

Company number: 6541137

Charity number: 1123313 | SCO43161

Sported Foundation

Report and financial statements

For the year ended 31 December 2015

Sported Foundation

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For the year ended 31 December 2015

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Sported Foundation

Reference and administrative information

For the year ended 31 December 2015

Company number 6541137

Charity number 1123313 | SCO43161

Registered office and operational address Cassini House
57–59 St James’s Street
LONDON
SW1A 1LD

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Sir Keith Mills
Baroness Susan Campbell (resigned 28 January 2016)
Dermot Heffernan
Nigel Keen
Alex Mills
Lady Maureen Mills
Alan Pascoe
Richard Powles (resigned 28 January 2016)
Carnegie Smyth (appointed 15 July 2015)
Nicola Walker
Trevor Watkins (appointed 28 January 2016)

Key management personnel Chris Grant Chief Executive
Kathryn Berry Head of Member Services
Liz Brinsdon Head of Income Generation
Emma Heel Head of Evidence and Learning
Paul Naphthine Head of Operations and Partnerships

Bankers HSBC Private Bank (UK) Limited
78 St James’s Street
LONDON
SW1A 1JB

Solicitors Pinsent Masons LLP
30 Crown Place, Earl Street
LONDON
EC2A 4ES

Auditors Sayer Vincent LLP
Invicta House, 108–114 Golden Lane
LONDON
EC1Y 0TL

Sported Foundation

Trustees' annual report

For the year ended 31 December 2015

The trustees present their report and the audited financial statements for the year ended 31 December 2015.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure, governance and management

Governing document

The charity is a charitable company limited by guarantee, incorporated on 20 March 2008 and registered as a charity with the Charity Commission on 25 March 2008.

The company was established under a memorandum of association which established the objects and powers of the charitable company and it is governed under its articles of association.

Appointment of trustees

The trustees are the directors of the charitable company. New trustees are appointed according to the charity's governing document, and to meet specified capability requirements.

Trustee induction and training

New trustees go through a formal induction and training process and are encouraged to meet beneficiaries of the charity.

Organisational structure and decision making

Day-to-day management of the charity is delegated by the trustees to Chris Grant, the CEO.

All decisions relating to strategy and budget are approved by the trustees of the charity. Decisions concerning the allocation of grants to third parties are underpinned by a rigorous assessment process led by the key management personnel, and are subject to peer review before final sign-off by the CEO and trustees.

Risk management

The trustees have a duty to identify and review the risks facing the charity. Risks are identified and assessed with controls put in place to minimise their impact. The key risks are that sufficient funding is not secured to meet the running costs of the charity, and that the provision of services to beneficiaries / delivery of projects with partners are not of sufficiently high standard.

Structure, governance and management (continued)

A formal review of risk management is undertaken annually by the Senior Leadership Team (SLT) and a sub-committee of the Trustees, the Financial and Audit Committee, provides oversight of the of the risk management processes carried out by the SLT on a quarterly basis.

Remuneration policy

The SLT reviews the staffing structure annually to ensure salaries are fair and reasonable, taking into account both internal comparability of responsibilities and external market factors. The CEO approves any proposed revisions to salary grades, with CEO remuneration agreed by the Trustees. In advance of each financial year the CEO will recommend the level of inflationary uplift to be applied to salaries to the Trustees in a way which seeks to balance the need to retain staff and the affordability of any pay awards.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Trustee expenses

All trustees give their time voluntarily and receive no benefits from the charity. No trustee claimed expenses from the charity in 2015 or in 2014.

Related parties and relationships with other organisations

KEM Management Limited is a related party of Sported Foundation by virtue of Sir Keith Mills, a Trustee of Sported Foundation, being the sole director and shareholder of KEM Management Limited. Pinsent Masons LLP, the charity's Solicitors, is a related party of Sported Foundation by virtue of Trevor Watkins, a Trustee of Sported Foundation, being a partner in Pinsent Masons LLP.

Trading subsidiary

Sported Foundation has a wholly owned trading subsidiary, Sported Trading Limited, incorporated in England and Wales (company number 08623400). The trustees of Sported Foundation do not consider the results of Sported Trading Limited to be material to the charity and so have decided not to produce consolidated accounts.

Strategic report

Organisation

The board of trustees, which can have up to 10 members, administers the charity. The Board meets four times a year and there is a committee covering finance and audit. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

The trustees review the aims, objectives and activities of the charity each year and receive regular reports from the executive management during the year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

Objectives and activities

Purposes and aims

The charity's governing document, its memorandum and articles of association, sets out the charity's purposes as:

- To advance the education of children and young people through participation in sport to provide opportunities for them to develop their full capacities.
- To provide and assist in providing facilities for sport, recreation or other leisure time occupation of such persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances (in particular children and young people) or for the benefit of the public at large in the interests of social welfare and with the object of improving their conditions of life.
- To promote the health of the public (especially young people) in particular through the provision of sports facilities and sports coaching.
- To promote community participation in healthy recreation by providing facilities of the playing of sports capable of improving health.
- Such other exclusively charitable purposes as the trustees shall in their absolute discretion decide.

Sported's purpose is to unleash and prove the power of sport to transform the lives of disadvantaged young people across the UK so they can fulfil their potential and transform their communities. Young people facing disadvantage are at a higher risk of encountering challenges associated with crime and antisocial behaviour, education and employment, health and wellbeing, community cohesion, and accessing sporting opportunities.

Where sport is being used intentionally as a tool to engage young people, it can be a highly effective tool contributing to a number of positive outcomes across:

- Individual social, emotional and cognitive skills (e.g. self-efficacy and motivation).
- Individual achievements and behaviours (e.g. educational attainment and mental wellbeing).
- Interpersonal relationships (e.g. social capital and volunteering).
- Benefits to society (e.g. Less need for health services and less dependence on welfare).

Purposes and aims (continued)

Sported's role is to help community sport clubs and groups, who are using the power of sport to tackle some of society's biggest problems, to become more sustainable and effective.

The focus for Sported throughout 2015 was on member service and sector development. Our defined 2015 mission was to:

- Offer high quality, relevant and valuable business support and other membership services to members so that they are proud, loyal and engaged.
- Be the champion and trusted voice for a sustainable and established UK Sport for Development sector, so that UK policy makers and funders understand, believe in and are prepared to invest to harness the power of sport to transform young lives.
- Be sustainable through leveraging the current and potential value of the services, and by attracting partners whose aims are compatible with our vision, purpose and mission.
- Be one of the UK's best not-for-profit organisations to work for and with a highly motivated, carefully deployed and well-trained volunteer force.

Significant activities

Sported has established a membership base of 3,190 community clubs and groups delivering Sport for Development. We support them, and develop the sector, in a number of ways:

Capacity building and advocacy

Direct costs

- **Mentor placements:** We have a network of volunteer business mentors who we match with our members on a one-to-one basis, providing expert consultancy on business issues ranging from financial planning and fundraising, to marketing and governance.
- **Member services:** We offer a range of services and benefits to our members such as preferential deals on insurance, pro-bono legal support and regular funding bulletins.
- **Sported Network Switch On:** We ran a series of localised networking events across the UK to bring together Sported members and volunteers.
- **Sportworks:** We own and manage the Sportworks impact measurement platform and offer free training to our members on how to use the tool.
- **Workshops and clinics:** Across the UK, we ran various workshops to help build members' capacity in specific areas including impact practice, marketing and communications, legal structures and finances, and ran a number of one-to-one clinics focused on funding applications and business planning.
- **Shared Measurement Framework:** We were a lead contributor to the development of a shared outcomes and measurement framework for the Sport for Development sector.

Significant activities (continued)

Capacity building and advocacy (continued)

Direct costs (continued)

- **Bespoke projects:** We developed and launched projects designed to build members' capacity with partners including England Boxing; Sport England (Box On) and Sport Wales. Projects with Inspiring Impact Northern Ireland/ Building Change Trust, and Deutsche Bank (*sporteducate*) were continued.

Grant making

- **Grant making:** Sported ceased awarding grants of its own funds at the end of 2014, in order to re-focus on capacity-building and advocacy. In 2015, only funding sourced from external partners was awarded as grants. These partners included Deutsche Bank, the BT Supporters Club; The Kristian Gerhard Jebsen Foundation and the County Durham Community Foundation. Each of these grant programmes addresses its own set of criteria and indicators, but all of these fall clearly within the scope of Sported's aims and objectives.
- During the year payments were made to 119 Sported member organisations, related to grants awarded in 2015 and in prior years.

Of these payments, 2 (5.8% by value of total payments) were for over £5,000:

Asian Business Connexions (Newcastle)

£12,000

To fund the development and running costs of the organisation's 'Time to Transform' training programme, which works to reduce the number of young people that are NEET¹ in the local Asian community, through linking sport with enterprise activities.

North East Athletic (Gateshead)

£11,000

Towards the salary of a Project Co-ordinator to expand the organisation's delivery across the North East of England and offer more young people in recovery from drug and alcohol addiction a positive alternative through football and structured volunteer opportunities.

¹ Not in Education, Employment, or Training

Significant activities (continued)

Capacity building and advocacy (continued)

Grant making (continued)

15 payments of between £5,000–10,000 were made in 2015 (23.9% by value of total payments). Examples of the organisations to receive funding from Sported include:

Cast North West (Wigan)

£8,000

Towards the costs of the organisation's 'Angling for a Future' programme, which combines angling with vocational qualifications and work experience to improve the employability of young people who are NEET.

YELLOW Wales (Bridgend)

£8,000

Towards the costs of the organisation's 'Learn Through Sport' programme, which uses sports to assist young people into education, training or employment by developing their self-confidence and providing opportunities to achieve recognised accredited qualifications.

Gleann Amateur Boxing Club (Belfast)

£3,000

Towards the organisation's 'Healthy Eating Lose Pounds' (HELP) programme, which combines physical activity and training with education around healthy eating, to address high levels of obesity and poor health rates within the locality.

John Paul II Youth Club (Belfast)

£6,043

Towards the organisation's 'Health Education & Sporting Development' programme, which combines educational sessions on healthy eating with fitness training and opportunities to gain soccer coaching qualifications.

Meakabears Deaf Support (London)

£6,505

Towards the costs of delivering of a programme to teach deaf children and their siblings sign language. Learning is practically applied during Meakabears' swimming classes, resulting in increased levels of participation and engagement in and out of the pool.

Significant activities (continued)

Capacity building and advocacy (continued)

Grant making (continued)

The majority of payments to Sported members (65.1% by value of total payments) were for under £5,000. Examples include:

Lothian Disability Sport (Edinburgh)

£4,000

Towards the salary of a Disability Development Coordinator in order to create more opportunities for young people with disabilities to participate in sport.

Granby Somali Women's Group (Liverpool)

£3,597

Towards the costs of the organisation's women football programme, designed to give young women from the local Muslim Somali community targeted opportunities to participate in sport.

Fife Parkour Coaching (Fife)

£3,750

Towards the costs of a new Parkour outreach programme which saw new coaching classes delivered in Dundee and Fife.

Cardigan Bay Watersports

£1,131

Towards the costs of purchasing new kayaks and wetsuits to help rurally and socio-economically disadvantaged young people build confidence and develop new skills through a variety of water sports.

The monetary sums listed above reflect the grant paid to each organisation in 2015, not necessarily the total grant awarded.

Achievements and performance

The charity's main achievements in 2015 are described below.

We monitored progress across our four mission areas, and during 2015 we made progress in our capacity to measure the changes in sustainability of our membership linked to our activities.

We identified 11 organisational outcomes, such as increased member engagement, increased awareness of the Sport for Development sector amongst stakeholders, and increased number of win-win partnerships. For each outcome, we measured progress against a number of indicators.

With regards to measuring changes in sustainability amongst members, we assessed changes against a number of sustainability principles by introducing and conducting before and after surveys (Game Plan and Time Out) with members receiving mentor support.

Volunteers

Volunteers are an important component of Sported's offering to sports organisations, material to enabling the delivery of our charitable activities, most importantly mentor placements. Mentor placements consist of matching volunteers with a member to work on a specific area of support typically over a 3–9 month period. During 2015, we delivered mentor placements to 107 members through our volunteers amounting to an estimated 2,800 hours of volunteer support.

Capacity building and advocacy

Serving our members

- In 2015, 107 volunteer mentor placements were completed across the UK amounting to an estimated 2,800 hours of volunteer support to member clubs and groups. The majority of members receiving volunteer placements were in need of support around operational management and strategic thinking. Our new Game Plan and Time Out evaluation tools demonstrated that these placements contributed directly to the sustainability and effectiveness of these clubs.
- Five new member services were launched and promoted to the membership base:
 - eligibility for Sainsbury's Active Kids Scheme
 - complimentary licences for RunAClub
 - Race Nation (online event management and fundraising tool)
 - Crowdfunder (digital fundraising tool), and
 - Localgiving (a digital fundraising tool).
- The most popular service this year has been the bespoke funding report generated for members by the member services team through our subscription to Grant Advisor.
- 109 members attended the Sported Network Switch On events. 95 members attended our capacity building workshops and 17 attended the one-to-one clinics.

Achievements and performance (continued)

Capacity building and advocacy (continued)

Serving our members (continued)

- Although the focus in 2015 was on serving existing members rather than member recruitment, membership grew organically with 195 new clubs and groups joining Sported. 22% of these new members were referred to Sported by friends or colleagues, and 10% by existing members.

Advocating for the power of sport

- In 2015, Sported received 57 pieces of national press coverage.
- 54 organisations created Sportworks accounts in order to start measuring the impact of their work. A total of 209 organisations are now using the platform, and are able to use the analysis to evidence the value of their work to society.
- The Sport for Development Coalition's Shared Outcomes and Measurement Framework for Sport for Development, of which Sported's Emma Heel was co-author, has been widely accepted. It was influential in the development of the Department of Culture, Media and Sport's new strategy, Sporting Future, and is also being referred to by Sport England as they move to implement their own strategy, Towards an Active Nation.

Partnership working

- In 2015, we launched five new projects with partner organisations. All funded programmes are on target and on track with good relationships with funders. Both the Tennis Foundation and England Boxing have agreed wider programmes based on successful pilots.
- Four funders have channelled grants totalling £264,561 through Sported to our members. These include Deutsche Bank through *sporteducate*, County Durham Community Foundation to members operating in County Durham, RBS: Ulster Bank to members in Northern Ireland, and Jebson Foundation to members in London.

Strengthening our team

- 34 new volunteer mentors were recruited and inducted.

Achievements and performance (continued)

Capacity building and advocacy (continued)

Measuring outcomes

For **Member Services**, we identified our outcomes as increased member engagement and increased member satisfaction. We tracked these through the indicators such as:

- The number of enquiries into services (150)
- The number of attendees at events/ training (540)
- The number of new members referred by existing ones (18)

For **Evidence and Influence**, we aimed to increase awareness of the Sport for Development sector and its impact amongst stakeholders, enhance our reputation, and improve the quality and quantity of our members' monitoring and evaluation. The indicators we used to measure these changes included:

- The number of mentions of Sported/ our members in external publications (57 pieces of coverage)
- The number of members accessing monitoring and evaluation support (139 attended workshops, 70 viewed the online videos, 1,234 unique views of the 'Your Impact' page)

For **Sported's Sustainability and Effectiveness**, our outcomes were to have an increased amount of programme costs covered and unrestricted reserve built; increased number of win-win partnerships; and improved reputation as a trusted distributor of third party funds. The indicators related to programme costs and unrestricted reserves will be covered within the financial report to follow. Other indicators within this area included:

- The number of ongoing partnerships (10)
- The number of third parties channelling funds through Sported (4)

For **Sported's Core Team and Volunteer Support** we measured improved volunteer engagement, improved core team learning and improved core team morale through:

- The number of active placements (107)
- Open and click-thru rates from all communications to volunteers (100% open rate for the volunteer welcome email, 47% average open rate for volunteer newsletter, 50% response rate to the volunteer skills audit)

Achievements and performance (continued)

Capacity building and advocacy (continued)

Beneficiaries of our services

The primary beneficiaries of our services are Sported members. Our members consist of groups across the UK who are using sport as a tool to develop disadvantaged young people aged 11–25.

There are three types of membership:

- Associate (typically larger strategic organisations)
- Premium (mainly youth and community organisations)
- Standard (similar to premium members but often limited by their governance structure)

The majority (91%) of members are Premium, with 7% Associate and 2% Standard.

Of the groups that make up our membership:

- 57% are entirely volunteer-led
- 27% have 1–5 paid members of staff
- 32% are working in the 20% most deprived areas of the UK on the Indices of Multiple Deprivation
- 15% are targeting Black and Minority Ethnic (BME) communities
- 20% are targeting disabled people
- 72% are working in urban communities, 28% rural
- 45% have an annual turnover of less than £10,000

All of the groups we support are working with young people with the long-term intention of transforming their lives. All members will be supporting young people who face disadvantage, whether this be through poverty, disability or marginalisation, and will often focus on immediate outcomes such as positive changes to individuals' social, emotional and cognitive capabilities, achievements and positive changes in behaviour, and stronger inter-personal relationships.

Members will have a clear focus on at least one of the following areas, and through this, will be making a positive contribution to their communities and society:

- Education and employability
- Crime and anti-social behaviour
- Health and wellbeing
- Inequality in sports participation
- Community cohesion

Reporting

The trustees receive quarterly reports on Sported activities, which include progress against indicators, learning and suggestions for the future. Trustees also receive financial reports as well as CEOs report.

Sported also completes various reports to funders throughout the year in line with funders' requirements, to evaluate the success of projects and report on expenditure.

Plans for the future

At the end of 2015, we embarked on a new strategic planning process to develop and refine our 2016 – 2021 strategic and operational objectives, and a 2-year mission taking the charity to the 10th anniversary of its foundation, which will come in March 2018. Underlying this planning process is the charity's original purpose and aims relating to the building of capacity within the Sport for Development sector across the UK, and advocacy on behalf of that sector. Alongside these objectives and targets, we have developed a sophisticated and detailed set of reports through which we can update trustees, colleagues and stakeholders on our progress. These will form the basis of a comprehensive Impact Report, and the outcomes will be summarised in future Trustees' reports.

Our experience of delivering high-quality support to members and our knowledge of the landscape means that intensive capacity building work will continue to be the spearhead of our activities. However, with our membership numbers now approaching 3,500, we are developing approaches and delivery mechanisms offering the same quality of service but reaching more of our members. An example of this is a 'light touch' volunteer service for members to access one-off or short-term support relating to a specific need. This service launched early in 2016.

In addition to the on-going provision of high quality member services – evidenced by a more systematic approach to monitoring member satisfaction – our strategic objectives for 2016–21 relate to the development of effective partnerships; the effective capture and utilisation of knowledge and learning relating to good practice in Sport for Development, and to achieving financial self-sufficiency through a mix of funding sources, both restricted and unrestricted. The charity's leadership responsibilities are now organised around these four strategic areas, with specific KPIs and clear accountability.

A key element of work for 2016 will be the development of a capacity model to identify the key elements that influence the sustainability of community sport groups and clubs. This will enable us to refine the way we measure changes in capacity within the organisations we support.

Plans for the future (continued)

In addition to our 2021 strategic objectives, we have identified four more immediate targets, which together constitute our 2018 Mission:

- To build the capacity of 1,000 additional Sport for Development groups across the UK (and be able to demonstrate this impact, making use of our Game Plan and Time Out tools).
- To provide services rated as “very good” or “excellent” to a further 2000 clubs and groups.
- To be trusted on the basis of our respected and authoritative knowledge and evidence base to leverage £3,000,000 in grants to our members from the public purse and/or major trusts.
- To be a named partner of all 4 Home Nation Sports Councils.

Financial review

At the 31 December 2015 year-end the net assets of the charity were £1,334k (2014: £1,632k) as a deficit of £298k (2014: £1,708k) was incurred in the year. The continued reduction in expenditure to £1,846k (2014: £2,438k) is principally due to the curtailment of the grants programme with total grants spend of £304k in-year (2014: £879k) substantially down from £1,476k in 2013.

Income received for restricted projects increased to £998k (2014: £656k) and the closing balance on the restricted funds was £813k. The principle funder was Deutsche Bank. However, significant funds were also secured from other external organisations, including Comic Relief, Sport England and The Kristian Gerhard Jebsen Foundation. For further detail please refer to note 18.

The year-end unrestricted funds were £521k (2014 £1,135k). This represented the continuation of the historical trend of utilising Sported's founding donation to fund the provision of its services to members and other activities. However, progress was made in implementing a strategy aiming to put Sported on a sustainable footing, by both raising more unrestricted monies and attracting restricted funding for projects making use of Sported's existing workforce and assets. Encouraging progress was made in year with unrestricted fundraising income increasing to £469k (2014 £65k). Plans are in place to increase unrestricted income further in 2016 in order to sustain and increase unrestricted reserves.

Reserves policy and going concern

The total reserves of the charity at 31 December 2015 were £1,334k of which £813k were restricted. The balance of £521k was unrestricted and at that point represented around 9 months unrestricted expenditure. The Trustees reviewed the reserves policy in the year and decided to retain a 13 weeks unrestricted reserve policy level as the minimum reserve level. This will be reviewed annually to ensure that the expenditure profile and assessment of future funding risks are assessed and the reserves target is appropriate.

Financial review (continued)

Financial factors going forward

The charity receives a combination of general grants/donations which are unrestricted and can be used as the charity chooses and restricted grants to support specific projects. Significant progress has been made in diversifying the range of funders. The charity has a strong pipeline of funders / potential funders, and is well positioned to contribute to meeting the objectives of government; government agencies and other funders. Costs are closely managed, and will generally only be increased on a fixed-term basis where additional inputs are covered by new or additional externally-sourced funding.

Statement of responsibilities of the trustees

The trustees (who are also directors of Sported Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK 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 presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was 10 (2014: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Sported Foundation

Trustees' annual report

For the year ended 31 December 2015

Auditors

Sayer Vincent LLP were appointed as the charitable company's auditors in 2016 following the resignation of Ward Mckenzie.

The trustees' annual report has been approved by the trustees on 16 September 2016 and signed on their behalf by

Name: Sir Keith Mills

Title: Chairman

Independent auditors' report

To the members of

Sported Foundation

We have audited the financial statements of Sported Foundation for the year ended 31 December 2015 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report

To the members of

Spotted Foundation

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Noelia Serrano (Senior statutory auditor)

21 September 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sported Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Unrestricted £	Restricted £	2014 Total £
Income from:							
Donations and legacies		469,137	–	469,137	64,947	(7,433)	57,514
Charitable activities							
Capacity building and advocacy	2	–	998,238	998,238	–	655,832	655,832
Other trading activities	3	62,500	–	62,500	–	–	–
Investments		18,797	–	18,797	16,465	–	16,465
Total income		550,434	998,238	1,548,672	81,412	648,399	729,811
Expenditure on:							
Raising funds	4	161,447	–	161,447	42,751	–	42,751
Charitable activities							
Capacity building and advocacy	4	1,002,692	682,332	1,685,024	1,836,873	558,645	2,395,518
Total expenditure		1,164,139	682,332	1,846,471	1,879,624	558,645	2,438,269
Net income / (expenditure) for the year and net movement in funds	6	(613,705)	315,906	(297,799)	(1,798,212)	89,754	(1,708,458)
Reconciliation of funds:							
Total funds brought forward		1,134,793	497,252	1,632,045	2,933,005	407,498	3,340,503
Total funds carried forward	17	521,088	813,158	1,334,246	1,134,793	497,252	1,632,045

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Sported Foundation

Balance sheet

Company no. 6541137

As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets:					
Tangible assets	12		7,877		8,461
Current assets:					
Debtors	13	198,045		56,177	
Cash at bank and in hand		1,569,100		2,399,751	
		<u>1,767,145</u>		<u>2,455,928</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(435,922)		(727,671)	
Net current assets			<u>1,331,223</u>		<u>1,728,257</u>
Total assets less current liabilities			<u>1,339,100</u>		<u>1,736,718</u>
Creditors: amounts falling due after one year	16		(4,854)		(104,673)
Total net assets	17		<u><u>1,334,246</u></u>		<u><u>1,632,045</u></u>
The funds of the charity:	18				
Restricted income funds			813,158		497,252
Unrestricted income funds:					
General funds		521,088		1,134,793	
Total unrestricted funds			<u>521,088</u>		<u>1,134,793</u>
Total charity funds			<u><u>1,334,246</u></u>		<u><u>1,632,045</u></u>

Approved by the trustees on 16 September 2016 and signed on their behalf by

Name: Sir Keith Mills

Position: Chairman

Sported Foundation

Statement of cash flows

For the year ended 31 December 2015

	Note	2015	2014
		£	£
Cash flows from operating activities	19	(844,374)	(1,795,765)
Net cash provided by operating activities			
Cash flows from investing activities:			
Dividends, interest and rents from investments		18,797	16,465
Purchase of fixed assets		(5,074)	(5,298)
Net cash provided by investing activities		<u>13,723</u>	<u>11,167</u>
Change in cash and cash equivalents in the year		(830,651)	(1,784,598)
Cash and cash equivalents at the beginning of the year		<u>2,399,751</u>	<u>4,184,349</u>
Cash and cash equivalents at the end of the year	20	<u><u>1,569,100</u></u>	<u><u>2,399,751</u></u>

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. The trustees considered that there were no changes to opening balances as a result of the transition.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

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:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering capacity building and advocacy services to sports clubs, providing financial support in the form of grants to sports clubs, and maintaining and developing resources used to measure the impact of the improving access to sports activities.
- Other expenditure represents those items not falling into any other heading

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

j) Allocation of support costs

Resources expended are 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 central function, is included as part of support costs.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on the direct cost of each activity

- | | |
|---|-----|
| ● Raising funds | 9% |
| ● Capacity building and advocacy – Direct costs | 75% |
| ● Capacity building and advocacy – Grant making | 16% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2015

1 Accounting policies (continued)

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Plant and machinery 3 years

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

o) 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.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Income from charitable activities

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Comic Relief (Volunteer Programme)	-	122,922	122,922	-
Comic Relief (BT Supporters Club)	-	-	-	80,000
Allchurches Trust Ltd	-	40,000	40,000	-
Baillie Gifford	-	30,000	30,000	-
Sport England (Box On)	-	19,600	19,600	-
Sport England (Bridging The Gap)	-	80,117	80,117	-
Sport Wales	-	25,000	25,000	-
Royal Bank of Scotland	-	12,000	12,000	-
Building Change Trust (Inspiring Impact)	-	2,663	2,663	12,000
Deutsche Bank (Sporteducate)	-	565,936	565,936	563,832
The Kristian Gerhard Jebsen Foundation	-	100,000	100,000	-
Total income from charitable activities	-	998,238	998,238	655,832

3 Income from other trading activities

Income from other trading activities of £62,500 (2014: £nil) represents income received from the sale by auction during the year of items donated to the charity

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2015

4 Analysis of expenditure

	Charitable activities – Capacity building and advocacy					2015 total £	2014 total £
	Raising funds £	Direct costs £	Grant making (note 5) £	Governance costs £	Support costs £		
Staff costs (Note 7)	44,047	801,101	7,235	–	169,588	1,021,971	1,038,587
Grants payable	–	–	217,983	–	–	217,983	878,944
Staff cover, recruitment and training	27,325	42,265	–	–	34,318	103,908	70,028
Travel and subsistence	1,662	92,663	–	–	46,197	140,522	118,038
Office supplies and rents	–	5,448	–	–	90,935	96,383	145,878
Events, meetings, conferences inc. mentoring	44,441	22,187	–	–	15,473	82,101	27,624
IT, databases and telephones	2,007	52,536	–	–	47,240	101,783	80,357
Marketing costs	–	4,784	–	–	17,540	22,324	46,709
Insurance, legal and banking	–	816	–	11,513	1,829	14,158	12,845
Audit	–	–	–	7,500	–	7,500	14,985
Accountancy	–	–	–	–	32,180	32,180	–
Depreciation	–	–	–	–	5,658	5,658	4,274
	<u>119,482</u>	<u>1,021,800</u>	<u>225,218</u>	<u>19,013</u>	<u>460,958</u>	<u>1,846,471</u>	<u>2,438,269</u>
Reallocation of support costs	40,303	344,683	75,972	–	(460,958)	–	–
Reallocation of governance costs	1,662	14,217	3,134	(19,013)	–	–	–
Total expenditure 2015	<u>161,447</u>	<u>1,380,700</u>	<u>304,324</u>	<u>–</u>	<u>–</u>	<u>1,846,471</u>	<u>2,438,269</u>
Total expenditure 2014	<u>42,751</u>	<u>1,516,574</u>	<u>878,944</u>	<u>–</u>	<u>–</u>	<u>2,438,269</u>	

Of the total expenditure, £1,164,139 was unrestricted (2014: £1,879,624) and £682,332 was restricted (2014: £558,645).

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2015

5 Grant making

	Grants to institutions £	Grants to individuals £	Support costs £	2015 £	2014 £
Cost					
Small grants made during the year	10,794	–	7,241	18,035	58,882
Large grants made during the year	203,143	–	76,386	279,529	731,203
Matched grants made during the year	4,046	–	2,714	6,760	88,859
At the end of the year	<u>217,983</u>	<u>–</u>	<u>86,341</u>	<u>304,324</u>	<u>878,944</u>

Grants paid were to organisations providing sporting opportunities for young people in England, Scotland, Wales, and Northern Ireland in line with the objectives of the charity.

6 Net income / (expenditure) for the year

This is stated after charging:

	2015 £	2014 £
Depreciation	5,659	4,274
Auditors' remuneration (excluding VAT):	7,500	14,985

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	928,681	911,286
Redundancy and termination costs	–	30,000
Social security costs	93,290	97,301
	<u>1,021,971</u>	<u>1,038,587</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2015 No.	2014 No.
£60,000 – £69,999	–	1
£90,000 – £99,999	1	1

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2015

The total employee benefits including pension contributions of the key management personnel were £271,281 (2014: £298,258).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

8 Ex-gratia payments

No ex-gratia payments were made during 2015. During 2014 a single ex-gratia payment of £30,000 was made as part of settlement agreement between the charity and a former employee.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2015 No.	2014 No.
	26.4	24.8

10 Related party transactions

KEM Management Limited is a related party of Sported Foundation by virtue of Sir Keith Mills, a Trustee of Sported Foundation, being the sole director and shareholder of KEM Management Limited.

During the year the charity incurred expenditure totalling £48,000 (2014: £140,094) from KEM Management Limited and a balance of £nil (2014: £4,738) was due to KEM Management Limited at the year end. This balance is included within trade creditors.

During the year KEM Management Limited donated office space to the charity which saved the charity £31,500 (2014: £nil). This value of this donation has been included within donations and legacies and the cost of the office space has been included within support costs. KEM Management Limited also donated accounting resources to the charity which saved the charity £22,500. The value of this donation has been included within donations and legacies and the cost of the accounting resources has been included within support costs.

Pinsent Masons LLP, the charity's Solicitors, is a related party of Sported Foundation by virtue of Trevor Watkins, a Trustee of Sported Foundation, being a partner in Pinsent Masons LLP.

During the year there were no transfers of resources, services or obligations between Sported Foundation and Pinsent Masons LLP.

Aggregate cash donations from a Trustee were £230,000 (2014: £nil). Aggregate donations in kind from related parties were £54,000 (2014: £nil).

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	29,119	29,119
Additions in year	5,074	5,074
At the end of the year	34,193	34,193
Depreciation		
At the start of the year	20,658	20,658
Charge for the year	5,658	5,658
At the end of the year	26,316	26,316
Net book value		
At the end of the year	7,877	7,877
At the start of the year	8,461	8,461

All of the above assets are used for charitable purposes.

13 Debtors

	2015 £	2014 £
Trade debtors	86,729	12,025
Other debtors	2,400	240
Prepayments	31,801	13,912
Accrued income	77,115	30,000
	198,045	56,177

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	59,943	108,189
Taxation and social security	30,856	28,417
Other creditors	288,600	577,412
Accruals	37,605	13,653
Deferred income (see note 15)	18,918	-
	435,922	727,671

15 Deferred income

Deferred income comprises grants and donations recognised during the year which had not been remitted to the charity by the end of the year.

	2015 £	2014 £
Balance at the beginning of the year	-	-
Amount released to income in the year	-	-
Amount deferred in the year	18,918	-
	<hr/>	<hr/>
Balance at the end of the year	18,918	-
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Other creditors	4,854	104,673
	<hr/>	<hr/>
	4,854	104,673
	<hr/> <hr/>	<hr/> <hr/>

17 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	7,877	-	7,877
Net current assets	516,065	815,158	1,331,223
Long term liabilities	(2,854)	(2,000)	(4,854)
	<hr/>	<hr/>	<hr/>
Net assets at the end of the year	521,088	813,158	1,334,246
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	At the end of the year £
Restricted funds:				
Sporteducate programme (Deutsche Bank)	452,026	565,936	(364,993)	652,969
Comic Relief Volunteer Programme (Comic Relief)	–	122,922	(46,230)	76,692
Allchurches	–	40,000	–	40,000
Box On (England Boxing)	–	19,600	(19,600)	–
Bridging the Gap (Sport England)	–	80,117	(67,151)	12,966
The Kristian Gerhard Jebsen Foundation	28,966	100,000	(98,435)	30,531
Inspiring Impact (Building Change Trust)	–	2,663	(11,314)	(8,651)
Other	16,260	67,000	(74,609)	8,651
Total restricted funds	497,252	998,238	(682,332)	813,158
Unrestricted funds:				
General funds	1,134,793	550,434	(1,164,139)	521,088
Total unrestricted funds	1,134,793	550,434	(1,164,139)	521,088
Total funds including pension fund	1,632,045	1,548,672	(1,846,471)	1,334,246

Purposes of restricted funds

Funds which are derived from grants awarded to the charity for specific projects are held as restricted funds. Grants received during the year are transferred into restricted funds and expenditure on specific projects is transferred out of restricted funds. The projects restricted funds have been used for during the year include Sporteducate, Comic Relief Volunteering, Bridging the Gap, and Boxon. A brief description of each of the main projects funded from restricted funds is provided below.

Sporteducate programme – Sporteducate provides funding and other support to 33 sport for development groups across London, enabling them to combine sports sessions with additional activity to improve education and employment prospects for disadvantaged young people. This programme is funded by Deutsche Bank.

Comic Relief Volunteer Programme – Comic Relief's grant supports the charity's volunteer function including recruitment and training of volunteers and a new 'light touch' service which provides timely, short-term support for member groups to assist with a specific area of need.

Allchurches Trust Limited – This funding provides capacity-building support and grant funding to sport for development groups in the north west and north east of England.

Box On – This programme provides training and one-to-one mentoring to boxing clubs in England, focusing particularly on sustainable business plans. The programme also offers groups support in applying for grant funding from Sport England to improve capacity/sustainability. This programme is in partnership with England Boxing and funded by Sport England.

Bridging The Gap – Bridging the Gap is an action-research programme providing direct capacity-building support for groups operating in the 20% most deprived neighbourhoods in England, as well as working with agencies to better understand and overcome the barriers faced by these groups in accessing support. This programme is funded by Sport England.

The Kristian Gerhard Jebsen Foundation – The KGJF grant supports the charity's work in London, including capacity-building support, networking/training events and grant funding.

Inspiring Impact – Inspiring Impact was a pilot project in Northern Ireland which offered capacity building support to 20 Sport for Development groups to improve their impact practice.

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 £	2014 £
Net expenditure for the reporting period (as per the statement of financial activities)	(297,799)	(1,708,458)
Depreciation charges	5,658	4,274
Dividends, interest and rent from investments	(18,797)	(16,465)
(Increase)/decrease in debtors	(141,868)	(41,797)
Increase/(decrease) in creditors	(391,568)	(33,319)
	<hr/>	<hr/>
Net cash used in operating activities	(844,374)	(1,795,765)

20 Analysis of cash and cash equivalents

	At 1 January £	Cash flows £	At 31 December 2015 £
Cash at bank and in hand	2,399,751	(830,651)	1,569,100
	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	2,399,751	(830,651)	1,569,100

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.