

Registered number: 02995438

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | D H Cameron 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) A Salmon G Warnecke (appointed 30 April 2018) |
| Company secretary | A Salmon (appointed 7 April 2019) |
| Registered number | 02995438 |
| Registered office | PO Box 25 British Triathlon Federation Loughborough Leicestershire LE11 3WX |
| Independent auditors | Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG |
| Solicitors | Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

CONTENTS

| | Page |
|--|---------|
| Strategic Report | 1 - 4 |
| Directors' Report | 5 - 6 |
| Independent Auditors' Report | 7 - 9 |
| Statement of Comprehensive Income | 10 |
| Statement of Financial Position | 11 |
| Statement of Changes in Reserves | 12 |
| Statement of Cash Flows | 13 |
| Notes to the Financial Statements | 14 - 22 |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

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 were 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 BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

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.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

| Risk | Mitigation Strategy |
|--|---|
| Funding Maintenance of public funding and the inability to achieve self-generated revenue targets. | <p>The Company regularly reviews budgets and cash flow requirements to ensure it has the appropriate resources for its needs.</p> <p>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.</p> |
| Financial Reserves Further depletion of financial reserves rendering the organisation insolvent. | <p>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.</p> |
| Political Changes in the regulatory or political environment affecting the Company's ability to deliver its strategy and objectives. | <p>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.</p> |
| Events Failure to secure major events may adversely affect the Company's ability to build the profile of and participation in the sport. | <p>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.</p> |
| 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. | <p>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.</p> |
| Commercial The company enters into agreements that it is unable to fulfil. | <p>The Company has introduced a robust Governance protocol to ensure all commercial partnerships have a positive impact.</p> |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators

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

This report was approved by the board on

and signed on its behalf.



A Salmon
Chief Executive Officer

27 July 2019

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

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)

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

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

and signed on its behalf.



A Salmon
Chief Executive Officer

27 July 2019

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH TRIATHLON FEDERATION

Opinion

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

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH TRIATHLON FEDERATION
(CONTINUED)

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.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH TRIATHLON FEDERATION
(CONTINUED)

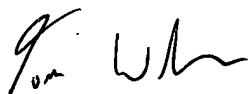
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's 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

Date: 21/08/19

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

| | | 2019 £ | As restated 2018 £ |
|--|-----------|------------------|--------------------------|
| Income | 4 | 9,420,993 | 9,316,824 |
| Operating expenses | | (9,929,868) | (9,524,246) |
| Operating deficit | 5 | (508,875) | (207,422) |
| Interest receivable and similar income | 8 | 9,414 | 10,665 |
| Deficit before tax | | (499,461) | (196,757) |
| Taxation | 9 | (2,314) | (2,026) |
| Deficit for the financial year | 17 | (501,775) | (198,783) |

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

The notes on pages 14 to 22 form part of these financial statements.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)
REGISTERED NUMBER:02995438

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

| | | 2019 £ | | As restated 2018 £ |
|--|----|-----------------------|--------------------|--------------------------|
| Fixed assets | | | | |
| Tangible assets | 10 | 23,500 | | 40,354 |
| | | <u>23,500</u> | | <u>40,354</u> |
| Current assets | | | | |
| Debtors: amounts falling due within one year | 11 | 758,264 | 1,133,274 | |
| Cash at bank and in hand | 12 | 2,785,405 | 2,526,798 | |
| | | <u>3,543,669</u> | <u>3,660,072</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(3,257,133)</u> | <u>(2,888,615)</u> | |
| Net current assets | | <u>286,536</u> | | <u>771,457</u> |
| Total assets less current liabilities | | <u>310,036</u> | | <u>811,811</u> |
| Net assets | | <u><u>310,036</u></u> | | <u><u>811,811</u></u> |
| Reserves | | | | |
| Triathlon England designated reserve | 15 | 251,326 | 454,656 | |
| Members special reserve | 15 | 35,460 | 35,460 | |
| Income and expenditure account | 15 | 23,250 | 321,695 | |
| | | <u>310,036</u> | <u>811,811</u> | |

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



A Salmon
Chief Executive Officer

The notes on pages 14 to 22 form part of these financial statements.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2019

| | Triathlon England designated reserve £ | Members special reserve £ | Income and expenditure account £ | Total reserves £ |
|---|--|---------------------------------|---|-----------------------|
| At 1 April 2017 | 514,051 | 35,460 | 461,083 | 1,010,594 |
| Restated deficit for the year | - | - | (198,783) | (198,783) |
| Restated transfer to/from TE designated reserve | (59,395) | - | 59,395 | - |
| Restated at 1 April 2018 | <u>454,656</u> | <u>35,460</u> | <u>321,695</u> | <u>811,811</u> |
| Deficit for the year | - | - | (501,775) | (501,775) |
| Transfer to/from TE designated reserve | (203,330) | - | 203,330 | - |
| At 31 March 2019 | <u><u>251,326</u></u> | <u><u>35,460</u></u> | <u><u>23,250</u></u> | <u><u>310,036</u></u> |

The notes on pages 14 to 22 form part of these financial statements.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

| | 2019 £ | As restated 2018 £ |
|---|------------------|--------------------------|
| Cash flows from operating activities | | |
| Deficit for the financial year | (501,775) | (198,783) |
| Adjustments for: | | |
| Depreciation of tangible assets | 16,854 | 12,714 |
| Interest received | (9,414) | (10,665) |
| Taxation charge | 2,314 | 2,026 |
| Decrease/(increase) in debtors | 375,011 | (133,759) |
| Increase in creditors | 368,754 | 552,085 |
| Corporation tax (paid) | (2,551) | (5,576) |
| Net cash generated from operating activities | <u>249,193</u> | <u>218,042</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | - | (30,249) |
| Interest received | 9,414 | 10,665 |
| Net cash from investing activities | <u>9,414</u> | <u>(19,584)</u> |
| Net increase in cash and cash equivalents | <u>258,607</u> | <u>198,458</u> |
| Cash and cash equivalents at beginning of year | <u>2,526,798</u> | <u>2,328,340</u> |
| Cash and cash equivalents at the end of year | <u>2,785,405</u> | <u>2,526,798</u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 2,785,405 | 2,526,798 |
| | <u>2,785,405</u> | <u>2,526,798</u> |

The notes on pages 14 to 22 form part of these financial statements.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The British Triathlon Federation is a company limited by guarantee incorporated in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Income

Income comprises revenue recognised in the year by the company in respect of grant funding, membership fees, sponsorship and other income receivable less Value Added Tax where applicable.

Grant income is recognised in the income and expenditure account as the related expenditure is incurred and any unspent amounts are carried forward in creditors.

Membership fees are recognised in the year to which they relate.

Sponsorship income that is received in respect of specific expenditure is matched with the related expenditure and any unspent amount is carried forward in creditors. All other sponsorship income is taken to the income and expenditure account for the period in which it is receivable and the application of the income is charged in the period in which it is incurred.

Revenue received from sponsorship in the form of value in kind (VIK) is recognised on a straight-line basis over the life of the relevant contractual term. Where the VIK is directly related to the supply of goods or services linked to an event, income is recognised at the date of supply of those goods or services.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

| | |
|------------------|---------------------------------|
| Office equipment | - Straight line over five years |
|------------------|---------------------------------|

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors consider there to be no significant judgements or sources of estimation uncertainty impacting these financial statements.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Analysis of income

An analysis of income by class of business is as follows:

| | 2019 £ | 2018 £ |
|---------------|------------------|------------------|
| Grant income | 4,056,116 | 4,346,129 |
| Events | 3,133,975 | 2,608,609 |
| Sponsorship | 407,286 | 567,914 |
| Value in kind | 536,190 | 536,190 |
| Membership | 1,073,302 | 932,587 |
| Other Income | 214,124 | 325,395 |
| | <u>9,420,993</u> | <u>9,316,824</u> |

All income arose within the United Kingdom.

Further details regarding grant receivable and the expenditure that they have funded is provided in Note 22.

5. Operating (deficit)

The operating (deficit) is stated after charging:

| | 2019 £ | As restated 2018 £ |
|---|-----------|--------------------------|
| Depreciation of tangible fixed assets | 16,854 | 12,714 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 9,750 | 9,600 |
| Other operating lease rentals | 118,819 | 129,249 |
| Defined contribution pension cost | 135,991 | 103,096 |
| VAT prior year adjustment | - | 108,861 |
| | <u>-</u> | <u>-</u> |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 2,679,753 | 2,452,989 |
| Social security costs | 249,105 | 225,552 |
| Cost of defined contribution scheme | 135,991 | 103,096 |
| | <u>3,064,849</u> | <u>2,781,637</u> |

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

| | 2019 No. | 2018 No. |
|--|-------------|-------------|
| | 83 | 83 |
| | <u>83</u> | <u>83</u> |

7. Directors' remuneration

| | 2019 £ | 2018 £ |
|--------------------------|----------------|----------------|
| Directors' emoluments | 135,754 | 122,505 |
| Directors' pension costs | 6,750 | 5,957 |
| | <u>142,504</u> | <u>128,462</u> |

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

8. Interest receivable

| | 2019 £ | 2018 £ |
|---------------------------|--------------|---------------|
| Other interest receivable | 9,414 | 10,665 |
| | <u>9,414</u> | <u>10,665</u> |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Taxation

| | 2019 £ | 2018 £ |
|---|--------------|--------------|
| Corporation tax | | |
| Current tax on investment income for the year | 2,314 | 2,026 |
| Total current tax | <u>2,314</u> | <u>2,026</u> |

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Deficit on ordinary activities before tax | <u>(499,461)</u> | <u>(198,783)</u> |
| Deficit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (94,898) | (37,369) |
| Effects of: | | |
| Non-taxable deficit | <u>97,212</u> | <u>39,395</u> |
| Total tax charge for the year | <u>2,314</u> | <u>2,026</u> |

The company is only subject to tax on its investment income.

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Tangible fixed assets

| | Office equipment £ |
|-------------------------------------|--------------------------|
| Cost or valuation | |
| At 1 April 2018 | 96,080 |
| At 31 March 2019 | <u>96,080</u> |
| Depreciation | |
| At 1 April 2018 | 55,726 |
| Charge for the year on owned assets | 16,854 |
| At 31 March 2019 | <u>72,580</u> |
| Net book value | |
| At 31 March 2019 | <u>23,500</u> |
| At 31 March 2018 | <u>40,354</u> |

11. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|------------------|
| Trade debtors | 291,409 | 456,112 |
| Other debtors | 192,444 | 240,051 |
| Prepayments and accrued income | 274,411 | 437,111 |
| | <u>758,264</u> | <u>1,133,274</u> |

12. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 2,785,405 | 2,526,798 |
| | <u>2,785,405</u> | <u>2,526,798</u> |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Creditors: Amounts falling due within one year

| | 2019 | As restated 2018 |
|------------------------------------|------------------|---------------------|
| | £ | £ |
| Trade creditors | 507,118 | 750,378 |
| Corporation tax | 1,789 | 2,026 |
| Other taxation and social security | 75,534 | 71,148 |
| Other creditors | 105,708 | 234,195 |
| Accruals and deferred income | 2,566,984 | 1,830,869 |
| | <u>3,257,133</u> | <u>2,888,616</u> |

Included within accruals and deferred income is £478,452 (2018: £439,559) relating to deferred membership income and £155,889 (2018: £114,261) unspent on grants received from UK Sport and £157,528 (2018: £62,161) unspent on grants received from Sport England.

14. Financial instruments

| | 2019 | 2018 |
|---|------------------|--------------------|
| | £ | £ |
| Financial assets | | |
| Cash balances | 2,785,405 | 2,526,798 |
| Financial assets that are debt instruments measured at amortised cost | 481,076 | 618,712 |
| | <u>3,266,481</u> | <u>3,145,510</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(842,481)</u> | <u>(1,508,485)</u> |

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

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

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. Reserves

Income and expenditure account

Comprises the accumulated surpluses of the British Triathlon Federation.

Members special reserve

This comprises of the accumulated surplus of British Triathlon Association (BTA) at 31 December 1994 adjusted for net over provision in 1993-94. The company acquired the accumulated surplus of BTA from its members on 1 January 1995.

Triathlon England designated reserve

This reserve relates to funds designated for Triathlon England activities.

16. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

17. Prior year adjustment

During the year ended 31 March 2019, following a review of its VAT accounting, the Company uncovered a VAT liability of £108,861 in relation to underpaid VAT from the year ended 31 March 2018. This has been included as an operating expense and a creditor in the restated figures.

18. Pension commitments

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. An amount totalling £22,541 (2018: £18,890) was due at the balance sheet date.

19. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Not later than 1 year | 131,358 | 131,570 |
| Later than 1 year and not later than 5 years | 160,059 | 289,706 |
| | <u>291,417</u> | <u>421,276</u> |

THE BRITISH TRIATHLON FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. Related party transactions

Director I Howard is on the Executive Board of the British Olympic Association (BOA). Payments were made to the BOA totalling £384 (2018: £76).

Director I Howard is a board member of the ITU. Payments were made during the year to ITU totalling £57,875 (2018: £78,481).

Directors I Howard, and A Salmon are common directors of British Triathlon Foundation Trust. During the year grants totalling £7,510 (2018: £10,600) were made to the Trust.

Director M Hardwick is a Director of Inspire2tri Community Interest Company. During the year payments of £721 (2018: £nil) were made to the Company.

The total of key management personnel compensation for the year was £499,938 (2018: £470,606). This represents the total remuneration and benefits of the Federation's senior management team, representing 6 (2018: 7) members of staff.

21. Controlling party

There is no ultimate controlling party.

22. Grant income and expenditure

| | Sport England | UK Sport | Local Authority | Non-public income | TOTAL |
|---------------------------|------------------|------------------|--------------------|----------------------|------------------|
| Revenue grants | 1,797,881 | 2,258,235 | - | - | 4,056,116 |
| Membership Income | - | - | - | 1,073,302 | 1,073,302 |
| Sponsorship Income | - | - | - | 943,476 | 943,476 |
| Major Event Income | - | 350,000 | 430,000 | 934,263 | 1,714,263 |
| Other Events & Courses | - | - | - | 1,419,712 | 1,419,712 |
| Other income | - | 25,207 | - | 198,258 | 241,124 |
| Total Income | 1,797,881 | 2,633,442 | 430,000 | 4,569,011 | 9,420,993 |
| Overheads/Support costs | 116,004 | 133,596 | - | 2,332,184 | 2,581,784 |
| Talent | 517,907 | - | - | - | 517,907 |
| Participation/Core market | 1,163,970 | - | - | - | 1,163,970 |
| Performance | - | 2,124,639 | - | - | 2,124,639 |
| Major Events | - | 350,000 | 430,000 | 1,454,538 | 2,234,538 |
| Other Events & Courses | - | - | - | 1,029,349 | 1,029,349 |
| Marketing | - | - | - | 252,474 | 252,474 |
| Other costs | - | 25,207 | - | - | 25,207 |
| Total Expenditure | 1,797,881 | 2,633,442 | 430,000 | 5,070,798 | 9,929,868 |
| Operating deficit | - | - | - | (508,875) | (508,875) |