print services under normal commercial terms that pre-dates his appointment to the Board of Scottish Athletics.

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.