

## CLOSING REMARKS ON GOVERNANCE REVIEW

### ANDY SALMON, BRITISH TRIATHLON CEO



The vision we have established as part of our five-year strategic plan for 2019-2024 is for “great experiences through swim, bike, run.” At all levels of the organisation we are seeking to ensure that our structures, processes and people are committed to this vision, whether that’s supporting clubs and volunteers or in the delivery of AJ Bell World Triathlon Leeds.

As chief executive, I get to witness first-hand the decisions made by the British Triathlon Board, Triathlon England Management Board, Senior Executive Team and Staff, all of whom I would like to thank for their hard work and commitment to seeing the sport of triathlon flourish. This year has been an exciting and successful one, however we know that there are more challenges and opportunities in 2020.

Looking ahead we are drawing up exciting plans for both 2020 and the years to come, plans that will see the delivery of more great experiences through swim, bike, run. The coming year will see us continue to establish our financial sustainability, whilst ensuring that we maximise the capacity within the organisation to capitalise on the possibilities that an Olympic and Paralympic year brings at all levels on and off the field of play.



## FINANCIAL REVIEW



# BRITISH TRIATHLON FINANCIAL REVIEW

## ABRIDGED ACCOUNTS

The following information has been extracted from the full statutory accounts which are available on request from the Companies registered office at; British Triathlon Federation, PO Box 25, Loughborough, Leicestershire, LE11 3WX.

The directors’ present their strategic report for the year ended 31 March 2019.

## STRATEGIC REPORT

### Principal activity and review of the business

The principal activities of the company during the period were to carry out the functions of the national governing body of Triathlon, Duathlon and Aquathlon in Great Britain. British Triathlon’s vision is ‘Great Experiences through swim, bike, run’ and its mission is ‘To develop an environment that makes Britain the world’s leading triathlon nation; enabling success and increasing participation.’

The British Triathlon Federation (BTF) aims to deliver the strategy by working collaboratively with its members (Triathlon England, Triathlon Scotland and Welsh Triathlon) towards the achievement of shared objectives. BTF has eight strategic goals which are set out as follows:

- More Participants
- Great Clubs
- Growing Membership
- Winning Athletes
- Exceptional People
- Outstanding Events
- Excellent Organisation
- Elevated Profile

The Company consists of two divisions, British Triathlon and Triathlon England. The Board delegates responsibility for the day-to-day running of Triathlon England to the Triathlon England Management Board (TEMB).

BTF has adopted an aggressive approach to the achievement of its strategic goals and at the outset of the year under review, which ended on 31 March 2019, it approved a significant budget deficit, so as to enable it to invest in major events, Triathlon England membership growth and the 2018 Commonwealth Games England team.

The period proved to be a challenging one in that the budget deficit was compounded by adverse financial performance in the following areas:

**Major Events:** Despite outstanding operational delivery and achievement of all operational objectives, WTS Leeds and WTS Nottingham produced financial deficits in 2018 which were significantly higher than budgeted, resulting in additional losses to the company. For the 2019 WTS Leeds and WTS Nottingham events, a different underwrite model was established and the company have secured several new commercial partners, ensuring a significantly improved financial outcome.

**Commercial:** during the period, commercial performance was below expectations and was compounded by challenging trading conditions. However, the budget for the year ending 31 March 2020 shows an improved financial performance in this area with several new partners contracted and robust governance in place to assess risk prior to contracting.

**VAT:** Partly due to the evolving structure of the company, and specifically with the contractual hosting of two WTS events, the company’s VAT profile changed significantly. As a result of an independent VAT review, amendments ere made to the company’s partial exemption methodology and consequently, irrecoverable VAT increased significantly, including an element which has been treated as a prior year adjustment in these financial statements as disclosed in note 17. An independent VAT expert has been retained and will conduct an annual review.

The company’s overall financial performance in the financial year has depleted its reserve levels. As such, BTF has conducted a thorough review of its Reserves Policy and established a six-year recovery plan to replenish reserves to levels stated in the Reserves Policy, a copy of which can be found on the company’s website. This is considered prudent and a balanced approach to ensure that the company can operate solvently whilst capitalising on both the opportunity to grow the sport and on the world class success achieved by athletes at all levels.

### Principal risks and uncertainties

There are a number of risks and uncertainties which may have an impact on the Company. The list below does not purport to be exhaustive. The executive team maintain a risk register which is reviewed on quarterly basis by the Board. Risks are identified along with the necessary mitigation strategies.

## RISKS

### Funding

**Maintenance of public funding and the inability to achieve self-generated revenue targets.**

**Mitigation Strategy:**

- The Company regularly reviews budgets and cash flow requirements to ensure it has the appropriate resources for its needs.
- The Company continues to strive to deliver increased value for money and to reduce its dependence on public funding by increasing its own income sources.

### Financial Reserves

**Further depletion of financial reserves rendering the organisation insolvent.**

**Mitigation Strategy:**

- The Company has approved a prudent surplus budget for the year ending 31 March 2020 and a six-year recovery plan to replenish reserves to the appropriate level.

### Political

**Changes in the regulatory or political environment affecting the Company’s ability to deliver its strategy and objectives.**

**Mitigation Strategy:**

- It is difficult for the Company to predict the timing or severity of such changes. However, the organisation does engage with UK Sport/Sport England and other associations in order to ensure the Company is kept abreast of expected potential changes and takes an active role in making appropriate representations through appropriate channels and networks.

### Events

**Failure to secure major events may adversely affect the Company’s ability to build the profile of and participation in the sport.**

**Mitigation Strategy:**

- The Company actively engages with event organisers, the ITU/ETU and other stakeholders, to ensure every event maximises the sports profile and minimises the risks around such events.

**Failure to secure event sponsorship may adversely affect the Company’s ability to deliver major events, which may affect the Company’s ability to build the profile of and participation in the sport.**

**Mitigation Strategy:**

- The Company actively seeks to build attractive commercial propositions, engaging with a variety of commercial entities with a view to build mutually respectful engaging relationships. The company is realistic about financial risks and avoids exposure to sole underwriter status.

### Commercial

**The company enters into agreements that it is unable to fulfil.**

**Mitigation Strategy:**

- The Company has introduced a robust Governance protocol to ensure all commercial partnerships have a positive impact.

### Financial Key Performance Indicators

The principal financial KPI for the organisation is performance against budget.

This report was approved by the Board on 27 July 2019 and signed on its behalf.

Andy Salmon,  
Chief Executive Officer

# DIRECTORS’ REPORT

## FOR THE YEAR ENDED 31 MARCH 2019

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

### Directors’ responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 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 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 surplus or deficit of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company’s financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the 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 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.

### Results

The deficit for the year, after taxation, amounted to £501,775 (2018 - deficit £198,783).

### Directors

- The directors who served during the year were:
- M Battersby (resigned 31 December 2018)
  - D H Cameron
  - N Craigie (resigned 30 April 2018)
  - C Cunningham (resigned 11 January 2019)
  - N Dick
  - Dr M Hardwick
  - S L Heath (appointed 30 April 2018)
  - I P Howard TD
  - W James
  - H Jenkins (appointed 12 January 2019)
  - A Melwani (appointed 24 June 2018)
  - J P Ridgeon (resigned 30 April 2018)
  - A Salmon
  - C Stewart (resigned 27 April 2019)
  - G Warnecke (appointed 30 April 2018)

### 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.

This report was approved by the Board on 27 July 2019 and signed on its behalf.

Andy Salmon,  
Chief Executive Officer

# INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF THE BRITISH TRIATHLON FEDERATION

We have audited the financial statements of The British Triathlon Federation (the ‘Company’) for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 March 2019 and of its 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 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.

## 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.

## Responsibilities of directors

As explained more fully in the Directors’ Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors’ Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors’ Report.

## Use of our report

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

## Thomas Wilson (Senior Statutory Auditor)

For and on behalf of  
**Haysmacintyre LLP**  
Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

28 July 2019



## BRITISH TRIATHLON INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	2018-19 (£)	As restated 2017-18 (£)
<b>INCOME</b>	9,420,993	9,316,824
Operating expenses	(9,929,868)	(9,524,246)
<b>OPERATING DEFICIT</b>	(508,875)	(207,422)
Interest receivable and similar income	9,414	10,665
<b>DEFICIT BEFORE TAXATION</b>	(499,461)	(196,757)
Taxation	(2,314)	(2,026)
<b>DEFICIT FOR THE FINANCIAL YEAR</b>	(501,775)	(198,783)

There was no other comprehensive income for 2019 (2018:ENIL).

## BRITISH TRIATHLON BALANCE SHEET AS AT 31 MARCH 2019

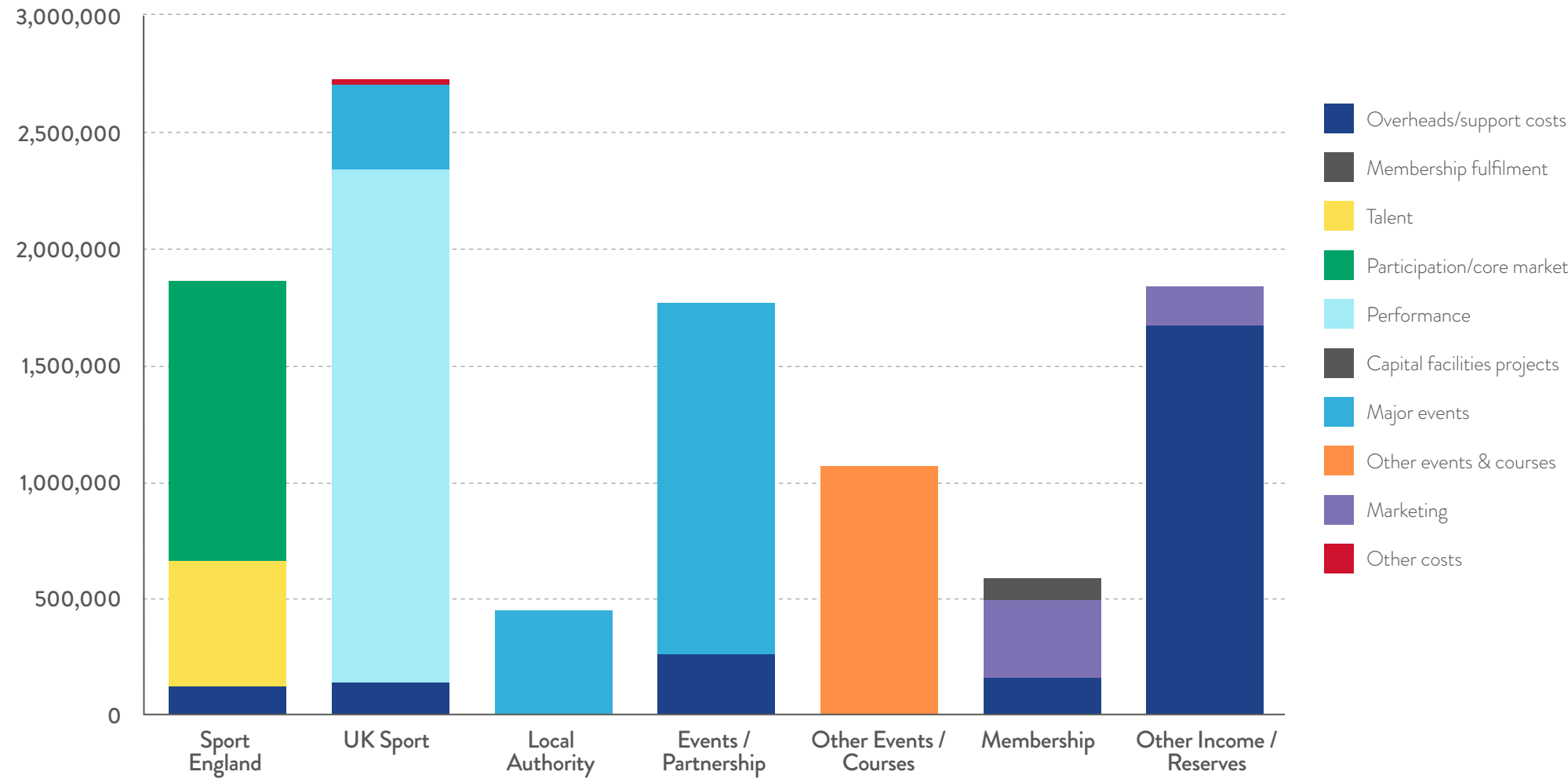
	March 2019 (£)	March 2019 (£)	As restated March 2018 (£)	As restated March 2018 (£)
<b>FIXED ASSETS</b>				
Tangible fixed assets		23,500		40,354
		23,500		40,354
<b>CURRENT ASSETS</b>				
Debtors amounts falling due within one year	758,264		1,133,274	
Cash at bank and in hand	2,785,405		2,526,798	
	3,543,669		3,660,072	
<b>CREDITORS: amounts falling due within one year</b>	(3,257,133)		(2,888,615)	
<b>NET CURRENT ASSETS</b>		286,536		771,457
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>310,036</b>		<b>811,811</b>
<b>NET ASSETS</b>		<b>310,036</b>		<b>811,811</b>
<b>RESERVES</b>				
Triathlon England designated reserve	251,326		454,656	
Members special reserve	35,460		35,460	
Income and expenditure account	23,250		321,695	
		<b>310,036</b>		<b>811,811</b>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 July 2019.

Andy Salmon,  
British Triathlon CEO

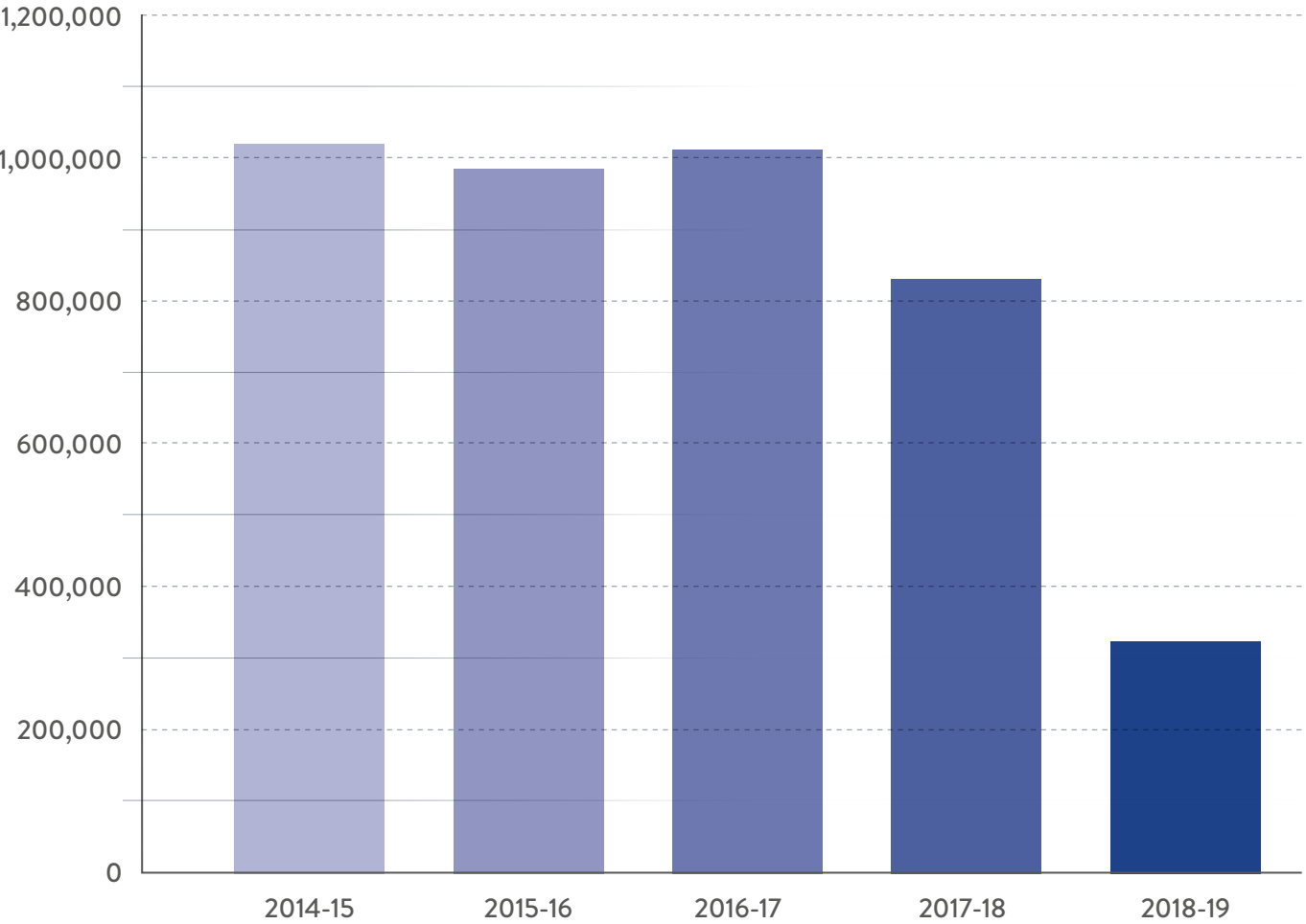


BRITISH TRIATHLON SOURCES OF INCOME AND HOW IT IS SPENT



Overheads and Support costs relate to all other costs of supporting the business including premises, IT, insurance and VIK costs.

BRITISH TRIATHLON RESERVE LEVELS HISTORY







## FINANCIAL REVIEW



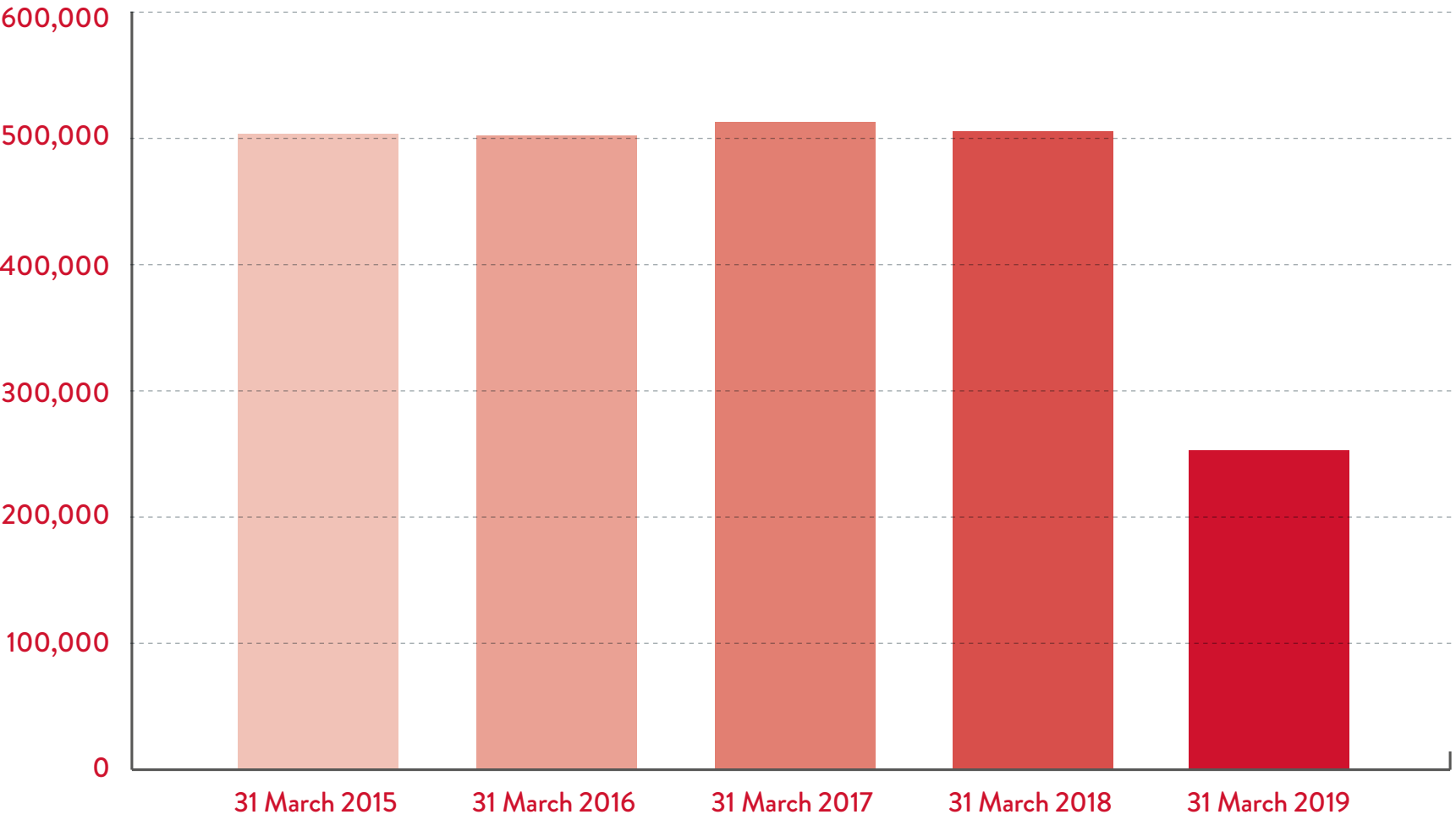
TRIATHLON ENGLAND OPERATING STATEMENT

	2018-19 (£)	2017-18 (£)		2018-19 (£)	2017-18 (£)
SPORT ENGLAND INCOME			MEMBERSHIP		
Development	1,242,431	1,219,280	Income	1,073,302	932,587
Home Nation Talent	517,907	528,926	Expenditure	(564,214)	(614,914)
	1,760,337	1,748,206	NET MEMBERSHIP	509,087	317,673
SPORT ENGLAND EXPENDITURE			EVENTS		
Development – Regional	(91,884)	(64,947)	Income	322,490	342,485
Development – Events (Major & Low Cost)	(180,277)	(127,959)	Expenditure	(95,433)	(96,552)
Development – General	(29,944)	(22,703)	NET EVENTS	227,057	245,933
Staffing	(824,322)	(889,671)	COACHING + OPEN WATER		
Operations Contribution	(116,004)	(114,000)	Income	345,140	245,459
Talent – Regional	(165,658)	(153,270)	Expenditure	(263,611)	(186,246)
Talent – National	(109,405)	(177,510)	NET COACHING + OPEN WATER	81,529	59,213
Talent – General	(242,844)	(198,146)	RING FENCED PROJECTS		
NET SPORT ENGLAND	0	0	Includes Skills School , CWG and Velopark		
			Grant Income	68,099	92,610
			Grant Expenditure	(69,385)	(92,610)
			NET RING FENCED PROJECTS	(1,287)	0
			OPERATIONS		
			Income	4,434	6,050
			Expenditure	(1,024,152)	(695,465)
			NET OPERATIONS	(1,019,718)	(689,415)
			NET TRIATHLON ENGLAND	(203,330)	(66,596)

The Sport England column shows income received from Sport England which is ring-fenced and used purely for activities set out as part of the four-year plan agreed with Sport England, predominantly aimed at growing participation in the sport.

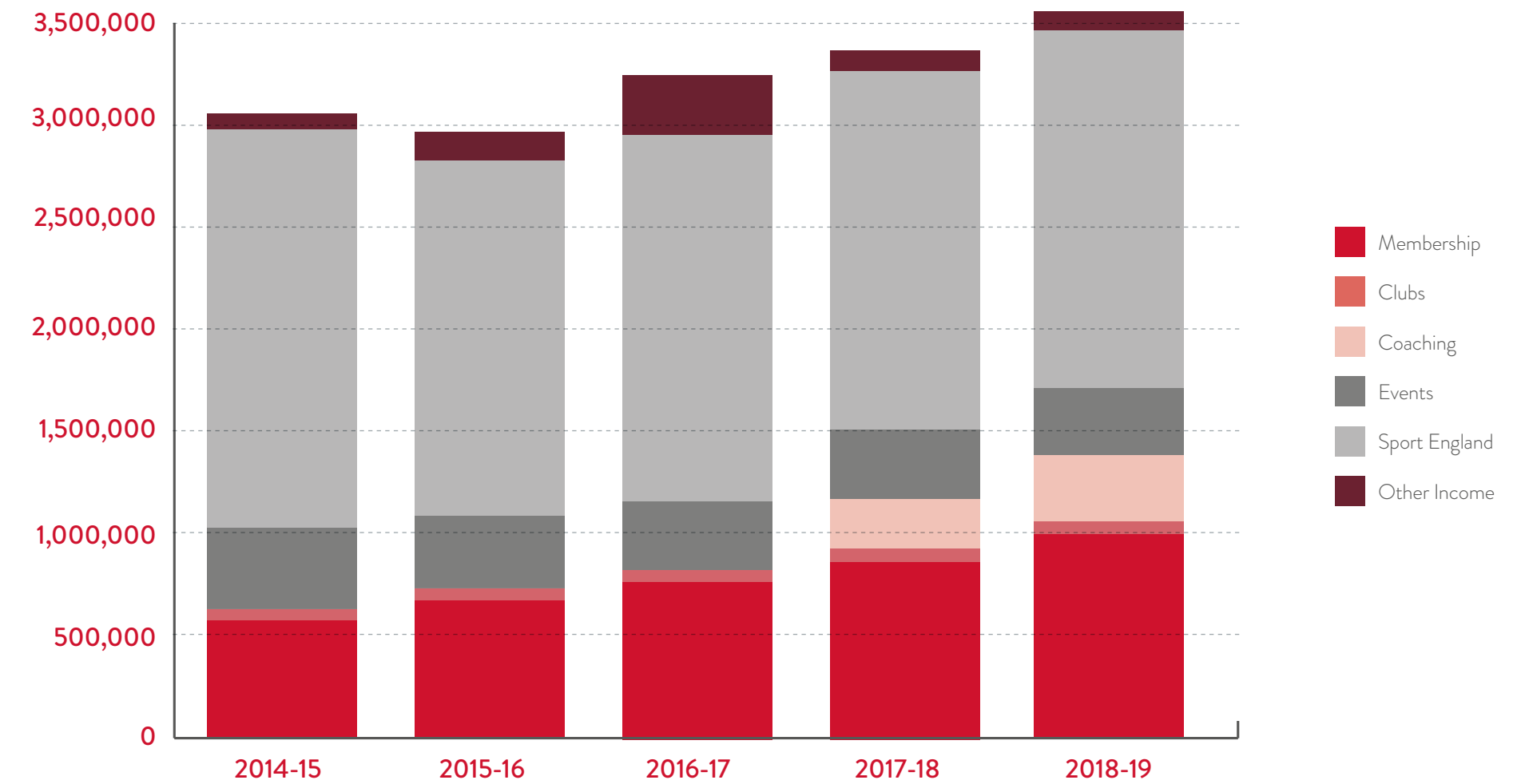
Operations shows all other income and the areas where Triathlon England chose to spend that money including investment into marketing and communications.

TRIATHLON ENGLAND RESERVE LEVELS HISTORY





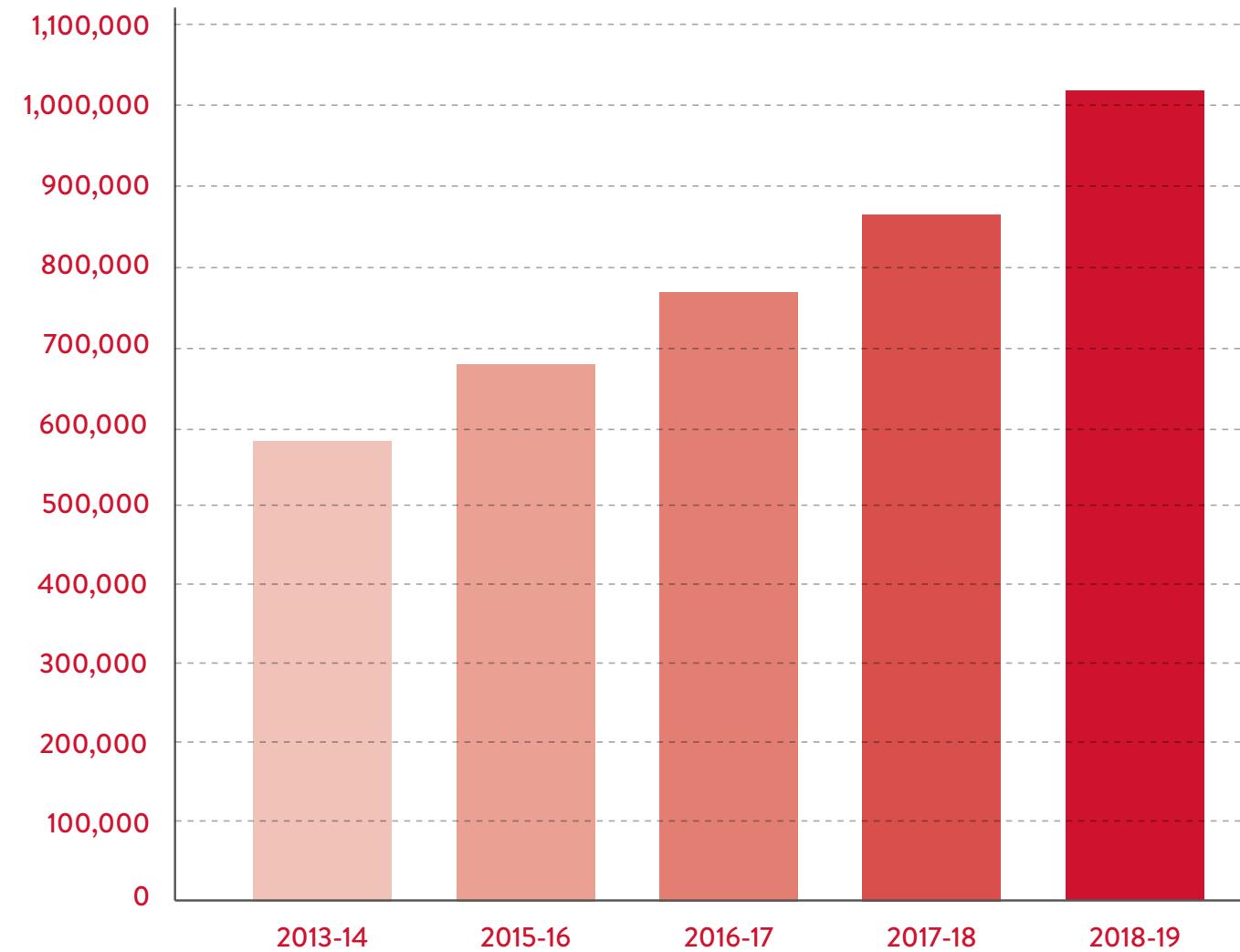
## TRIATHLON ENGLAND SOURCES OF INCOME



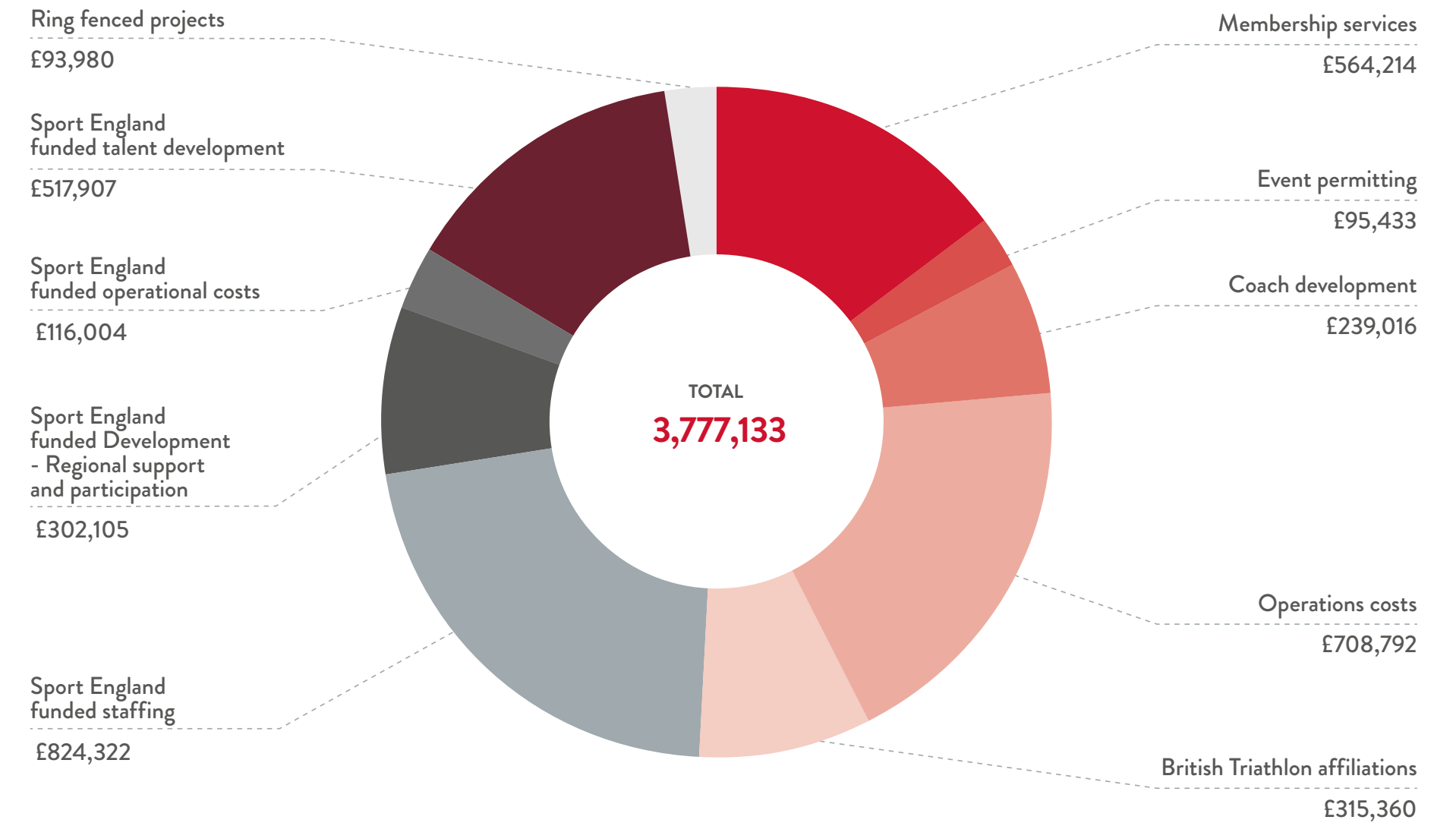




## TRIATHLON ENGLAND MEMBERSHIP INCOME



## WHERE DOES TRIATHLON ENGLAND'S INCOME GO?







## HOME NATION'S AFFILIATIONS

- Qualification Development
- Triathlon Communications
- British Events (National Championships)
- Coaches and Technical
- International Relations
- Governance
- Anti-Doping

## BILL JAMES

### CHAIR OF TRIATHLON ENGLAND



Across the sport of triathlon there is an army of volunteers and staff who work tirelessly to see the sport and individuals develop throughout England. The Triathlon England Awards are a great time to hear about and recognise volunteers in triathlon. Congratulations and thank you to all our award winners, and I know that your time and commitment are replicated at clubs and events across England.

Local clubs are at the core of Triathlon England's strategy and at the heart of triathlon in this country, offering training and social events to their members locally. As the National Governing Body, we are continuously seeking new ways in which we can support clubs across England, and this has seen us pilot a club management system that all affiliated clubs will be able to access for 2020.

The Event Engagement Team will also be heading out to meet event organisers for a second year of roadshows, providing CPD opportunities to help organisers continue to provide great experiences through swim, bike and run.

## CHAIR'S CLOSING REMARKS

Triathlon England ends 2019 with over 27,500 members and improved member benefits and offers developed with partners during the year. In March, a new tiered approach to membership was introduced, offering three membership packages to suit where you are on your triathlon journey. As Chair, I am incredibly pleased to see more and more of you joining us, as well as competing in events and at clubs the length and breadth of England.

Diversifying and growing our finances in a sustainable way ensures we can continue to deliver programmes and services that grow the sport. Over the past four years we have continuously reviewed and developed additional revenue streams as we seek to reduce our reliance on public funding and increase our financial sustainability moving forwards.

Supported by Sport England, the GO TRI Community reached and passed 25,000 this year, which is a fantastic achievement for all involved. Tri January kicked off 2019 with over 5,000 people taking up the challenge with 73% of those being women. Launched on BBC Breakfast; Lauren Steadman, Mike Bushell and Deborah James and Lauren Mahon from the BBC podcast You, Me and the Big C were ambassadors for the GO TRI campaign. In recognition of the work that GO TRI does, Jenny Vincent (Head of Participation) was awarded with the 2019 ITU Women's Committee Award of Excellence.

It wasn't just at the grassroots level that women's triathlon was successful. Jessica Learmonth and Georgia Taylor-Brown claimed second and third in the World Triathlon Series; and, at the Grand Final in Lausanne, Fran Brown (PTS2),

Hannah Moore (PTS4) and Claire Cashmore (PTS5) won gold, with Lauren Steadman (PTS5), Melissa Reid (PTVI) and Olivia Mathias (U23) taking silver.

This year has seen Alex Yee and Ben Dijkstra compete in the World Triathlon Series for the first time having come through the Triathlon England Pathway. They set a great example to the athletes in the England Next Generation squad who have the potential to develop and I look forward to seeing how these up and coming athletes learn and grow in the years to come.

Promoting diversity and inclusion is a key aim for Triathlon England and, with Halima Khan starting her role as Director of Diversity and Inclusion Development, we have seen a working group formed to continue and expand on the work at a national and regional levels. 2019 has also seen the Triathlon England Youth Forum established to engage our younger members in decision making and helping us support triathletes of all ages and at all levels.

Reading through this you can see that 2019 has been a wonderful year for the organisation and sport of triathlon, however there is still much to be done. I want to end this message the way I started, by thanking everyone who gives their time to make our sport what it is. I hope you will continue with us into 2020 to support the great clubs, events and activities that will be going on in the Olympic and Paralympic year.

*Bill James*



## THANKS TO OUR HOME NATIONS, PARTNERS, SUPPLIERS AND FUNDING PARTNERS

### LEAD PARTNER



### OFFICIAL PARTNERS



### OFFICIAL SUPPLIERS



### FUNDING PARTNERS



### HOME NATIONS







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