



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Company No. 08355406
Charity No. 1165100

**LONDON SPORT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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LONDON SPORT

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2017

Status	The organisation is a charitable company limited by guarantee, incorporated on 10 January 2013 and registered as a Charity on 08 January 2016.
Governing Document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Company Number	08355406
Charity Number	1165100
Registered Office	60 Cannon Street London EC4N 6NP
Operating Office	60 Cannon Street London EC4N 6NP
Chair	Kate Hoey
Trustees	Richard Barker Derek Michael Brewer Shaun Richard Dawson Yvonne Doyle Philip Hugh Lenon Sadie Fiona Mason Joyce Ellen Ryan David Sparkes (resigned 21 June 2017) Andrew Douglas Sutch (resigned 16 March 2017) Doug Taylor Kim Wright
Co-opted member	Florence Orban (1 April 2016 – 31 March 2017)
Company Secretary	Genevieve Heselden
Key Management Personnel	Tove Okunniwa (appointed 18 September 2017) Peter Thomas Fitzboydon (resigned 23 June 2017) Angus Stewart Robertson Genevieve Heselden Timothy James Copley Robert Smyth
Bankers	Metro Bank One Southampton Row London WC16 5HA
Auditors	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 2017

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2017 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 2016).

Chair's Report

The positive steps taken by London Sport in its first full year of operation have been built upon successfully in the last year, and our vision of making London the most physically active city in the world remains a reasonable – if ambitious – aspiration. Many of the initiatives that we found to be contributing successfully to grassroots sport in the capital last year have gone from strength-to-strength in the past twelve months, with the organisation in a stronger position as a result.

From the announcement of the House of Sport and its resident start-up technology incubator, to the success of our second annual London Sport Awards, and the beginnings of our work to support a bigger and better workforce for sport in London, the organisation has continued to strive to create the most successful environment possible for physical activity and sport in the capital. London Sport has made a conscious effort to not only make small, immediate improvements for organisations working to get people more active, but also to lead bold, large-scale, sector-changing initiatives that could prove revolutionary.

The support of our major funders, in particular Sport England and the Mayor of London, has again been crucial to enabling the work of London Sport, and I extend to them my thanks, and the thanks of the entire Board. I also place on record my thanks to our former Chief Executive, Peter Fitzboydon, who announced his resignation at the end of this financial year. We are also grateful to all of our partners, our supporters, and the whole physical activity and sport sector in London for their continued dedication to getting Londoners to be more physically active.

This is my final Chair's Report for the Board of London Sport, and, as I prepare to hand-over to my successor, I am glad to reiterate my belief in the importance of the organisation's work and its vision. I am proud to have supported London Sport since its inception, and I am confident that it will continue to be a vital voice for grassroots sport in the capital.

Kate Hoey MP

Chair

Our Purpose

The purposes of the Charity are:

- * To help physical activity and sport in London;
- * To promote community participation in healthy recreation by providing, or assist 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 for those who need 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 life conditions;
- * To relieve sickness and preserve health through participation in healthy recreation;
- * To advance education in accordance with the law of Charity;
- * 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, and a target of getting 1,000,000 Londoners more active by 2020. The Charity's activities and strategic decision making is 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;
- * 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.

Our Activities

Operationally, the Charity's activities are constantly evolving to meet identified need among partners in London. Outlined below are a selection of highlighted 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 2017

Club support

London Sport's major club support programmes – the Greater London Authority funded ClubWorks programme, and Sport England funded Sportivate and Satellite Club interventions – have delivered strong operational performance, contributing to a better-supported grassroots sport infrastructure in the capital. While our partner focus will evolve in the coming year, it is anticipated that support to grassroots clubs will remain a core part of our support proposition.

House of Sport

Announced in August 2016, the House of Sport opened its doors this summer, housing the London Sport team and a number of partner organisations in physical activity and sport. Incorporating an event space, a dedicated Boardroom and London's first physical SportTech incubator, the House of Sport will become a key hub for physical activity and sport innovation in London and nationwide.

Insight

Insight remains at the heart of everything London Sport does, underpinning our own work as well as informing our support of partners and stakeholders across the capital. The insight team has been strengthened with new appointments, and we anticipate a continued focus on the importance of insight in driving achievements across the sector. The success of the Insight and Data Portal since its launch last year has been a notable positive, and we will be actively exploring ways to make insight more accessible to new and existing partners throughout physical activity and sport.

Events

London Sport has built on its existing events calendar with successful Partner Engagement, Technology and Awards event-helping to champion the diverse range of activities comprising physical activity and sport in London.

With a number of these events now firmly established in the annual calendar, we anticipate that these will continue to deliver positive reputational and strategic results for the organisation in the coming year. This stream of work runs through London Sport Trading.

Funding support

Funding support remains a critical part of the London Sport structure, with a number of initiatives this year, including the launch of a digital Funding Search Tool and a Crowd Funding Pilot Programme contributing to a greater level of sophistication around accessing funding across the sector. Funding support now forms a significant component of London Sport's services arm, with plans to support a wider array of partners to access and make the best use of funding to support physical activity and sport.

LONDON SPORT

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Partner Survey

In December 2016, the Charity conducted a survey of its partners, receiving responses from 156, including Local Authorities, school sport deliverers and national partners. The Board was particularly encouraged by the increased level of partners that feel London Sport adds value to their work, and the consistently high levels of satisfaction reported by partners. The decrease in understanding of London Sport's remit has been noted and will be monitored carefully in next year's partner survey.

	% Agree or Strongly Agree	
	2015	2016
Felt that London Sport adds value to their work	85%	91%
Were satisfied or very satisfied with the quality of advice/support that London Sport gives	92%	93%
Have a clear and consistent understanding of London Sport's remit	94%	86%

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 2017. The grant funders are: Sport England; the Greater London Authority; and the London Legacy Development Corporation. Sport England funding accounts for £4.7m, 81% of London Sport's overall income for the year, which meets 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.

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.

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

Expenditure

In 2017, total expenditure was £5.8m (2016, £5.6m). £5.6m (2016, £5.5m) of this was spent delivering the grant funded programmes outlined above and £0.2m (2016, £0.1m) was spent delivering trading activities.

It can be seen from above that expenditure has increased by £0.2m during 2017. This is reflective of the organisation growing and operating at full capacity plus an additional £0.05m restructure cost.

LONDON SPORT

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

Result for the Period

The result for the period is a surplus of £75k (2016: deficit of £1k). The 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 2017 is £1,241k (2016: £1,166k) and of this amount unrestricted reserves are £598k (2016: £614k) and restricted reserves are £643k (2016: £552k).

The minimum amount designated as the unrestricted reserve is 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 was set at £560k (2016: £560k) during the financial year, which was sustained. This 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.

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 through a publicly-advertised selection process. 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.

LONDON SPORT

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

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 Non-Executive 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 Trustees 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, a Stakeholder Forum and a Nominations Sub-Committee. Each Sub-Committee Chair is required to report frequently to the Board and ensures that all duties are performed to a satisfactory level by each sub-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 Sub-Committee

The Equality and Diversity Sub-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 was Chaired by Andrew Sutch.

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, and was chaired by Andrew Sutch, and is made up of representatives from The Royal Parks, London Youth Games, London Playing Field Foundation, London Legacy Development Corporation, London Marathon, and assisted by Peter Fitzboydon and Rachael Keen from the Executive team.

Nominations Sub-Committee

The Nominations Sub-Committee was formally established at the end of the year, and has met once during the new financial year. Its members are Richard Barker, Shaun Dawson, Sadie Mason and Simon Cooper, assisted by Genevieve Heselden and Rachael Keen from the Executive team.

LONDON SPORT

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2017

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 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 is reviewed annually and normally increased 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 or 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 2017

Statement of the Board of Trustees' 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.

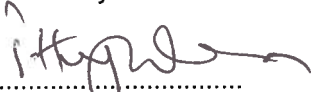
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

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 have 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 September 2017 and signed on their behalf by:



.....
Philip Hugh Lenon

LONDON SPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SPORT FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of London Sport for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Parent Company Balance Sheet, the Group 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 including Financial Reporting Standard 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditor under the Companies Act 2006. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 March 2017 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.

Opinions 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 Trustees report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or


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

26 Red Lion Square
London WC1R 4AG

21 September 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account)

AT 31 MARCH 2017

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
INCOME FROM:					
Charitable activities <i>Programme Delivery</i>		14	5,641	5,655	5,497
Other trading activities <i>Thought Leadership and Partner Services</i>		169	-	169	124
Other		12	-	12	17
Total income	2	195	5,641	5,836	5,638
EXPENDITURE ON:					
Expenditure on Charitable activities <i>Delivery of Charitable activities</i>	3	48	5,550	5,598	5,503
Activities and Events		164	-	164	136
Total expenditure	3	212	5,550	5,762	5,639
Net income	6	(17)	91	74	(1)
Transfers between funds		-	-	-	-
Net assets transferred from merger	7	1	-	1	-
Net movement in funds		(16)	91	75	(1)
Funds brought forward		614	552	1,166	1,167
Funds at 31 March 2017		598	643	1,241	1,166

The notes on pages 14 - 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 2016 are shown in note 17.

LONDON SPORT
CONSOLIDATED AND CHARITY BALANCE SHEET
AT 31 MARCH 2017

Company No. 08355406

	Notes	2017		2016	
		Group £'000	Charity £'000	Group £'000	Charity £'000
CURRENT ASSETS					
Debtors	9	549	547	610	610
Short term deposits and cash in hand		1,648	1,643	1,330	1,330
		<u>2,197</u>	<u>2,190</u>	<u>1,940</u>	<u>1,940</u>
CURRENT LIABILITIES					
CREDITORS: amounts falling due within one year	10	956	934	774	774
		<u>956</u>	<u>934</u>	<u>774</u>	<u>774</u>
NET CURRENT ASSETS					
		<u>1,241</u>	<u>1,256</u>	<u>1,166</u>	<u>1,166</u>
NET ASSETS					
		<u>1,241</u>	<u>1,256</u>	<u>1,166</u>	<u>1,166</u>
FUNDS					
Unrestricted funds		598	613	614	614
Restricted funds		643	643	552	552
TOTAL FUNDS	14	<u>1,241</u>	<u>1,256</u>	<u>1,166</u>	<u>1,166</u>

Approved by the Trustees and authorised for their issue on 21 September 2017 and signed on their behalf by:



 Philip Hugh Lenon

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The surplus of the parent Charity was £103k (2016: £281k).

The notes on pages 14 – 23 form part of these financial statements

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

AT 31 MARCH 2017

	Note	2017		2016	
		Group £'000	Charity £'000	Group £'000	Charity £'000
Cash flows from operating activities	15	<u>315</u>	<u>310</u>	<u>(835)</u>	<u>(835)</u>
Cash flows from investing activities					
Interest income		2	2	2	2
Transfer of Interactive		1	1	-	-
Cash provided by (used in) investing activities		<u>318</u>	<u>313</u>	<u>(833)</u>	<u>(833)</u>
Increase (decrease) in cash and cash equivalents in the year		318	313	(833)	(833)
Cash and cash equivalents at the beginning of the year		1,330	1,330	2,163	2,163
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>1,648</u>	<u>1,643</u>	<u>1,330</u>	<u>1,330</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 2016) - (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).

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.

Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary London Sport Trading Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

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.

Donations and legacies

Donations and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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.

Financial Instruments

The Charity 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £1k are capitalised. To date London Sport have no assets exceeding £1k.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Furniture, fittings and equipment	4 years straight line
Leasehold improvements	life of lease

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

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 paid during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

2. TOTAL INCOME FROM CHARITABLE ACTIVITIES	£'000	£'000
Programme delivery	5,641	5,484
Events	40	53
Services provided to Partners	81	72
Courses and Seminars	14	12
Sponsorship	22	-
Other	38	17
	<u>5,836</u>	<u>5,638</u>

£'000 **£'000**

Programme Delivery for Charitable Activities

The breakdown was as follows:

Core Activities	1,808	1,676
Sportivate	1,565	1,513
Satellite Clubs	887	957
Club Capacity Building Programme	344	392
Coaching and Volunteering	331	256
Primary School Premium	255	255
Motivate East	201	193
Sport Relief	-	170
Interactive	142	-
GLA Technology Innovation Fund	50	-
Active People Active Park	20	60
Other	38	12
	<u>5,641</u>	<u>5,484</u>

3. ANALYSIS OF GROUP EXPENDITURE

	Direct Costs - Staff £'000	Direct Costs - Other £'000	Grant Funding £'000	Support Costs £'000	2017 Total £'000	2016 Total £'000
Delivery of Charitable Activities	2,244	396	2,487	471	5,598	5,503
Activities and Events	11	137	10	6	164	136
	<u>2,255</u>	<u>533</u>	<u>2,497</u>	<u>477</u>	<u>5,762</u>	<u>5,639</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

4. ANALYSIS OF SUPPORT COSTS

	Management £'000	Finance £'000	Resources £'000	Governance £'000	2017 Total £'000	2016 Total £'000
Delivery of Charitable Activities	112	24	314	21	471	498
Activities and Events	-	-	6	-		7
	<u>112</u>	<u>24</u>	<u>320</u>	<u>21</u>	<u>477</u>	<u>505</u>

Resources include costs of IT and premises.

5. GOVERNANCE COSTS INCLUDE:

	2017 £'000	2016 £'000
Staff costs	5	4
Auditors' remuneration:		
Audit work – London Sport	10	11
Audit work - London Sport Trading	3	-
Other services	3	10
	<u>21</u>	<u>25</u>

6. NET INCOME FOR THE YEAR

	2017 £'000	2016 £'000
This is stated after charging/crediting		
Auditors' remuneration (including VAT):		
Audit	14	11
Other Services	2	10
	<u>16</u>	<u>21</u>

No Trustee received remuneration or reimbursed expenses in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

7. SUBSIDIARIES

On 1 April 2016, a formal merger process took place with another Charity – London Sports Forum for Disabled People (trading as Interactive). In the year to 31 March 2017 all of its income and expenditure is included in London Sport operations.

The wholly owned subsidiary London Sport Trading Limited is incorporated in the United Kingdom (company number: 09926559). London Sport owns all of the share capital of London Sport Trading (nominal value of £1) and it is fully paid up. The subsidiary was incorporated in December 2015, trading commenced in April 2016 and will pay all of its profits to London Sport under the Gift Aid scheme.

The summary financial performance of the subsidiary alone is:

	2017 £'000	2016 £'000
Turnover	179	-
Cost of sales and administration costs	(194)	-
Net loss	(15)	-
Amount gift aided to the Charity	-	-
	<u> </u>	<u> </u>
(Loss)/surplus retained in subsidiary	<u> </u> <u> </u>	<u> </u> <u> </u>

The current assets and liabilities of the subsidiary were:

Current assets	25	-
Current liabilities	(40)	-
Total net assets	(15)	-
	<u> </u>	<u> </u>
Aggregate share capital and reserves	<u> </u> <u> </u>	<u> </u> <u> </u>

8. STAFF COSTS AND NUMBERS

	2017 £'000	2016 £'000
Staff costs were as follows:		
Salaries and wages	1,946	1,614
Social security costs	185	166
Pension contributions	226	215
Redundancy payments	37	-
	<u> </u>	<u> </u>

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

	2017 Number	2016 Number
£60,001-£70,000	1	1
£70,001 - £80,000		
£80,001 - £90,000		
£100,001 - £110,000	1	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

8. STAFF COSTS AND NUMBERS (continued)

Of these, 2 employees are accruing pension contributions totalling £17k (2016: 2 employees, accruing £16k).

The total employee benefits of the senior management team comprising 6 key management personnel (2016: 5 key management personnel) of the Group were £445k (2016: £369k).

	2017 Number	2016 Number
The average number of employees during the year was as follows:		
Charitable activities	50	40
Support	4	4
	<u>54</u>	<u>44</u>

9. DEBTORS: amounts falling due within one year

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Project debtors	238	236	236	236
Prepayments	119	119	67	67
Accrued income	124	124	269	269
Other debtors	68	68	38	38
	<u>549</u>	<u>547</u>	<u>610</u>	<u>610</u>

10. CREDITORS: amounts falling due within one year

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Project creditors	415	409	292	292
Other taxation and social security	68	68	71	71
Accruals	453	429	385	385
Deferred income	20	20	26	26
Other creditors	-	8	-	-
	<u>956</u>	<u>934</u>	<u>774</u>	<u>774</u>

11. ANALYSIS OF DEFERRED INCOME

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Deferred income at 1 April	26	26	36	36
Applied during the year	166	166	26	26
Released during the year	(172)	(172)	(36)	(36)
	<u>20</u>	<u>20</u>	<u>26</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Restricted Funds £'000	General Funds £'000	Total Funds £'000
Current assets	643	1,554	2,197
Current liabilities	-	(956)	(956)
Net assets at 31 March 2017	<u>643</u>	<u>598</u>	<u>1,241</u>

13. FINANCIAL INSTRUMENTS	GROUP 2017 £'000	CHARITY 2017 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	1,648	1,330
Financial assets that are debt instruments measured at amortised cost	549	610
	<u>2,197</u>	<u>1,940</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(956)	(774)
	<u>1,241</u>	<u>1,166</u>

14. ANALYSIS OF FUNDS

	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2017 £'000
General funds	614	195	(212)	1	598
Restricted funds					
Core Activities	46	1,808	(1,843)	(11)	-
Sportivate	35	1,565	(1,445)	(2)	153
Satellite Club	128	887	(875)	-	140
Club Capacity	20	344	(339)	-	25
Coaching/ volunteering	114	331	(280)	-	165
Primary School Premium	173	255	(314)	-	114
Motivate East	3	201	(188)	-	16
Interactive	-	142	(148)	6	-
Active Park Active People	23	20	(50)	7	-
Other	10	88	(68)	-	30
Charity total	1,166	5,836	(5,762)	1	1,241

General funds: These are funds designed in line with our reserves policy to cover the operational costs of the Charity for a minimum period of three months

Restricted funds:

- Core activities – funding to cover the cost of running the organisation – staff, rent, travel & subsistence, marketing. This is from a combination of 'Core' funding, plus contributions from several funding programmes that make a contribution to operating costs
- Sportivate – gives more young people the chance to discover a sport that they love - gives 14-25 year-olds who are not particularly sporty access to six-to-eight 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. This is one reason that so many 11-25 year olds drop out of sport
- Club Capacity – a GLA 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 program support to all coaches within London to help reach the 1m target
- Primary School Sport- Sport England, the County Sports Partnership Network and the Youth Sport Trust are combining these efforts to help schools and sports make the most of the new Government £150m pa Primary School Sport Premium
- Motivate East - an inclusive sports participation project for disabled people living in the Host Boroughs inspired by the Paralympic Games
- Interactive - The interactive programme aims to create disability equality in physical activity and sport by influencing and implementing change in policy and delivery across sectors.

15. 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.

16. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Net income for the year	74	89	(1)	(1)
Add back depreciation charge	-	-	-	-
Deduct interest income shown in investing activities	(2)	(2)	-	-
Decrease (increase) in debtors	61	63	(481)	(481)
Increase (decrease) in creditors	182	160	(353)	(353)
Net cash used in operating activities	<u>315</u>	<u>310</u>	<u>(835)</u>	<u>(835)</u>

17. RELATED PARTY TRANSACTIONS

In 2017, the following transactions took place between the Charity and its wholly owned subsidiary London Sport Trading: events support £38k, data and branding fees £6k and management fee £5k. There were no other transactions with related parties as at 31 March 2017 (2016: £nil). The total amount of donations received from Trustees in the year was £nil (2016: £nil)

18. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (2016):

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

19. POST BALANCE SHEET EVENT

On 10 April 2017, London Sport entered into a 10 year lease commitment with London Marathon in order to create the House of Sport mission.