

**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>Directors</b>	Andrew Moss Barry Horne Emma Boggis (resigned 30 April 2019) Cathryn Moses-Stone Helene Raynsford Lisa Wainwright (appointed 1 May 2019) Lee Mason (resigned 25 September 2019) Kenneth Baillie (appointed 25 September 2019) Adrian Ruth Jacqueline Sebire (appointed 5 November 2019) Tim Jones Caroline White Monica Shafaq (resigned 4 February 2020)
<b>Company secretary</b>	Catherine Lawrenson
<b>Registered number</b>	00474512
<b>Registered office</b>	Holborn Tower 137-144 High Holborn London WC1V 6PL
<b>Independent auditors</b>	UHY Hacker Young Chartered Accountants & Statutory Auditors Quadrant House 4 Thomas More Square London E1W 1YW

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Principal activity**

The Sport and Recreation Alliance is the voice of sport and recreation and we work with the sector to get the nation active.

We believe that the power of sport and recreation can change lives and bring communities together. Working with our members and in partnership with the wider sector, we make the most of opportunities and tackle the areas that provide a challenge.

We provide advice, support and guidance to our members, who represent traditional governing bodies of games and sport, active partnerships, outdoor recreation, water pursuits and movement and dance and exercise.

As the voice of the sector we work with the government, policy makers and the media to make sure grassroots sport and recreation grows and thrives. Having an active nation is important as it delivers huge benefits to society and the millions of participants, volunteers, staff and spectators.

**Vision and Mission**

Our vision of an active nation through sport and recreation is at the heart of all we do. It describes the world that we want to see because sport and recreation plays such an important role in both physical and mental wellbeing, the economy and the development of our society.

Our mission is to create a vibrant sport and recreation sector which is fit for the future.

We lead by using our knowledge and expertise to commission and publish research, to stimulate debate and discussion and to challenge the sector and our members.

We enable our members to become fit for the future by providing opportunities for education and learning, by spreading best practice to make it common practice, by giving our members tools to make their lives easier.

We champion the sector by promoting the great things our members do so the full value and contribution they make to individuals, communities and society is recognised.

We are the voice of the sector by building political support, influencing policy and decision-makers and speaking on national platforms about the issues that matter.

**Membership**

It was pleasing to note that the Sport and Recreation Alliance maintained a high rate of members during the course of 2019 with a retention rate of 95% and has only recently lost some of its membership towards the end of the year due to the initial stages of the Coronavirus pandemic. For 2020, we kept the renewal subscriptions at the same fees as last year to help the membership as well as providing a choice to allow them to defer payment for six months. Over half of the members chose to pay their fees at their renewal dates in April 2020 and the Directors are grateful to the membership in showing their support to the Alliance during what is an unsettling time for many. It is important for the organisation to retain its membership as they provide the voice for us to speak on their behalf and we represent as many of the organisations across sport and recreation as possible.

We continue to listen to our members and provide them with the opportunities to talk to us and provide feedback. Our annual survey indicated that 74% were happy with us and the benefits we provide, compared to 85% in 2019 so there is some work to be done to increase our services and support. Members did recognise our influence with government and our expertise in governance, the latter being an area that continues to grow. We have helped a number of sports to conduct their external board evaluations and are happy to provide these together with any bespoke governance support services on request.

Our membership team is taking forward the comments from the survey and in recent months we have convened additional Divisional meetings using video conferencing. This has proven a real opportunity for us to talk to

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members and obtain even more insight.

**Impact in 2019/20**

On 1 May 2019 Lisa Wainwright began her position as the Chief Executive of the Sport and Recreation Alliance. Regrettably, as is well-known by now, she had to undergo treatment for her Stage 3 breast cancer which greatly impacted on her ability to be at the offices in Holborn, London.

The directors would like to thank Lisa for her exceptional work ethic in that she was able to still work whilst at home. She had many phone call meetings and met with members either at Market Harborough, Northampton or at a hotel on the M1 but the work continued during this time, ably supported by Chantel Scherer, the Director of Member Engagement, Marketing and Communications who left for pastures new at the end of April 2020 and Adrian Stockman, Director of Finance and Corporate Services who left in January 2020.

Our work during the past year has been to ensure that the organisation's work programmes continued as outlined in its operational plan.

Demonstrate the economic and social value of sport and recreation

On 25 September 2019 the Alliance delivered its Annual Conference focusing on the social impact of sport and recreation, shining a spotlight on the role sport and recreation and play had on serious and violent crime. We also started the sector thinking about how best to reflect the impact they are making. Both topics were supported by SPORT Talks and a panel discussion took place on grassroots initiatives to address knife crime.

The Mental Health Charter for Sport had its fifth birthday this year and it remained an important area of work for the Sport and Recreation Alliance. The expected Conference at the Kia Oval funded by Sport England with Mind had to be postponed until 29 October 2020 due to Covid-19 but instead Mind, the Alliance and Professional Players' Federation held a webinar on the 25 March 2020 to celebrate the Charter and share the positive outcomes it has achieved.

The Community Sport and Recreation Awards once again showcased the tremendous value that grassroots clubs and groups do to change lives and bring communities together. The awards have been taking place for over two decades, but this year was the second stand-alone event held at a lunch ceremony at the Kings Power Stadium in Leicester. Hosted by our President, HRH The Earl of Wessex, we recognised 15 finalists over five awards and our guest speaker on the day was the 2019 BBC Get Inspired Unsung Hero winner, Keiren Thompson, who gave an emotional account of his own personal journey as he created Helping Kids Achieve in Nottingham using sport and physical activity. This event was our last one before lockdown, held on 6 March 2020.

The yearly compliance review of the Voluntary Code of Conduct on the Broadcasting of Major Sporting Events took place in Spring 2020. The Code requires signatories to put a minimum of 30% of net broadcasting revenues back into their respective grassroots sports and wherever possible, to make their events available to free-to-air broadcasters in live, recorded or highlights form so that they can be viewed by the vast majority of the population. The Sport and Recreation Alliance manages and supports this Voluntary Code of Conduct and it was reassuring to see that together these organisations invested £163 million into the long-term development of their sports in the last year.

DCMS has approached the Alliance to become involved in a new Sport Integrity Forum which is aimed at bringing key sector stakeholders together to develop a UK sport integrity strategy, identify key emerging integrity issues and share good practice. The Forum will be convened by DCMS and include representatives from the Home Sports Councils, Devolved Administrations, UKAD, Gambling Commission, NGBs and other sports bodies. The Alliance has also been asked to sit on the Steering Group which will set the overall direction of the Forum as well as being a member of the Forum itself. The Forum is expected to be formed shortly once the Terms of Reference and membership have been finalised.

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As the voice of the sector, we continue to work with the Government to make sure policies and legislation take into account the needs of the sport and recreation sector. For example, we produced a manifesto, Making the Nation Fit for the Future: A Manifesto for Sport and Recreation for the General Election on Thursday 12 December 2019. We also jointly hosted a Sport and Physical Activity Hustings with ukactive on 4 December.

We wrote to the Chancellor, Rishi Sunak MP, on his appointment in the run-up to the Budget on 11 March, detailing a number of asks that we want to see which will positively impact the sector. These included extending the Soft Drinks Industry Levy and providing further tax reliefs to support grassroots Community Amateur Sports Club.

We also liaised with our members on several consultations throughout the year, such as the Department of Health and Social Care's Green Paper on preventative health, Advancing our health: prevention in the 2020s; and the Government's revised National Anti-Doping Policy. We also submitted a short response to the DCMS Select Committee inquiry into the future of the National Lottery highlighting the vital role played by National Lottery funding for good causes, including sport, and making the case for this funding to be maintained.

We continue to provide the Secretariat to the All-Party Parliamentary Group for Sport, which is formed of Members of Parliament and Peers from all political parties. The group meets regularly to discuss issues affecting sport at every level and has recently been convened with new Chair, Ben Bradley MP.

Make sport and recreation volunteering more representative and more accessible

We were a partner with I Am Team GB for the Nation's Biggest Sports Day on 24 August 2019 and recruited over 1000 volunteers who organised 100s of events up and down the country on the day. This will become an annual event utilising the efforts of local heroes to help get the nation active.

The Alliance continues to promote its volunteer finder across all communication channels as part of a wider communications strategy. As at April there were currently 501 clubs actively using the finder with nearly 1800 live grassroots volunteering opportunities.

The organisation was once again involved in the #BigThankYou campaign held in December 2019 to thank volunteers up and down the country for the work they do in powering sport and recreation. This is a grass roots campaign engaging sport and recreation clubs to thank their volunteers in the run up to the special Unsung Hero Award presentation at the BBC Sports Personality of the Year. This campaign continues to garner the support of the sector and is a great partnership with the BBC Get Inspired to work together to get the nation active and volunteering.

We worked closely with the Office of Civil Society at DCMS since the outbreak of CV-19 as well as Sport England. The idea was to help local communities support the isolated and vulnerable through local volunteers – not the same initiative as the Royal Voluntary Service and Good Sam appeal supporting the 1.5 million NHS patients advised to shield – but undoubtedly using some of the same volunteers. This will help raise the ongoing profile of the volunteer finder and keeping our sporting volunteers active during the crisis – and ready to re-engage with grassroots clubs when restrictions are lifted.

Finally, during this year's Volunteers' Week (1-7 June 2019) we published video clips from the members of our Youth Advisory Panel to promote why they were on the Panel and the benefits of volunteering.

Work together with the sector to improve the availability, accessibility and quality of sport and recreation for children and young people

The School Sport and Physical Activity Plan was released after consultation with the sector on 16 July 2019. Among other things, the plan set out an ambition to make sure every child has access to at least 60 minutes of sport and physical activity every day, both in and out of school. We applauded Government for recognising the importance of this, and that it would take cross-department work to achieve; however, we expressed our disappointment not to see a proper commitment to make sure schools set aside protected time to achieve this.

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We will continue to work with members and the wider sector to help implement some of the actions identified in the plan.

We released the research we conducted with Durham University's Department of Sport and Exercise Sciences, that highlights that the lack of clarity surrounding the future of the PE and Premium Sport funding, combined with year-to-year allocations, makes it harder for schools to plan for the future and to spend the money effectively. We joined forces with the Youth Sport Trust (YST) and Association for Physical Education to drive this work forward.

In discussion with the YST we agreed to support the gathering of key National Partners and NGBs, at Twickenham to discuss the next phase of the School Sport and Physical Activity Action Plan (SSPSAP). The event was well attended with key colleagues from DCMS, DH and DE. The outcome of the two days was a pledge from the sector to which we were a signatory. The outcomes were subsequently published with all signatories in the Telegraph alongside a letter to the Prime Minister.

The Alliance once again hosted a successful Summer Reception in June 2019 as we invited members to mingle with members of parliament as we unveiled our interactive map of childhood activity. Using data from Sport England, we broke down the current activity levels of children from across constituencies in England and invited MPs to join us as we continued in our call to tackle this crisis and increase accessibility of activity for our youngest generation. Tom Watson, in his role as deputy leader for the Labour party, was guest of honour and provided support to the Alliance's call. Following the publication of the interactive map online, the Alliance was referenced in broadsheets and online media with several regional radio interviews undertaken in areas which has seen the lowest levels of activity. This was an opportunity to raise the profile of the organisation inside Westminster and amongst the media.

Our Youth Advisory Panel had its first residential weekend in Oxford. Over two days, the panel members focused on the social value of sport and recreation. As part of this, they discussed the role sport and recreation can play in tackling knife crime with the National Police Chiefs Council lead on serious violent crime, which was supported by our new board member, Jackie Sebire, Assistant Chief Constable for Bedfordshire Police. The panel members also worked together to develop a proposal for an upcoming APPG for Sport meeting. In February this year, six new members were appointed to the Youth Advisory Panel.

In total, the Panel now has a full cohort of twelve members, with a gender balance of 25% female and 25% BAME representation. The newly appointed members hold vast backgrounds in and with; youth clubs and services (including in lower-socio economic areas), university committees, mental health charities, safeguarding, disability and inclusion, Age UK, netball, hockey, coaching, broadcasting and media, arts, the National Leadership Academy, Street Games and The Kicks Project. The diversity of backgrounds will help to strengthen our work amongst stakeholders and the wider landscape in line with Objective Three in the strategy. The directors look forward to their input on the forthcoming review of the Alliance's work on its strategy.

Making our members and us fit for the future

The Legal Panel Framework (LPF) had been relaunched in 2017, with a potential rollover to September 2021 upon a unanimous Collaborator agreement. The current agreement has a review date of September 2020 and work on a review had been undertaken with the Sport and Recreation Alliance involvement. Since its relaunch in 2017, the LPF has had six applications to the pro bono service (a total of £30,000 used from the £150,000 fund available) consisting of matters ranging from Article reviews, to advice on legal constitution. Firms on the LPF also offer a 20-minute helpline service for sport and recreation organisations, but this data is kept confidential to firms. The Alliance will continue to promote and administer any applications to the pro bono fund up until September 2020.

The Governance Training Programme (GTP) continues to be a useful tool to help our members implement The Principles of Good Governance. During 2019 we delivered one webinar and one workshop.

In October 2019, and working on behalf of the Department Business, Energy and Industrial Strategy (BEIS), the Alliance created and shared bespoke Brexit guidance for the sector. A newly established website section was

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created and curated to allow physical activity organisations to prepare for any eventuality as a no-deal Brexit became a genuine possibility. As part of this support we used funding to create six webinars on specific topics with supporting documents and toolkits. We also produced a Brexit Preparedness Q&A to provide guidance on frequently asked questions.

**Future Plans in 2020/21**

With the Chief Executive in good health and recovering from her treatment we expected a more dynamic impact to the start of the business year. However, the Alliance was ready to work remotely and the communication strategy of supportive, reactive and positive is in full swing with a new Covid-19 #forthelongrun campaign including a new section of the website, FAQs and information updated daily, new virtual events with partners to help support members through this time, meetings with various different groups of our members, including the Chairs' Network, and sharing the positive news and innovative ways our members have responded to the social isolation restrictions.

The Chief Executive is attending fortnightly meetings with the Sports Minister and DCMS, alongside our other key stakeholders in the sector, including Sport England and UK Sport. These meetings are a great channel for us to ask questions and raise concerns from members. We are also working more closely than ever with both Sport England and UK Sport to make sure the entire sector is well supported and has the information they need.

With a new staffing structure in place, the Alliance will continue to work with the sector to make sure sport and physical activity is available to everyone from all backgrounds to enjoy. An active nation is what we strive for and we will support our members to make sure more people, more often have the chance to watch sport, participate in sport and recreation and be a part of their local community through volunteering. Finally, a review of our strategy is taking place this year so please watch out for our consultation emails/documents or video conferencing around this.

**Finance**

Income

The Alliance's total income for the year was £1,757,000, approximately £266,000 lower than last year which was largely a result of a fall in project income.

Our largest source of income relates to our contract with Sport England where in return for the transfer of some valuable sporting properties in 1972, Sport England agreed to fund the reasonable annual costs of running the Alliance into perpetuity. This is the third year of a four-year cycle over which our annual funding reduced by 3% in the first year but remains constant in the next three being £1,251,000 per annum. This agreement halted the pattern of annual decreases and gives some certainty to the implementation of our 2017 – 2021 strategy. We are also confident that the areas of overlap of the aims of the Alliance and of Sport England will continue to offer us further opportunities for funded project work in addition to the contractual funding.

We have continued to reduce financial risk by diversifying our sources of income. We were successful in securing £71,000 of newly commissioned project work, including partnering Perrett Laver on an on-going Sports Diversity Project commissioned by Sport England and producing a 'no deal' Brexit paper for the Department of Business, Energy and Industrial Strategy. These projects yielded £25,000 and £35,000, respectively.

A full list of the commissioned projects and income is included in Note 5.

We generated £34,000 in chargeable governance services in 2019/20, conducting 5 board evaluations and 2 Club Governance projects. This is a significant increase on £10,000 generated in the previous financial year and despite current Covid-19 related circumstances we hope to grow this service in 2020/21.

The continued increase in membership income is largely the result of our ongoing growth in our membership numbers during the year. Our subscription rates increased only in line with inflation and we believe that our

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membership subscription fees do represent very good value for money. Our excellent retention rates and members' feedback support this belief.

We received £88,000 in Subletting/Room Hire Income in 2019/20 an increase of £39,000 on the previous year.

The Alliance has developed commercial relationships with a range of corporate partners. Many of these are long-standing relationships founded on strong understanding of the sport and recreation sector. Our partners bring expertise and relevant services to our members and do so either at a discounted rate or in some cases, included within the price of membership.

Expenditure

Total expenditure, excluding notional interest on defined benefit pensions, was £1,854,000 representing a 16% (£350,000) decrease from last year. The decrease in costs relates to a significant decrease in project expenditure (in proportion with project income), staff restructuring and vacancies during the year and no additional relocation costs.

Expenditure on commissioned projects totalling £143,000 includes a provision of £75,000 for VAT recovered from expenditure on grant funded projects in the previous 3 financial years.

Income generation costs largely relate to holding events for the Alliance's membership. Ticket prices are set with a view to covering the costs of those events, we do not seek to generate a profit from our members. As well as ticket sales, our events also attract sponsorship income from partners who see the value in having a profile with a wide range of organisations in the sport and recreation sector.

The supporting operating costs in 2019/20 were £130,000 lower than the previous year. The Alliance continues to keep costs tightly controlled whilst making sure we direct resources into areas where we can have the greatest impact on our strategic aims.

Much of what makes the Alliance effective is the result of our staff team's efforts and this is reflected by staff costs representing approximately 60% of the Alliance's total expenditure. There were a number of personnel changes during the year, be it through vacant posts, restructuring and one redundancy and as consequently expenditure on staff costs in 2019/20 of £885,000 was significantly below budget and 15% less than the last financial year.

Result for the year

The net result for the year was a deficit of £97,000 before interest; this becomes a deficit of £146,000 after including the notional net interest charge arising on the pension deficit.

Assets and Liabilities

The Alliance's cash balances at year end were £1,069,000. When compared to our total net current assets of £962,000, this represents strong liquidity and a healthy buffer for unforeseen loss of income or unexpected costs.

Cash holdings not required for current operations are held in medium term deposits with a range of banks. The Alliance operates a defined benefit pension plan for certain employees and in line with required accounting practice, we have recognised the full liability as calculated under the requirements of Financial Reporting Standard 102. This actuarial calculation has increased the pension liability to £2,532,000 which in turn leaves our balance sheet showing net liabilities of £1,365,000.

The very large reported deficit is mainly due to the low current rates on corporate bonds, which is one of the main variables in the actuarial calculations. However, the calculation of our pension fund under the assumptions actually used by our pension provider shows a surplus of £334,000. The very large mismatch between the deficit

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calculated under Financial Reporting Standard 102 and the surplus calculated by our pension provider means that the going concern assumption is still completely valid as a basis for preparing these accounts.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Risk Management**

The Alliance takes risk management very seriously; a live risk register is updated and reviewed by senior management at least 6 times a year and is reviewed at each round of governance meetings by the Board and/or by Board Committees. The 2017-2021 strategy is supported by a new version of the risk register with action plans to mitigate the key risks.

The risk register currently identifies income diversification, achieving strategic outcomes or evidencing impact of work and maintaining our reputation and positioning on sector issues as being high-scoring risks; the Board and management team have plans in place to mitigate these risks and are continually reviewing and strengthening those plans.

We have a good suite of financial controls, including dual authorisation of all payments and Board level approval being required for unbudgeted payments above £20,000. Additionally, the Board reviews annually a list of powers delegated to the Chief Executive and her team to ensure powers reserved to the Board and the powers delegated represent a good balance for risk management purposes.

In addition, the Alliance's reserves policy is integrally linked with the organisation's risk assessment, thus ensuring reserves form part of our risk mitigation strategy.

**Financial Impact of COVID-19**

The Board have undertaken a review of the initial proposed budget for 2020-21 in relation to the anticipated financial impact of COVID-19. Our Sport England award has been confirmed for 2020-21 and has also been agreed at the same rate for 2021-22. We appreciate the financial impact of COVID-19 on our members and the proposed increases to our membership fees will not be implemented; membership fees will be maintained at 2019-20 rates. The revised budget forecasts a break-even position. Our cashflow forecast has been updated to reflect the revised budget and we expect to maintain our level of reserves in line with our reserves policy. The Board will monitor this closely over the next 12 months and take further action if required.

**Reserves**

The Alliance takes a risk-based approach to holding and planning for reserves. As part of the organisation's risk management strategy, the Alliance recognises the need to hold sufficient reserves to ensure stability should the organisation need to respond to an unexpected decrease in income, unexpected cost increases or the need to respond to a change in its operating environment.

Our policy is therefore to hold unrestricted free reserves (ie reserves assets and liabilities not readily converted to liquid funds) in a range determined by financial analysis of identified risks. This analysis considers the scale of potential impact of any given risk, the likelihood of it happening and the organisation's likely response should it occur.

The risks faced by the Alliance and their implications for our target reserves range are reviewed frequently during each financial year.

At the balance sheet date, this policy leads to a target reserves range of £750,000 - £1m.

At 31 March 2020, the Alliance's balance sheet reserves were a deficit of £1,365,000. To arrive at our free reserves, we remove the book value of fixed assets and the notional pension deficit. At the balance sheet date, our free reserves, excluding the pension liability, stood at £962,000, towards the upper end of the target range. The free reserves figure of £962,000 at the balance sheet date is £24,000 higher than the equivalent figure 12 months ago, which leaves the Alliance's free reserves comfortably within the target range. The Board intends to budget for annual post-depreciation surpluses in the medium term to replenish free reserves.

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**DIRECTORS' REPORT (CONTINUED)**  
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**Directors**

The directors who served during the year were:

Andrew Moss  
Barry Horne  
Emma Boggis (resigned 30 April 2019)  
Cathryn Moses-Stone  
Helene Raynsford  
Lisa Wainwright (appointed 1 May 2019)  
Lee Mason (resigned 25 September 2019)  
Kenneth Baillie (appointed 25 September 2019)  
Adrian Ruth  
Jacqueline Sebire (appointed 5 November 2019)  
Tim Jones  
Caroline White  
Monica Shafaq (resigned 4 February 2020)

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

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**Auditors**

The auditors, UHY Hacker Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on \_\_\_\_\_ and signed on its behalf.

Catherine Lawrenson  
Secretary

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPORT AND RECREATION ALLIANCE**

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**Opinion**

We have audited the financial statements of Sport and Recreation Alliance (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPORT AND RECREATION ALLIANCE (CONTINUED)**

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knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPORT AND RECREATION ALLIANCE (CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the Company's shareholders 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 shareholders those matters we are required to state in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders for our audit work, for this report, or for the opinions we have formed.

Subarna Banerjee (Senior Statutory Auditor)

for and on behalf of  
**UHY Hacker Young**

Chartered Accountants  
Statutory Auditors

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW  
Date:

**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £000	2019 £000
Turnover	4	1,757	2,023
Cost of sales		(218)	(331)
<b>Gross profit</b>		<u>1,539</u>	<u>1,692</u>
Administrative expenses		(1,636)	(1,873)
<b>Operating loss</b>	7	<u>(97)</u>	<u>(181)</u>
Interest receivable and similar income		10	10
Interest payable and expenses		(59)	(69)
<b>Loss before taxation</b>		<u>(146)</u>	<u>(240)</u>
<b>Loss for the financial year</b>		<u>(146)</u>	<u>(240)</u>
Actuarial gains on defined benefit pension scheme		137	403
<b>Other comprehensive income for the year</b>		<u>137</u>	<u>403</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(9)</u>	<u>163</u>
<b>Loss for the year attributable to:</b>			
Owners of the parent Company		(146)	(240)
		<u>(146)</u>	<u>(240)</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the parent Company		(9)	163
		<u>(9)</u>	<u>163</u>

The notes on pages 20 to 41 form part of these financial statements.

**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER:00474512**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	13	205	213
		<u>205</u>	<u>213</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	61	51
Debtors: amounts falling due within one year	15	249	79
Cash at bank and in hand	16	1,069	1,236
		<u>1,379</u>	<u>1,366</u>
Creditors: amounts falling due within one year	17	(417)	(428)
<b>Net current assets</b>		<u>962</u>	<u>938</u>
<b>Total assets less current liabilities</b>		<u>1,167</u>	<u>1,151</u>
<b>Provisions for liabilities</b>			
<b>Net assets excluding pension liability</b>		<u>1,167</u>	<u>1,151</u>
Pension liability		(2,532)	(2,507)
<b>Net liabilities</b>		<u>(1,365)</u>	<u>(1,356)</u>
<b>Capital and reserves</b>			
Profit and loss account		(1,365)	(1,356)
<b>Equity attributable to owners of the parent Company</b>		<u>(1,365)</u>	<u>(1,356)</u>
		<u>(1,365)</u>	<u>(1,356)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

**Andrew Moss**  
Director

**Adrian Ruth**  
Director

The notes on pages 20 to 41 form part of these financial statements.

**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER:00474512**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	13	205	213
		<u>205</u>	<u>213</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	61	51
Debtors: amounts falling due within one year	15	617	426
Cash at bank and in hand	16	691	861
		<u>1,369</u>	<u>1,338</u>
Creditors: amounts falling due within one year	17	(406)	(416)
<b>Net current assets</b>		<u>963</u>	<u>922</u>
<b>Total assets less current liabilities</b>		<u>1,168</u>	<u>1,135</u>
<b>Net assets excluding pension liability</b>		<u>1,168</u>	<u>1,135</u>
Pension liability		<u>(2,532)</u>	<u>(2,507)</u>
<b>Net liabilities</b>		<u>(1,364)</u>	<u>(1,372)</u>
<b>Capital and reserves</b>			
Profit and loss account		<u>(1,364)</u>	<u>(1,372)</u>
		<u>(1,364)</u>	<u>(1,372)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

**Andrew Moss**  
Director

**Adrian Ruth**  
Director

The notes on pages 20 to 41 form part of these financial statements.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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	Accumulated funds £000	Total equity £000
At 1 April 2019	(1,356)	(1,356)
<b>Comprehensive loss for the year</b>		
Deficit for the year	(146)	(146)
Actuarial gains on pension scheme	137	137
<b>Other comprehensive income for the year</b>	137	137
<b>Total comprehensive loss for the year</b>	(9)	(9)
<b>At 31 March 2020</b>	<b>(1,365)</b>	<b>(1,365)</b>

The notes on pages 20 to 41 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	Accumulated funds £000	Total equity £000
At 1 April 2018	(1,519)	(1,519)
<b>Comprehensive loss for the year</b>		
Deficit for the year	(240)	(240)
Actuarial gains on pension scheme	403	403
<b>Other comprehensive income for the year</b>	403	403
<b>Total comprehensive income for the year</b>	163	163
<b>At 31 March 2019</b>	<b>(1,356)</b>	<b>(1,356)</b>

The notes on pages 20 to 41 form part of these financial statements.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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	Accumulated funds £000	Total equity £000
At 1 April 2019	(1,372)	(1,372)
<b>Comprehensive income for the year</b>		
Loss for the year	(129)	(129)
Actuarial gains on pension scheme	137	137
<b>Other comprehensive income for the year</b>	137	137
<b>Total comprehensive income for the year</b>	8	8
<b>At 31 March 2020</b>	<b>(1,364)</b>	<b>(1,364)</b>

The notes on pages 20 to 41 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	Accumulated funds £000	Total equity £000
At 1 April 2018	(1,599)	(1,599)
<b>Comprehensive income for the year</b>		
Loss for the year	(176)	(176)
Actuarial gains on pension scheme	403	403
<b>Other comprehensive income for the year</b>	403	403
<b>Total comprehensive income for the year</b>	227	227
<b>At 31 March 2019</b>	<b>(1,372)</b>	<b>(1,372)</b>

The notes on pages 20 to 41 form part of these financial statements.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1. General information**

Sport and Recreation Alliance is a private company, limited by guarantee, registered in England and Wales.

The registered office is:

Holborn Tower  
137-144 High Holborn  
London  
England  
WC1V 6PL

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group"). Intercompany transactions and balances between group companies are therefore eliminated in full.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2015.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on the going concern basis. The net liability position results entirely from the recognition of the defined benefit pension liability on the Group's Statement of Financial Position. The accounting valuation of the scheme deficit as at 31 March 2020 of £2.5m (2019: £2.5m) is primarily driven by the levels of asset returns in recent years and the actuarial assumptions used to value the pension liability. The last full actuarial valuation was as at 31 March 2019.

The financial statements continue to be prepared on a going concern basis in support of which the directors have prepared cash flow forecasts for a period exceeding 12 months from signing these financial statements. The key factors supporting the going concern basis include the levels of cash currently held by the Group and the ongoing Sport England contractual funding.

The last full actuarial valuation showed a surplus of £334,000, compared to a deficit of £2.5m when accounted for under FRS102.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Grants receivable**

Grants are accounted for under the accruals model with the deferred element of grants being included in creditors as deferred income. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**Subscription income**

Income from subscriptions is recognised over the period of the subscription.

**Sponsorship income**

Income arising from sponsorships is normally recognised over the period of the sponsorship term. When the sponsorship is linked to a particular event or condition, revenue is recognised when the specific event has taken place or the condition has been met.

**2.5 Tangible fixed assets**

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

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Short-term leasehold property	- over the term of the lease
Furniture and equipment	- 10 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**2.6 Operating leases: the Group as lessee**

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

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.12 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.14 Pensions**

**Defined benefit pension plan**

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.16 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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

In the process of applying its accounting policies, the Group is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgements the Group believes to have the most significant impact on the annual results under FRS 102.

**Property, plant and equipment ("PPE")**

The estimated useful economic lives of PPE are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively.

The Group is required to evaluate the carrying values of PPE for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

**Allowance for doubtful debtors**

At each reporting date, the Group evaluates the recoverability of trade debtors and records allowances for doubtful debtors based on experience. These allowance are based on, amongst other things, a consideration of actual collection history. The actual level of debtors collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

**Retirement benefits**

The Group operates defined benefit schemes which are independent of the Group's finances. Actuarial valuations of the schemes are carried out as determined by the Directors at intervals of not more than three years. The pension cost under FRS 102 is assessed in accordance with the advice of a firm of actuaries based on the latest actuarial valuation and assumptions determined by the actuary.

The assumptions are based on information supplied to the actuary by the Group, supplemented by discussions between the actuary and Directors. The assumptions are disclosed in note 21. Profit before tax and net assets are affected by the actuarial assumptions used. The key assumptions include discount rates, pay growth, mortality and increases to pensions in payment and deferred pensions, and may differ from actual results due to changing market and economic conditions and longer or shorter lives of participants.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**4. Analysis of income**

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

	2020 £000	2019 £000
Subscriptions	119	113
Sport England Contractual funding	1,252	1,252
Project and Events income	224	533
Commercial income	74	75
Other income	88	50
	<u>1,757</u>	<u>2,023</u>

All turnover arose within the United Kingdom.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**5. Project Income**

Project and Events income included within turnover includes the following:

	2020 £000	2019 £000
<b>Project and Funder</b>		
Governance and Leadership Framework - Sport Wales	50	195
Volunteering in Sport - Join In Trust	15	92
Karate Governance - Sport England	-	16
Diversity in Sport Leadership - Sport England	25	-
Governance Services	34	-
Business Readiness for Brexit	35	-
Others - Various	11	-
Event Income	54	105
GDPR	-	85
Recognition project	-	40
	<u>224</u>	<u>533</u>

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Governance and Leadership Framework**

This is a 4-year project commissioned by Sport Wales to review and strengthen governance within Welsh sports. The Alliance's role in this project involves working with individual sporting governing bodies to assess governance strengths, developing plans to improve governance and leading training to strengthen governing bodies' capacity to implement governance improvement plans.

The project was completed in the second quarter of 2019/20.

**Volunteering in Sport**

During the 2016/2017 year, the Alliance signed an agreement to take over the brand, intellectual property and the ambition of the Join In Trust, a charity formed to promote volunteering in community sport as a legacy of the 2012 London Olympics and Paralympics.

In March 2018, the charity's Trustees transferred the majority of the funds held by the Join In Trust to the Alliance in order to support an agreed plan of activities. The charity was wound up in the autumn of 2018 and its remaining funds were passed to the Alliance. The final £15k was released this year to fund the second year of the Opportunity Finder licence fee.

**Diversity in Sports Leadership Project**

The Alliance were contracted to be a delivery partner in a Sport England-funded project to increase diversity in sport leadership. The project is being led by Perrett Laver (an executive level recruitment firm) with five delivery partners, each bringing a specific area of expertise. The Alliance's role is to deliver practical sports governance training to potential candidates for leadership roles.

Total project income will be £35k, split £25k in 2019-20 and £10k in 2020/21.

**Brexit Project**

The Department for Business, Energy and Industrial Strategy (BEIS) awarded the Alliance £35k to create a shared bespoke Brexit guidance for the sector. A newly established website section was created and curated to allow physical activity organisations to prepare for any eventuality as a no-deal Brexit became a genuine possibility. As part of this support we used funding to create six webinars on specific topics with supporting documents and toolkits.

**6. Analysis of costs**

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

	2020 £000	2019 £000
Project costs	142	163
Income generation	64	100
Staff costs	1,032	1,204
Support costs	616	737
	<u>1,854</u>	<u>2,204</u>

Staff costs include staff time spent on project work and income generation.

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**SPORT AND RECREATION ALLIANCE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**7. Operating loss**

The operating loss is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	26	11
Other operating lease rentals	143	171
	<u>169</u>	<u>182</u>

**8. Auditors' remuneration**

	2020 £000	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	18	10
<b>Fees payable to the Group's auditor and its associates in respect of:</b>	<u>18</u>	<u>10</u>

**9. Employees**

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

	2020 No.	2019 No.
Policy & Governance	8	12
Communications and membership	5	6
Income generation	3	3
Support	4	3
	<u>20</u>	<u>24</u>

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL)

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**10. Directors' remuneration**

	2020	2019
	£000	£000
Directors' emoluments	120	132

The highest paid director received emoluments of £98,673 (2019: £119,700) and in addition retirement benefits are accruing to this director under the defined benefit scheme described in note 20. No other director received pension benefits.

The Chair received total emoluments of £12,000 (2019: £12,000) and no pension benefits.

Senior management remuneration is disclosed in note 22.

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**11. Taxation**

	2020 £000	2019 £000
<b>Total current tax</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(146)	(240)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(28)	(46)
<b>Effects of:</b>		
Deferred Tax Net Recognised	10	14
Other differences leading to an increase (decrease) in the tax charge	18	32
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charge**

No deferred tax asset has been recognised in respect of unutilised losses. The Company has total tax losses carried forward of £424,000 (2019: £390,000).

**12. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The deficit after tax of the parent Company for the year was £129,000 (2019 - £176,000).

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**13. Tangible fixed assets**

**Group**

	Short-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2019	223	108	50	381
Additions	-	1	18	19
At 31 March 2020	<u>223</u>	<u>109</u>	<u>68</u>	<u>400</u>
<b>Depreciation</b>				
At 1 April 2019	66	58	45	169
Charge for the year on owned assets	16	5	5	26
At 31 March 2020	<u>82</u>	<u>63</u>	<u>50</u>	<u>195</u>
<b>Net book value</b>				
At 31 March 2020	<u>141</u>	<u>46</u>	<u>18</u>	<u>205</u>
At 31 March 2019	<u>158</u>	<u>50</u>	<u>5</u>	<u>213</u>

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**13. Tangible fixed assets (continued)**

**Company**

	Short-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2019	223	108	50	381
Additions	-	1	18	19
At 31 March 2020	223	109	68	400
<b>Depreciation</b>				
At 1 April 2019	66	58	45	169
Charge for the year on owned assets	16	5	5	26
At 31 March 2020	82	63	50	195
<b>Net book value</b>				
At 31 March 2020	141	46	18	205
At 31 March 2019	158	50	5	213

**14. Fixed asset investments**

The Sport and Recreation Alliance has a £100 investment in the ordinary share capital of a wholly owned subsidiary, Sport and Recreation Ventures Limited, which is registered in England.

The principal activity of Sport and Recreation Ventures Limited is to undertake commercial activities which will benefit the Sport and Recreation Alliance members and raise funds for the Sport and Recreation Alliance.

As at 31 March 2020 the subsidiary had net assets of £3,347 (As restated 2019: £21,003) and showed a loss before taxation of £17,656 (As restated 2019: loss of £58,309).

The Board of Directors estimates that the market value of the investment is not less than the cost.

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**15. Debtors**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Due after more than one year</b>				
Other debtors	61	51	61	51
	<u>61</u>	<u>51</u>	<u>61</u>	<u>51</u>

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Due within one year</b>				
Trade debtors	69	20	37	17
Amounts owed by group undertakings	-	-	411	369
Other debtors	18	16	18	6
Prepayments and accrued income	162	43	151	34
	<u>249</u>	<u>79</u>	<u>617</u>	<u>426</u>

**16. Cash and cash equivalents**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	1,069	1,236	691	861
	<u>1,069</u>	<u>1,236</u>	<u>691</u>	<u>861</u>

**17. Creditors: Amounts falling due within one year**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	134	35	134	35
Other taxation and social security	23	31	22	31
Other creditors	6	2	-	2
Accruals and deferred income	254	360	250	348
	<u>417</u>	<u>428</u>	<u>406</u>	<u>416</u>

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**18. Financial instruments**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	1,156	1,265	1,158	1,253
	<u>1,156</u>	<u>1,265</u>	<u>1,158</u>	<u>1,253</u>
<b>Financial Liabilities</b>				
Other financial liabilities measured at fair value through profit or loss	(417)	(422)	(406)	(411)
	<u>(417)</u>	<u>(422)</u>	<u>(406)</u>	<u>(411)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group undertakings.

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

**19. Company status**

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

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**20. Pension commitments**

The Group operates a Defined Benefit Pension Scheme.

Some employees of the Group are members of the Local Government Pension Scheme administered by the London Pension Fund Authority. The pension scheme provides benefits based on final pensionable pay for service up to 31 March 2014 and on average pay for service after 1 April 2014.

The valuation used has been based on the most recent actuarial valuation at 31 March 2019 and was updated to take account of the requirements of FRS 102 in order to assess the liabilities of the schemes at 31 March 2020 and 31 March 2019.

The expected rate of return on assets (on a bid value to bid value basis) for the year to 31 March 2020 is estimated to be 0%.

Reconciliation of present value of plan liabilities:

	2020 £000	2019 £000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	10,039	9,779
Current service cost	135	167
Change in demographic assumptions	117	(423)
Interest cost	237	247
Actuarial gains/ (losses)	(857)	481
Contributions	33	40
Benefits paid	(335)	(252)
Past service cost	18	-
Experience gain/(loss)	(81)	-
<b>At the end of the year</b>	<b>9,306</b>	<b>10,039</b>

Reconciliation of fair value of fund assets:

	2020 £000	2019 £000
At the beginning of the year	7,532	7,046
Interest cost	178	178
Actuarial (losses)/gains	(684)	461
Contributions	83	99
Benefits paid	(335)	(252)
<b>At the end of the year</b>	<b>6,774</b>	<b>7,532</b>

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**20. Pension commitments (continued)**

Composition of plan assets:

	2020 £000	2019 £000
Equities	3,656	4,097
Target Return Portfolio	1,745	2,009
Infrastructure	494	454
Property	672	708
Cash	207	264
<b>Total plan assets</b>	<b>6,774</b>	<b>7,532</b>
	2020 £000	2019 £000
Fair value of plan assets	6,774	7,532
Present value of plan liabilities	(9,306)	(10,039)
<b>Net pension scheme liability</b>	<b>(2,532)</b>	<b>(2,507)</b>

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**20. Pension commitments (continued)**

	2020 £000	2019 £000
<b>Analysis of actuarial loss recognised in Other Comprehensive Income</b>		
Actual return less interest income included in net interest income	(205)	(461)
Changes in assumptions underlying the present value of the scheme liabilities	(68)	(58)
	<u>137</u>	<u>403</u>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2020 %	2019 %
Discount rate	2.4	2.4
Future salary increases	2.9	3.9
Future pension increases	1.9	2.4
Inflation assumption	1.9	2.4
Mortality rates		
- for a male aged 65 now	22.1	21.0
- at 65 for a male aged 45 now	23.5	22.8
- for a female aged 65 now	24.5	23.8
- at 65 for a female member aged 45 now	<u>26.0</u>	<u>25.4</u>

Amounts for the current and previous four periods are as follows:

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Defined benefit obligation	(9,306)	(10,039)	(9,779)	(10,006)	(8,158)
Fair value of scheme assets	6,774	7,532	7,046	6,799	5,639
<b>Deficit</b>	<u>(2,532)</u>	<u>(2,507)</u>	<u>(2,733)</u>	<u>(3,207)</u>	<u>(2,519)</u>

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**21. Commitments under operating leases**

At 31 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Not later than 1 year	158	107	158	107
Later than 1 year and not later than 5 years	564	561	564	561
Later than 5 years	560	721	560	721
	<u>1,282</u>	<u>1,389</u>	<u>1,282</u>	<u>1,389</u>

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**22. Related party transactions**

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. The 5 (2019: 5) members of the senior management team received total remuneration of £308,647 (2019: £337,916) and received pension contributions of £23,240 (2019: £28,269).

Membership subscriptions

Some of the directors of the Sport and Recreation Alliance are also directors or senior employees of member organisations that paid their membership subscriptions to the Sport and Recreation Alliance during the year. Those directors and the organisations they are connected to are listed in the table below. None of the amounts listed below were outstanding at the year end date.

None of the member organisations received any extra benefit as a consequence of one of their staff or directors being on our Board and none of the directors listed had any financial interest in the membership fee transaction.

	2020	2019
	£	£
Jane Bateman - Football Association	-	3,927
Andy Reed OBE - Special Olympics GB	-	248
Andy Reed OBE - Chartered Institute for the Management of Sport and Physical Activity	-	248
Andy Reed OBE - Leicestershire and Rutland Sport	-	205
Andy Reed OBE - London Sport	-	205
Andy Reed OBE – Sporting Equals	-	205
Lee Mason - Leap	-	205
Lee Mason - Active Partnerships (formerly County Sports Partnership Network)	-	205
Emma Boggis - British Paralympic Association	255	248
Kenny Baillie – British Rowing	870	-
Barry Horne - Activity Alliance	255	248
Barry Horne - Lawn Tennis Association	3,480	3,366
Helene Raynsford - British Paralympic Association (Athletes Commission)	255	248
Tim Jones - Access Sport CIO	255	248
	<u>5,370</u>	<u>9,806</u>

**23. Controlling party**

The directors do not consider there to be a single controlling party.