



**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

Company No. 08355406  
Charity No. 1165100

**LONDON SPORT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**LONDON SPORT**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 10 January 2013 and registered as a Charity on 08 January 2016.
<b>Governing Document</b>	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
<b>Company Number</b>	08355406
<b>Charity Number</b>	1165100
<b>Registered Office</b>	Providian House 16-18 Monument Street London EC3R 8AJ
<b>Operating Office</b>	Providian House 16-18 Monument Street London EC3R 8AJ
<b>Chair</b>	Kate Hoey MP
<b>Trustees</b>	Richard Barker Derek Michael Brewer Shaun Richard Dawson Yvonne Doyle Philip Hugh Lenon Sadie Fiona Mason Joyce Ellen Ryan David Sparkes Andrew Douglas Sutch Doug Taylor Kim Wright Florence Orban (Appointed 1 April 2016)
<b>Company Secretary</b>	Genevieve Heselden
<b>Key Management Personnel</b>	Peter Thomas Fitzboydon Radha Balani Angus Stewart Robertson Genevieve Heselden Tim Copley Rachael Keen
<b>Bankers</b>	Metro Bank One Southampton Row London WC16 5HA
<b>Auditors</b>	haysmacintyre Chartered accountants & registered auditors 26 Red Lion Square London WC1R 4AG

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2016**

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The Trustees are pleased to present their annual report together with the financial statements of the Charity for the year ending 31 March 2016, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charity Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **Chair's Report**

London Sport's first year of full operation has gone some way towards creating a new way of supporting grassroots physical activity and sport in London. Working with partners ranging from volunteers and coaches to National Governing Bodies and health professionals, our aim has been to create a body which makes it easier for physical activity and sport to thrive in London, for Londoners.

This year has seen London Sport develop its service offering and credibility, and begin to deliver real impact on grassroots sport in London, not least in channelling more investment to those delivering physical activity and sport on the ground.

It has been an encouraging year and, with London Sport now firmly embedded in London's sporting infrastructure, I am sure the next 12 months will see even greater progress towards making London a healthier, happier and more active city.

I would like to take this opportunity to thank our funders, in particular Sport England and the Mayor of London, our partners, supporters and everybody contributing to the growth and development of grassroots physical activity and sport in the capital.

Kate Hoey MP

Chair

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Chief Executive's Report**

Making London the most physically active city in the world. Getting 1,000,000 Londoners more active by 2020. London Sport does not lack for ambition, and I am pleased to report that our first year has put down the solid groundwork we needed to deliver London's vision.

As an organisation we have made great strides internally, embedding a new organisational structure and bringing in new experts to support grassroots physical activity and sport in London. We have matched this with progress externally: increasing the amount of money going to the grassroots in London; making the case for the role of technology in physical activity and sport at the ground-breaking thought-leadership event at the Science Museum; and celebrating the best of grassroots sport in London at the inaugural London Sport Awards.

I am pleased with the steps we have made, but this is only the start. London has a new Mayor and the new strategies from Government and Sport England will help to shape the wider sector. This largescale change provides both opportunities and threats for the sector in London; partners will need support, and we will need to demonstrate clear leadership to help London make a profound change in physical activity and sporting behaviours.

The organisation's thanks are extended to our board of Trustees who have provided invaluable oversight and guidance to the organisation during a critical time in its establishment, and to our partners throughout the sport sector who have helped to shape London Sport's direction as the beginnings of a long-term collaboration to make London the most physically active city in the world.

London Sport has a vital role to play, and we are ready to play it.

Peter Fitzboydon

Chief Executive

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Our Purpose and Activities**

The Trustees have considered the guidance in section 17 of the Charities Act 2011 in setting the aims and activities for the year.

The purposes of the Charity are:

- \* To help physical activity and sport to work better in London;
- \* To promote community participation in healthy recreation by providing, or assisting in providing, facilities for playing healthy sports ("facilities" means land, buildings, equipment and organising sporting activities);
- \* To provide or assist in providing facilities and services for sport, recreation or other leisure time occupation of such persons who have need for such facilities by reason of their disability, youth, age infirmity, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life;
- \* To relieve sickness and preserve health through participation in healthy recreation;
- \* To advance education in accordance with the law of Charity;
- \* To provide and assist in providing facilities, amenities, equipment and services to enable disabled people to participate in sport and other physical recreation; and
- \* To promote all purposes recognised as charitable under the law of England and Wales from time to time in particular through an association with sport.

Underpinning this purpose is a long-term vision of making London the most physically active city in the world, with an immediate target of getting 1,000,000 Londoners more active by 2020. This target is sensitive to changes in the physical activity patterns of Londoners, counting people who move from doing nothing to doing something, as well as those doing something to doing more. Whilst the former remains the primary aim of London Sport due to the numerous positive outcomes derived from becoming physically active, both are important. The Charity's activities and strategic decision making is significantly informed by this vision and target and the Charity does not envisage any substantial variation in these core principles in the forthcoming year.

To help achieve these objectives, the Charity has identified five areas of immediate focus:

- \* Make it easier for Londoners to find the right activity, stay in it, and achieve their potential;
- \* Get more resources for the sector by making best use of current investment, and securing more;
- \* Support grassroots organisations by making structures simpler and better;
- \* Inform the development of a bigger and better workforce to support activity in London; and
- \* Harness the power of elite sport to create sustained grassroots activity and inspire the next generation of talent.

These areas of focus were identified in the Charity's strategy and will also remain consistent in the course of the next year.

Operationally, the Charity's activities are constantly evolving to meet identified need among partners in London. Outlined below are a selection of activities undertaken in the past year, all of which will continue to a greater or lesser extent in the coming year; these should not be taken as an exhaustive view of London Sport's operations, however, and are intended simply to provide a broad overview of the types of project the Charity undertakes to support its core purpose.

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Club Support**

Programmes including ClubWorks (funded by the Greater London Authority), Sportivate and Satellite Clubs (both funded by Sport England) have delivered significant operational and funding support to grassroots physical activity and sport clubs across 32 London boroughs and the City of London, and across a range of target demographics. Each programme has met or exceeded its specified targets for the year and the Charity envisages that providing tailored support to London's grassroots clubs will remain a core aspect of its operational focus.

#### **Insight**

London Sport's insight team has worked across all areas of the organisation's operation, as well as informing and developing internal monitoring processes to ensure appropriate rigour is applied to the Charity's operational activities. Bespoke insight services have formed the core aspect of projects with partners ranging from British Cycling and British Taekwondo to the London Borough of Southwark. The launch of a new Insight and Data Portal has helped to open up access to core insight and data to partners across the physical activity and sport network, providing additional support to partners throughout the sector.

#### **Events**

The Charity has delivered a range of public-facing events, notably 'Participation: The Revolution will be Digital', a national thought-leadership event on the role of technology in driving participation levels, held at the Science Museum in February 2016; and the inaugural London Sport Awards held at Lord's Cricket Ground in January 2016.

These events have been significant milestones for the Charity and have provided an important opportunity to grow the reach of the Charity in its first year of operation.

#### **Funding Support**

A new part of the organisation formed during the year - the Funding Support Team – and it has worked to open up awareness of funding opportunities to grassroots physical activity and sport across the capital, assisting in sector-wide efforts to diversify and broaden the level of investment available to the sector.

In early 2016, the team was fundamental in establishing the Sport Funders in London Group to help improve coordination of funders in the capital.

#### **Physical Activity for Health**

The Physical Activity for Health team has taken a lead on engaging the health sector in the opportunities afforded to improving public health through higher levels of participation in physical activity and sport. Working with the health sector, and with business workforces, the team has executed relationship-building activities to enhance cross-sector engagement.

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Partner Survey**

In December 2015, the Charity conducted a survey of its partners, receiving responses from 156, including Local Authorities, school sport deliverers and national partners.

<b>Survey Date: December 2015</b>	<b>% Agree or Strongly Agree</b>
Feel that London Sport adds value to their work	85%
Satisfied or very satisfied with the quality of advice/support that London Sport gives	92%
Would recommend London Sport's services to colleagues	73%
Partners have a clear and consistent understanding of London Sport's remit	94%

#### **Financial Review**

##### **Revenue**

London Sport currently has three main income streams, these include: grant funding; events income; and providing services to our partners.

Grant funding accounts for 97% of London Sport's income disclosed as of 31 March 2016. The grant funders are: Sport England; the Greater London Authority; and the London Legacy Development Corporation. Sport England funding accounts for £4.6m, 83% of London Sport's overall income for the year, which exceeding the performance requirements from Sport England which sets a maximum reliance target of 85%.

All of the grant funders set out their expectations in a grant funding agreement, with a number of key specifications for the programmes delivered by London Sport. All of the programmes are disclosed within the notes to the financial accounts. There are currently no deficits within any of the restricted funds.

Events income accounts for £53k (2015, £21k) comprises ticket sales, the sale of market stalls, and sponsorship revenue. Events have become more established during the financial year, this trend is expected to continue and strengthen in the coming financial year.

London Sport provides various services to our partners, these services include but are not limited to: boxing development within the local boroughs; expert support team to help boroughs achieve and define their goals; analysis of boroughs' needs through application of local knowledge and insight; and helping to support boroughs and partners to promote local opportunities through sharing of information and creating awareness of what exists. Partner income during this financial year accounts for £72k (2015, £146k). The majority of this decline is reflective of small pieces of work which were inherited as the five pro-actives merged into one.

The accounting policy for income recognition is described in the notes to the accounts.



## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Expenditure**

In 2016 total expenditure was £5.6m (2015, £6.1m), £5.5m (2015, £5.8m) of this was spent delivering the grant funded programmes outlined above and £0.1m (2015, £0.4m) was spent delivering trading activities.

It can be seen from above that expenditure has reduced by £0.6m during 2016. This is largely a consequence of efficiencies being gained from bringing all of the historical pro-actives (London Sport's predecessor organisations) into one organisation and office.

#### **Result for the Period**

The result for the period is a small deficit of £1k (2015: deficit of £282k). The £281k deficit reduction is representative of London Sport establishing itself further and the efficiency savings outlined previously.

#### **Reserve Policy**

The purpose of the Reserve Policy for London Sport is to ensure the stability of the programmes, employment and ongoing operations of the organisation. The level held within reserves is intended to provide an internal source of funds for unanticipated situations. These include but are not limited to: a sudden increase in expenses, an unexpected loss in funding, one-off unbudgeted expenses, or uninsured losses. The reserve is not intended to replace a permanent loss of funds or eliminate an on-going budget gap. The total level of reserves as at 31 March 2016 is £1,166k (2015: £1,167k) of this amount unrestricted reserves are £614k (2015: £607k) and restricted reserves are £552k (2015: £560k).

The minimum amount designated as the unrestricted reserve will be established as an amount sufficient to maintain ongoing operations of London Sport for three months.

The target minimum unrestricted reserve fund is based on the latest budget, equal to three months of average staff costs (not including any consultants) on a sliding scale, based on notice periods and essential operating costs needed to maintain ongoing operations for three months.

The Reserve Policy is reviewed on an annual basis to ensure continuing appropriateness.

#### **Going Concern**

After making enquiries, the Trustees have formed a judgement, at the time of approving the financial statements that there is reasonable expectation that the Charity has adequate resource to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements.

#### **Structure, Governance and Management**

London Sport is committed to meeting high standards of governance and as such the Board acknowledges its contribution to achieving management accountability, improving risk management and ensuring that the key objectives of the Charity are achieved.

The Board currently comprises twelve Non-Executive Trustees. The Board met six times during the year.

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2016**

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A Trustee may not act as a Trustee unless he/she has signed a written declaration of willingness to act as a Trustee of the Charity. A statement of Trustees' responsibilities in respect of the financial statements is set out on page 10.

The Chair is appointed by the Mayor of London. The Chair is not a Trustee of the Board and shall not be entitled to vote at Board meetings. There shall be at least three and (unless otherwise determined by a resolution of the Members) not more than twelve Trustees. All Trustees must support the objects.

The Mayor of London may appoint up to two individuals other than the Chair to be Trustees and shall be entitled to remove the Trustees appointed by him or her.

Sport England and London Councils shall be entitled to appoint up to two Trustees to the Board and shall be entitled to remove the Trustees so appointed by the Board.

Five other Trustees shall be appointed by the Trustees from candidates who apply in writing to the Board in the course of an open recruitment process to be determined by the Board. The Board may regulate its proceedings in respect of such appointments as it sees fit.

Every Trustee howsoever appointed has the same duty as all the other Trustees to act in the way he or she decides in good faith would be most likely to further the purposes of the Charity.

Any decision of the Board must be by decision of a majority of the Trustees present and voting at a quorate Board meeting, or a unanimous decision taken without a Board Meeting taking place.

The Board has established a Finance Sub-Committee, a Remuneration Sub-Committee, an Equality and Diversity Sub-Committee and a Stakeholder Forum. Sub-Committee chair is required to report frequently to the Board and to ensure that all duties are performed to a satisfactory level by each committee.

#### **Finance Sub-Committee**

The Finance Sub-Committee met six times during the year. Its members during the year were Philip Hugh Lenon and Kim Wright, assisted by Peter Fitzboydon and Genevieve Heselden from the Executive team. The Board is satisfied in its obligations in that at least one member has recent relevant financial experience. As required, meetings are attended by the external auditors.

#### **Remuneration Sub-Committee**

The Remuneration Sub-Committee was formed during the year, and met once. Its members during the year were Richard Barker and Shaun Dawson, assisted by Peter Fitzboydon and Genevieve Heselden from the Executive team.

#### **Equality and Diversity Committee**

The Equality and Diversity Committee was formed during the year, and met once. Its members during the year were representatives of London Sport, Age UK, English Federation of Disability Sport (EFDS), Interactive, Pride Sports, Sporting Equals and Women in Sport. The group is chaired by Andrew Sutch.

## **LONDON SPORT**

### **TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Stakeholder Forum**

The Stakeholder Forum was formed to bring together key London stakeholders in physical activity and sport in London, to help enhance policy coordination. The Forum meets three times a year, chaired by Andy Sutch, and is made up of representatives from The Royal Parks, London Youth Games, London Playing Field Foundation, London Legacy Development Corporation, and London Marathon.

#### **Delegation of day to day management powers**

The day to day management of the Charity is delegated to the Chief Executive Officer. The delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Board.

#### **Pay policy for senior staff**

The Trustees consider that the Board of Trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The pay of the senior management team comprising six key management personnel and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the Charity, the Trustees benchmark against pay levels in other comparable organisations and charities.

#### **Managing Risk**

London Sport has a formal risk management process through which the senior management team identifies the major risks to which the organisation may be exposed. These risks are ranked by likelihood and impact, culminating in a risk control document which is updated on a regular basis.

All significant risks, together with current mitigation actions, are reviewed regularly at Board Meetings throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

London Sport's principal risks are then maintained in a risk register, where each risk is categorised as either a strategic risk or an operational risk. There are currently fourteen operational and fourteen strategic risks identified. Each risk is assessed using a likelihood rating of 1-5, where 5 is the most likely and an impact rating of 1-5, where 5 is severe. The total score is then given a red, amber, green (RAG) rating.

The work has identified that our biggest strategic risk is a reduction in funding from our main stakeholders. This risk is managed through regular liaison with our stakeholders and actively contributing to new sports strategies and reviews.

The major operational risk arises from fire, health and safety. Controls are in place to ensure that London Sport has a health and safety policy in place. An up to date health and safety assessment has been carried out on the current workplace.

## LONDON SPORT

### TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2016

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#### Statement of the Board of Trustee' responsibilities for the financial statements

The Trustees, who are also directors of London Sport for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

#### Auditors

haysmacintyre has expressed their willingness to continue in office as auditors. A resolution proposing that haysmacintyre be reappointed as auditors of the charitable company for the forthcoming year will be put to members at the Annual General Meeting.

Approved by the Trustees on

21.7.16

and signed on their behalf by:

Kim Wright



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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We have audited the financial statements of London Sport for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Charitable Company Balance Sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees 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 Trustees' Annual Report.

Jeremy Beard  
Senior Statutory Auditor  
for and on behalf of haysmacintyre  
Statutory Auditors

Date: 21/7/2016

26 Red Lion Square  
London  
WC1R 4AG

# LONDON SPORT

## STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>INCOME ON:</b>					
Charitable activities <i>Programme Delivery</i>		13	5,484	5,497	5,037
Other trading activities <i>Thought Leadership and Partner Services</i>		124	-	124	292
Other		17	-	17	43
<b>Total income</b>	<b>2</b>	<b>154</b>	<b>5,484</b>	<b>5,638</b>	<b>5,372</b>
<b>EXPENDITURE FROM:</b>					
Expenditure on Charitable activities <i>Delivery of Charitable activities</i>	3	11	5,492	5,503	5,807
Cost of trading activities		136	-	136	352
<b>Total expenditure</b>	<b>3</b>	<b>147</b>	<b>5,492</b>	<b>5,639</b>	<b>6,159</b>
<b>Net income/(expenditure)</b>	<b>6</b>	<b>7</b>	<b>(8)</b>	<b>(1)</b>	<b>(787)</b>
<b>Transfer between funds</b>		-	-	-	505
<b>Other recognised gains/(losses)</b>		-	-	-	-
<b>Net movement in funds</b>		<b>7</b>	<b>(8)</b>	<b>(1)</b>	<b>(282)</b>
Funds brought forward		607	560	1,167	1,449
Funds at 31 March 2016		614	552	1,166	1,167

The notes on pages 17 – 23 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year.

All amounts derive from continuing activities.

Full comparative figures for the year ended 31 March 2015 are shown in note 17 on page 23.

LONDON SPORT

Company No. 08355406

**BALANCE SHEET**

**AT 31 MARCH 2016**

	Notes	2016 Charity £'000	2015 Charity £'000
<b>CURRENT ASSETS</b>			
Debtors	9	610	129
Short term deposits and cash in hand		1330	2,163
		<u>1,940</u>	<u>2,292</u>
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due within one year</b>	10	774	1,125
		<u>774</u>	<u>1,125</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,166</u>	<u>1,167</u>
<b>NET ASSETS</b>			
		<u>1,166</u>	<u>1,167</u>
<b>FUNDS</b>			
Unrestricted funds		614	607
Restricted funds	13	552	560
		<u>1,166</u>	<u>1,167</u>
<b>TOTAL CHARITY FUNDS</b>			
		<u>1,166</u>	<u>1,167</u>

Approved by the Trustees and authorised for their issue on 21.7.16 2016 and signed on their behalf by:

  
Kim Wright

The notes on pages 17-23 form part of these financial statements.

**LONDON SPORT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Note</b>	<b>2016 Charity £'000</b>	<b>2015 Charity £'000</b>
<b>Cash flows from operating activities</b>	15	<u>(835)</u>	<u>1,559</u>
<b>Cash flows from investing activities</b>			
Interest income		2	2
Transfer of London Pro-Actives			505
<b>Cash provided by (used in) investing activities</b>		<u>(833)</u>	<u>2,066</u>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<u>(833)</u>	<u>2,066</u>
Cash and cash equivalents at the beginning of the year		2,163	97
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<u>1,330</u>	<u>2,163</u>



## LONDON SPORT

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

London Sport meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No material restatements were required as a result of the transition to the FRS102 reporting standard. During the year the Charity received charitable status and the following adjustments took place in the conversion from companies act reporting to the new Charities SORP 2015:

<b>Reconciliation of opening funds and balances</b>	<b>31 March 2015 £'000</b>
London Sport closing total fund balance as previously stated	607
Reclassification of deferred income – now Restricted Funds	560
<b>London Sport Charity closing total fund balance as restated</b>	<b>1,167</b>
<b>SOFA reconciliation</b>	
London Sport retained deficit for 2014/15 as previously stated	(16)
Release of deferred income	(254)
APAP VIK adjustment	(10)
Rounding	(2)
<b>London Sport closing deficit as restated for 2014/15</b>	<b>(282)</b>

## LONDON SPORT

### NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. ACCOUNTING POLICIES (continued)

##### **Preparation of accounts on a going concern basis**

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the Charity remains a going concern for the foreseeable future.

##### **Income recognition**

All income is recognised once the Charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

##### **Gifts in kind**

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

##### **Grants**

Grants are recognised in full in the statement of financial activities in the year in which the Charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

##### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering our programmes in order to further the purpose of the Charity and their associated support costs.
- Other expenditure represents expenditure on events and our support services provided to our partners and the local boroughs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred

Expenditure allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the core business functions, are apportioned based on staff time attributable to each activity where appropriate.

Governance cost includes staff costs and overheads in respect of the management of the Charity and compliance with constitutional and statutory requirements.

##### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## LONDON SPORT

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2016

#### 1. ACCOUNTING POLICIES (continued)

##### Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

##### Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the Charity. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

##### Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

- **Pension scheme**

London Sport operates a defined contribution pension scheme for the benefit of its employees. The assets of the Scheme are held independently from those of London Sport in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

#### 2. INCOME FROM CHARITABLE ACTIVITIES

	2016 £'000	2015 £'000
Programme delivery	5,484	5,037
Events	53	21
Services provided to Partners	45	116
Boxing Development	27	30
Courses and Seminars	12	-
Start-up Income	-	125
Other	17	43
	<u>5,638</u>	<u>5,372</u>

**LONDON SPORT**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2016**

<b>2. INCOME FROM CHARITABLE ACTIVITIES (continued)</b>					<b>2016 £'000</b>	<b>2015 £'000</b>
<b>Programme Delivery for Charitable Activities</b>						
The breakdown was as follows:						
Core Activities					1,676	1,545
Sportivate					1,513	1,498
Satellite Clubs					957	1,104
Club Capacity Building Programme					392	-
Coaching and Volunteering					256	250
Primary School Premium					255	255
Motivate East					193	230
Sport Relief					170	-
Active People Active Park					60	60
Other					12	95
					<u>5,484</u>	<u>5,037</u>
<b>3. ANALYSIS OF EXPENDITURE</b>						
	<b>Direct Costs - Staff £'000</b>	<b>Direct Costs - Other £'000</b>	<b>Grant Funding £'000</b>	<b>Support Costs £'000</b>	<b>2016 Total £'000</b>	<b>2015 Total £'000</b>
Delivery of Charitable Activities	2,113	263	2,629	498	5,503	5,807
Activities and Events	-	129	-	7	136	352
	<u>2,113</u>	<u>392</u>	<u>2,629</u>	<u>505</u>	<u>5,639</u>	<u>6,159</u>
<b>4. ANALYSIS OF SUPPORT COSTS</b>						
	<b>Management £'000</b>	<b>Finance £'000</b>	<b>Resources £'000</b>	<b>Governance £'000</b>	<b>2016 Total £'000</b>	<b>2015 Total £'000</b>
Delivery of Charitable Activities	100	36	337	25	498	346
Activities and Events	-	-	7	-	7	-
	<u>100</u>	<u>36</u>	<u>344</u>	<u>25</u>	<u>505</u>	<u>346</u>
Resources include costs of IT and premises.						
<b>5. GOVERNANCE COSTS INCLUDE:</b>					<b>2016 £'000</b>	<b>2015 £'000</b>
Staff costs					4	-
Auditor's remuneration						
Audit work					11	8
Other services					10	1
					<u>25</u>	<u>9</u>

# LONDON SPORT

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2016

6. NET INCOME FOR THE YEAR	2016 £'000	2015 £'000
This is stated after charging/crediting		
Auditors remuneration (including VAT):		
Audit	11	8
Other services	10	1
Expenses reimbursed to Trustees	-	-
	<u>21</u>	<u>9</u>

No Trustee received remuneration in the current or prior year.

## 7. SUBSIDIARIES

The wholly owned subsidiary London Sport Trading Limited is incorporated in the United Kingdom (company number: 09926559). The subsidiary was incorporated in December 2015 and will pay all of its profits to London Sport under the Gift Aid scheme. As at 31 March 2016, no activity had occurred within London Sport Trading Limited. The first year end of London Sport Trading will be the 31 March 2017, at this point the numbers will be consolidated to form group accounts.

8. STAFF COSTS AND NUMBERS	2016 £'000	2015 £'000
<b>Staff costs were as follows:</b>		
Salaries and wages	1,614	1,693
Social security costs	166	147
Pension contributions	215	269
Redundancy payments	-	74
	<u>2,000</u>	<u>2,183</u>

The number of employees whose emoluments for the year fell within the following bands were:

	2016 Number	2015 Number
£60,001-£70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
	<u>2</u>	<u>3</u>

The CEO joined the organisation on 1 September 2014.

Of these, two employees are accruing pension contributions totalling £16k (2015: three employees, accruing £31k). The total employee benefits of the senior management team comprising six key management personnel (2015, five key management personnel) of the Charity were £297k (2015: £245k).

The average number of employees during the year was as follows:

	Number	Number
Charitable activities	40	35
Support	4	3
	<u>44</u>	<u>38</u>

**LONDON SPORT**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2016**

9.	DEBTORS: amounts falling due within one year	2016 Charity £'000	2015 Charity £'000		
	Project debtors	236	59		
	Prepayments	67	27		
	Accrued Income	269	-		
	Other debtors	38	43		
		<u>610</u>	<u>129</u>		
10.	CREDITORS: amounts falling due within one year	2016 Charity £'000	2015 Charity £'000		
	Project creditors	273	375		
	London Sport Trading Creditor	19	-		
	Other Taxation and Social Security	71	54		
	Accruals	385	585		
	Deferred Income	26	36		
	Other creditors	-	75		
		<u>774</u>	<u>1,125</u>		
11.	ANALYSIS OF DEFERRED INCOME	2016 Charity £'000	2015 Charity £'000		
	Deferred income at 1 April	36	-		
	Applied during the year	26	36		
	Released during the year	(36)	-		
		<u>26</u>	<u>36</u>		
12.	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds £'000
	Current assets	552	-	1,388	1,940
	Current liabilities	-	-	(774)	(774)
	Net assets at 31 March 2016	<u>552</u>	<u>-</u>	<u>614</u>	<u>1,166</u>

LONDON SPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

13. ANALYSIS OF FUNDS

	Balance 1 April 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2016 £'000
<b>General funds</b>	607	154	(147)	-	614
<b>Restricted funds</b>					
Core Activities	110	1,676	(1,740)	-	46
Sportivate		1,513	(1,478)	-	35
Satellite Club	148	957	(977)	-	128
Club Capacity		392	(372)	-	20
Coaching/volunteering	107	256	(249)	-	114
Primary School	99	255	(181)	-	173
Premium	25	193	(215)	-	3
Motivate East		170	(170)	-	-
Sport Relief	23	60	(60)	-	23
Active Park Active	48	12	(50)	-	10
People (APAP)					
Other					
<b>Charity total</b>	<u>1,167</u>	<u>5,638</u>	<u>(5,639)</u>	<u>-</u>	<u>1,166</u>

**General Fund**

This fund is unrestricted, and governed by London Sport's unrestricted reserves policy. The Policy is designed to ensure that in the case of ceasing to exist, London Sport can cover the key operational day to day costs of the Charity for a minimum period of three months.

**Restricted Funds**

Core Activities	Funding to cover the overall costs of the day to day running of the organisation. These include but are not limited to: staff; rent; travel & subsistence; and marketing.
Sportivate	Is developed to give young people the chance to discover sport. As part of this programme 14-25 year-olds are provided access to 6-8 weeks of free or subsidised coaching in a range of sports.
Satellite Clubs	Satellite Clubs are extensions, or outposts of community sports clubs which are established in a new venue, usually a secondary school or college and specifically target the 11-25 age group. They help to facilitate the step from school or college sport to community sport which is often too great for young people.
Primary School Sport	Sport England, the County Sports Partnership Network and the Youth Sport Trust are combining efforts to help schools make sport part of everyday life.
Motivate East	An inclusive sports participation project for disabled people living in the Host Boroughs inspired by the Paralympic Games.
APAP	Active Park is a wide-ranging programme which features sports in which anyone can take part, taking place on and around Queen Elizabeth Olympic Park.
Club Capacity	A Greater London Authority funded programme where London Sport manages a group of specialist deliverers, who provide tailored support for clubs to increase their capacity and help them to become sustainable.
Coaching/Volunteering	Provision of coaching and volunteering services.
Sport Relief	Delivery of a Sports Village for the Sport Relief event in March 2016.
Other	Various projects including 'This Girl Can', and 'This Girl Can Play Netball'.

## LONDON SPORT

### NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

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#### 14. TAXATION

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose. The Charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

#### 15. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 Charity £'000	2015 Charity £'000
Net income for the year	(1)	(282)
Add back depreciation charge	-	-
Deduct interest income shown in investing activities	-	-
Decrease (increase) in debtors	(481)	216
Increase (decrease) in creditors	(353)	1,625
Net cash used in operating activities	<u>(835)</u>	<u>1,559</u>

#### 16. RELATED PARTY TRANSACTIONS

In 2016 no transactions took place between the Charity and its wholly owned subsidiary London Sport Trading Limited. As at 31 March 2016, the Charity held £18.5k of funds on behalf of London Sport Trading, these were paid to London Sport Trading during May 2016.



# LONDON SPORT

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

### 17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2015)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000
<b>INCOME FROM:</b>				
Charitable activities <i>Programme Delivery</i>	2	-	5,037	5,037
Other trading activities <i>Events and Partner Income</i>		292	-	292
Other		43	-	43
<b>Total income</b>		<u>335</u>	<u>5,037</u>	<u>5,372</u>
<b>EXPENDITURE ON:</b>				
Charitable activities <i>Delivery of Charitable Activities</i>	4	-	5,807	5,807
Other trading costs		352	-	352
Other		-	-	-
<b>Total expenditure</b>	4	<u>352</u>	<u>5,807</u>	<u>6,159</u>
<b>Net Income</b>	4	<u>(17)</u>	<u>(770)</u>	<u>(787)</u>

### 18. POST BALANCE SHEET EVENT

On 1 April 2016, London Sport merged with London Sports Forum for Disabled People (trading as Interactive). The two organisations joined together to enhance the strategic importance of disability equality in physical activity and sport across London.

Under the terms of the merger, London Sport has taken on Interactive's team of specialists in disability equality along with its existing projects and commitments. Interactive has become a part of London Sport's existing structure, supported by London Sport's networks, infrastructure and operations. London Sport's activities will be enhanced with Interactive becoming part of the organisation.

The restricted and unrestricted funds will be merged into London Sports accounts ending 31 March 2016.

