

SCOTTISH ATHLETICS LIMITED
A company limited by guarantee

YEAR ENDED 31 MARCH 2022

FINANCIAL STATEMENTS

Company Number: SC217377

Scottish Athletics Limited

Year ended 31 March 2022

COMPANY INFORMATION

Directors

Ronald Morrison	(President)
David Ovens	(Chair)
Colin Hutchison	(Chief Executive Officer)
Leslie Roy MBE	
Alison Johnstone	
John Rodger (resigned 18/09/2021)	
Michael Johnston (appointed 18/09/2021)	
Margaret Brown	
Hugh Buchanan	
Joanna Butterfield MBE	
Eilidh Doyle	
Terry O'Hare	
Jill O'Neil	

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 2022

REPORT OF THE DIRECTORS AND STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors present their report and financial statements for the year ended 31 March 2022.

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.

By the end of financial year 2021-22, Scottish Athletics emerged in a stable position from the impacts of COVID-19. The flexibility around sportsScotland investment and the additional funds received through the Covid Recovery Fund have ensured that our staffing and programme resources could be maintained. The Covid Recovery Plan implemented in agreement with sportsScotland, provided a short-term framework to enable us to return competition offerings at the earliest opportunity and to ensure appropriate support was offered to our membership.

With staffing and programme resources maintained, focus has been able to return to the delivery of 'Building a Culture of Success'. Whilst at times in 2021-22 further support has been required to help athletics in Scotland navigate COVID-19 restrictions, our operational plan for 2021-22 has again had a strong focus on delivering our four-year investment targets and the strategic initiatives set out in Building a Culture of Success. The Board has continued to provide strong leadership and support to the staffing team, and there has been a seamless transition in the role of Chair with David Ovens taking over at the AGM in September 2021.

Our core support programmes for our membership have been maintained in 2021-22 and with a relatively stable financial position we have been able to add to the staffing structure. This has enabled us to meet coach education and safeguarding requirements ensuring that clubs have the workforce to recruit, retain and develop athletes.

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 £12,625 (2021 - £41,851 deficit) with reserves at 31 March 2022 of £376,492 (2021 - £363,867).

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 sportsScotland 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 £2,062,273 (2021 - £1,774,425) with grant funding providing 57%, membership and event income 34%, marketing and sponsorship 3% and other sources 6%.

Scottish Athletics Limited

Year Ended 31 March 2022

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).

At the Annual General Meeting on 18 September 2021, David Ovens replaced Ian Beattie as Chair of the Board and Michael Johnston replaced John Rodger as Convenor of the Road and Cross Country Commission.

Membership

At 31 March 2022, 166 Clubs and Associates were in membership of the company (2021 - 166) and there were 12,700 members of Athletics Scotland, the membership scheme of Scottish Athletics (2021 – 8,904*).

As the membership statistics demonstrate, the organisation has recovered strongly with continuous growth in membership between May 2021 and March 2022.

*Impact of COVID-19 on membership renewals.

Auditors

Henderson Loggie LLP were reappointed as auditors at the 2021 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



David Ovens
Chair

3 August 2022

Scottish Athletics Limited

Year Ended 31 March 2022

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 2022 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 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 company'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

Scottish Athletics Limited

Year Ended 31 March 2022

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

- 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.

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:

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: employment law (including payroll and pension regulations), health and safety; and compliance with the UK Companies Act.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion of the risk of misstatement due to irregularities, including fraud, and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities, including fraud, during the course of the audit included:

- 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.

Scottish Athletics Limited

Year Ended 31 March 2022

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

3 August 2022

Scottish Athletics Limited

Profit and Loss Account

For the year ended 31 March 2022

	Notes	2022	2021
		£	£
Income			
Income from grant funding		1,184,264	1,184,302
Income from marketing and sponsorship		63,303	53,361
Income from the membership and from events		689,622	497,869
Other income		125,084	38,893
Total operating income		<u>2,062,273</u>	<u>1,774,425</u>
Expenditure			
Administrative costs		626,930	596,144
Events and programme costs		1,350,672	1,184,120
Membership scheme costs		23,129	5,627
Marketing and fundraising costs		38,684	26,259
Total operating expenditure		<u>2,039,415</u>	<u>1,812,150</u>
Operating surplus/(deficit)	2	22,858	(37,725)
Interest receivable		925	6,133
Surplus/(deficit) for the year before taxation		23,783	(31,592)
Taxation		(11,158)	(10,259)
Surplus/(Deficit) for the year		<u>12,625</u>	<u>(41,851)</u>

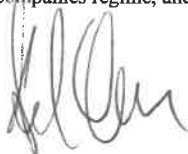
Scottish Athletics Limited

Balance Sheet

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	5	12,931	12,931
Tangible assets	6	-	-
		<u>12,931</u>	<u>12,931</u>
Current assets			
Debtors	7	91,962	102,171
Cash at bank and in hand		1,256,034	1,207,075
		<u>1,347,996</u>	<u>1,309,246</u>
Creditors: amounts falling due within one year	8	(909,435)	(958,310)
Net current assets		438,561	350,936
Creditors: amounts falling due in more than one year	9	(75,000)	-
Total assets less liabilities		<u>376,492</u>	<u>363,867</u>
Net assets		<u>376,492</u>	<u>363,867</u>
Reserves	10	<u>376,492</u>	<u>363,867</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 2022 and signed on its behalf by:



David Ovens
Chair
3 August 2022

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Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2022

1. ACCOUNTING POLICIES

Basis of preparation

Scottish Athletics is a private 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 2022 the company had net current assets of £365,560 (2021 - £350,936). 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 sportsScotland investment spend, undoubtedly helped in reducing the impact on our reserves. Having reviewed the financial projections for the year to 31 March 2023 and on confirmation of indicative funding for the period to 2023, 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 2022

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)

	2022	2021
	£	£
Operating surplus/(deficit) is stated after charging:		
Depreciation of tangible fixed assets	-	730
Auditors' remuneration	8,000	7,500
Pension costs	56,283	55,130
	<hr/>	<hr/>

3. TAXATION

	2022	2021
	£	£
Corporation tax charge	11,158	10,259
	<hr/>	<hr/>

4. DIRECTORS EMOLUMENTS

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

		2022	2021
		£	£
Emoluments receivable	Remuneration	79,581	93,699
	Pension	4,500	4,440
		<hr/>	<hr/>

As at 31 March 2022 retirement benefits were accruing to one director in respect of money purchase pension schemes.

The average number of employees during the year was 47 (split between 19 full time and 28 part time) (2021 - 19 full time and 31 part time). This included 19 part time Club Together Officers.

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2022

5. INVESTMENTS

	2022	2021
	£	£
At 1 April 2021 and 31 March 2022	12,931	12,931

Investments at the year ended 31 March 2022 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 2021	117,938	11,315	77,590	206,843
Additions	-	-	-	-
Disposals	(110,404)	(10,711)	(16,035)	(137,150)
At 31 March 2022	<u>7,534</u>	<u>604</u>	<u>61,555</u>	<u>69,693</u>
Depreciation				
At 1 April 2021	(117,938)	(11,315)	(77,590)	(206,843)
Charge for year	-	-	-	-
Disposals	110,404	10,711	16,035	137,150
At 31 March 2022	<u>(7,534)</u>	<u>(604)</u>	<u>(61,555)</u>	<u>(69,693)</u>
Net book value				
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. DEBTORS

	2022	2021
	£	£
Trade debtors	49,828	82,746
Other debtors	24,869	1,850
Prepayments	17,265	17,575
	<u>91,962</u>	<u>102,171</u>

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2022

8. CREDITORS - Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	32,486	39,646
VAT payable	2,822	960
Corporation Tax	11,158	10,259
Trust fund creditors	12,177	12,177
Other creditors	89,791	89,791
Deferred income	555,357	541,030
Accrued charges	196,211	256,913
Pension charges	9,433	7,534
	909,435	958,310

9. CREDITORS - Amounts falling due in more than one year

	2022	2021
	£	£
COVID-19 Recovery Fund Loan – sportscotland	75,000	-
	75,000	-

10. RESERVES

	2022	2021
	£	£
Prior year balance carried forward	363,867	405,718
Surplus/(deficit) for the current year	12,625	(41,851)
	376,492	363,867

11. COMMITMENTS UNDER OPERATING LEASES

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

	2022	2021
	£	£
Less than one year	34,751	34,418
In two to five years	9,716	3,245
	44,467	37,663

Scottish Athletics Limited

Notes to the financial statements

For the year ended 31 March 2022

12. 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. David Ovens donated to Scottish Athletics, his remuneration for being on the UK Athletics board, and Eilidh Doyle received a fee in connection with the bid to bring the World Athletics Indoor Championships to Glasgow in 2024.

13. 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.