



Company number: 6541137

Charity number: 1123313 | SCO43161

Sported Foundation

Report and financial statements

For the year ended 31 December 2017



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Reference and administrative information

Company number	6541137
Charity number	1123313 SCO43161
Registered office	Level 4, House of Sport 190 Great Dover Street LONDON SE1 4YB
Country of registration	England and Wales
Country of incorporation	United Kingdom
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: <ul style="list-style-type: none">- Sir Keith Mills (chair)- Alan Pascoe- Alex Mills- Carnegie Smyth- Dermot Heffernan (resigned 27 April 2017)- Lady Maureen Mills (resigned 25 January 2018)- Neil Wood (appointed 27 April 2017)- Nicola Walker- Nigel Keen (resigned 29 January 2018)- Richard Lewis (appointed 10 July 2017)- Simon Cummins (appointed 12 July 2018)- Trevor Watkins
Key management personnel	Chris Grant, Chief Executive Emma Heel, Head of Evidence and Learning Kathryn Berry, Head of Member Services Paul Naphine, Head of Operations & Partnerships (to 6 June 2017) Tom Burstow, Deputy Chief Executive
Bankers	HSBC Bank plc 60 Queen Victoria Street LONDON EC4N 4TR
Solicitors	Pinsent Masons LLP 30 Crown Place, Earl Street LONDON EC2A 4ES
Auditor	Sayer Vincent LLP Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

Trustees' annual report

The trustees present their report and the audited financial statements for the year ended 31 December 2017.

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.

Our objectives

Sported's governing document, the memorandum and articles of association, set out its purposes:

- 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 for 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 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
- Individual achievements and behaviours
- Interpersonal relationships
- Benefits to society.

In early 2018 we launched our new purpose statement “Helping community groups survive, to help young people thrive.” Sported’s role is to help community clubs and groups, who are using the power of sport to tackle some of society’s biggest problems, to become more sustainable and effective, through capacity building and advocacy.

Our activities

Sported has established a membership base of over 3,000 community clubs and groups delivering Sport for Development. We support them, and develop the sector, in a number of ways.

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. Mentors work with a member on a specific area of support typically over a 3–9 month period. Volunteers are an important component of Sported’s offering to sports and community organisations, material to enabling the delivery of our charitable activities.

Light touch engagements

Our volunteer network also provides support on a remote basis (i.e. by phone or email). Typically, these engagements add up to approximately six hours’ contact time, and focus on a specific issue or challenge being faced by the group.

Member services

We offer a range of services and benefits to our members such as preferential access to insurance services, pro-bono legal support and regular funding bulletins.

Workshops and clinics

Across the UK, we run various workshops to help build members’ capacity in specific areas including impact practice, marketing and communications, legal structures and finances. We also provide clinic sessions focused on funding applications and business planning.

Bespoke projects

In 2017 we have continued to develop and run projects designed to build member capacity with our partners. These include the volunteering programme, and a programme to increase participation by women and girls with Comic Relief, a number of projects with Sport England including ones aimed at tackling inactivity, community engagement work with London marathon and the commencement of a major project with TSB to reward and support the next generation of community leaders.

Strategic report

Strategic objectives

“Sported: The Way Forward” sets out the charity’s strategic objectives for the period 2016 – 2021 in the following four areas:

1. Member services – by 2021 90% of our members will access a benefit or service annually and rate it good or excellent
2. Operations and partnerships – we shall add value through targeted projects
3. Evidence and learning – by 2018 we shall have systems in place to refresh and disseminate a comprehensive knowledge base relating to good practice in sport for development
4. Income generation – we shall cover our costs through a mix of restricted and unrestricted funding and build a reserve in line with charity best practice.

Progress on achieving our strategic objectives is presented below.

Member services

At the end of 2017, we had 3,090 member groups across the UK reaching almost 500,000 young people aged between 11 and 25. During 2017, almost 1,500 members benefited directly from free services offered through their Sported membership and half of these received capacity building support.

Members receive support in areas such as business planning, PR and marketing, networking and obtaining funding, which remains the most sought after area of support. Our regular funding bulletin is an invaluable resource to members.

25 volunteer mentor placements were completed across the UK amounting to approximately 1,000 hours of volunteer support to members. 98% of participants were satisfied or very satisfied with the service they received, and importantly, 92% of members showed an increase in capacity after receiving long term support.

119 light touch engagements were completed amounting to over 500 hours of volunteer support; with 96% of participants were satisfied or very satisfied with the service they received.

We also delivered workshops on capacity building, marketing, impact practice and fundraising attended by our members.

Operations and partnerships

We recruited and inducted 47 new volunteer mentors in 2017 with the total number of mentors being 318 at the end of the year. We provide regular newsletters as well as use social media such as LinkedIn and Twitter to communicate and engage with volunteers.

We continue to build quality partnerships with a diverse range of partners and at the end of the year we had over 15 active partnerships focusing on capacity building, young people, women and girls in sport, participation and other issues across the four home nations of the UK.

Evidence and learning

Sported has focused on developing our own Theory of Change, illustrating how the work we do will lead to the difference we want to make. Our Theory of Change will form a strong foundation for all of the work we do in 2018 and beyond.

We continue to use Sported's Capacity Model, the Frisbee, to measure changes in the capacity and sustainability of our members. Surveys are completed pre and post capacity building support to measure change across a number of elements. Based on a sample of 11 before and after surveys completed during 2017, all members increased their capacity. The average percentage change in capacity was 9%. Our aim is to continue to enhance our model throughout 2018 and gather larger volumes of impact data on our interventions.

The charity is focused on improving its members' capability to measure and report their own impact, and consequently generating evidence from grass root organisations on the power of sport. Throughout 2017 we had a number of programmes of support live for members across the UK, including Fit for Impact in Scotland funded by STV and Embedding Impact in Northern Ireland, supported by CENI and Building Change Trust.

We continue to have strong connections and influence in this area across the sector, and remain a leading member of the Sport for Development Coalition who maintains a strong interest in measurement and evidence.

Income generation

Sported receives a combination of general grants/donations, which are unrestricted and can be used for its charitable purposes and restricted grants to support specific projects that meet the objectives of our funders, which are in line with our own strategic objectives.

During 2017 we developed existing and new funding relationships from across four key sources: corporates, major donors, trusts and foundations, sports and government bodies, increasing both restricted and unrestricted income generated for 2017, 2018 and beyond.

We continue to grow and expand a strong pipeline of funders providing a diversified funding portfolio and a solid foundation for the year ahead.

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 governance structure).

As in previous years the significant majority of our members are premium (approximately 90%).

Groups use a number of different sports and activities to engage young people including football, boxing, tennis, running and cricket, with many undertaking more than one sporting activity. Groups are small and embedded in community with 51% having income less than £10k and 78% less than £50k, and 58% are volunteer led.

All of the groups we support are working with young people with the objective of improving their lives. All Sported members will be supporting young people who face disadvantage, whether this be through poverty, disability or marginalisation, with 44% working in the 30% most deprived areas of the UK based on the Indices of Multiple Deprivation.

Groups focus on outcomes such as positive changes to individuals' social, emotional and cognitive capabilities, achievements and positive changes in behaviour, and stronger inter-personal relationships.

Members 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.

Every prospective member is interviewed before being accepted into membership, in order to ensure that they meet our criteria of delivering Sport for Development and are ready to comply with appropriate governance requirements.

Financial review

In 2017 income increased to £1,492k compared to £1,178k in 2016, with increases in both restricted and unrestricted income, reflecting continued progress towards a sustainable funding model. Expenditure was £1,960k for the year (2016: £2,213k), as a result of the completion of funded projects and tight cost management. The net result was (£468k) a significant improvement from 2016 (£1,036k).

At the 31 December 2017 year-end net assets were (£169k), 2016: £299k. This has been funded by an interest free loan of £375k which has ensured that restricted funds have only been used for the purposes intended. Taking this into account, net assets at 31 December 2017 are £206k, with restricted reserves totaling £171k and unrestricted £35k.

Financial factors going forward

The 2018 budget targets a further increase in revenues, whilst maintaining current levels of expenditure to enable the charity to start rebuilding its reserves. The

increased revenue is built on a solid base of contracted revenue derived from multi-year partnerships as well as a strong pipeline of funds. We will continue to focus on cementing relationships with existing and new funding partners with multi-year contracts that support our strategic objectives.

Fundraising

In recent years, Sported has built in-house fundraising capacity that has delivered funds from a small range of key income streams – including corporate, major donor, trusts & foundations, sports & government bodies. Much of our success has been leveraged through personal and organisational connections in and beyond the sector that have created opportunities for the receipt of grants and the development of partnerships.

The charity makes no approaches to the general public working only through direct connections from our networks.

These relationships are tracked and monitored via our fundraising database (Etap) recently updated in line with GDPR requirements.

We do not use any third party organisations to fundraise for us and have no plans to seek additional professional support beyond our own staff and their networks.

We comply with relevant fundraising regulations and guidance and have had no instances of non-compliance over the year. Further no complaints have been received in 2017.

Principal risks and uncertainties

The Strategic Leadership Team and the Finance and Audit Sub Committee of the Board undertake a formal review of risk management annually. Risks are identified and assessed and mitigation strategies put in place to minimise the impact.

The risks and mitigation strategies are assessed and updated quarterly by the Strategic Leadership Team and reviewed by the Finance and Audit Sub Committee of the Board.

The key risk identified is that sufficient funding to meet running costs is not secured. Key mitigation strategies include a strong focus on conversion of existing funding prospects and bids, securing multi-year funding, continued development of new and diverse funding streams that support our strategic objectives and tight cost management.

Going concern

Trustees have considered plans for the twelve months from this report and have a reasonable expectation of receiving adequate resources to continue operations, based on detailed cash projections that set out contracted funding and a strong pipeline for the rest of 2018, 2019 and beyond. In addition cost management strategies are in place to mitigate risk.

Reserves policy

Total reserves at 31 December 2017 were (£169k). Taking into account the interest free loan, reserves total £206k. We aim to build reserves over 2018 in order to maintain reserves adequate to cover 13 weeks expenditure on an ongoing basis. This position is reviewed periodically to ensure that the expenditure profile and assessment of future funding risks are assessed and the reserves position is appropriate.

Plans for the future

March 2018 is the 10th anniversary of Sported's founding. We are using this occasion to enhance our visibility and reputation and further promote the Sport for Development sector over the course of 2018.

Looking ahead, the bedrock of the Charity's activities will continue to be the provision of high quality support and services to Members, with the aim of continuing to raise recorded levels of engagement. Building on this, we are increasingly looking to connect sport for development organisations to each other in order to promote their effectiveness and sustainability and open up new opportunities for them and their beneficiaries.

Having developed sophisticated tools to be able to assess the capacity of community sport for change groups, and to track their progress, we shall continue to build our knowledge base concerning "what works" and to deploy our data and insight in order to inform and influence policy across central, devolved and local government.

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 that established the objects and powers of the charitable company and it is governed under its articles of association.

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.

New Trustees go through a formal induction and training process and are encouraged to meet our beneficiaries.

All Trustees give their time voluntarily and receive no benefits from the charity. No Trustees claimed expenses from the charity in 2017 or 2016.

Organisational structure and decision making

The Board of Trustees, which can have up to 10 members, administers the charity. The Board meets a minimum of 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, strategic objectives and activities of the charity each year and approve all decisions relating to strategy and budget. 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 Chief Executive Officer and trustees.

Reporting

The Trustees receive quarterly reports on Sported activities, which include progress against the strategic objectives, the annual business plan and key performance indicators, learning and suggestions for the future.

Trustees receive Chief Executive Officer's report, Key Performance Indicators and monthly financial reports.

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

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. Refer also to the Strategic Report.

Remuneration policy

The Strategic Leadership Team 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 Chief Executive Officer approves any proposed revisions to salary grades, with Chief Executive Officer remuneration agreed by the trustees. In advance of each financial year the Strategic Leadership Team 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 reward and retain staff and the affordability of any pay awards.

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.

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 including the Strategic 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 adequate 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 auditor is 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 auditor is 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 2017 was 10 (2016: 10). The trustees are members of the charity but this

entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP were appointed as the charitable company's auditor in 2017.

The Trustees' annual report has been approved by the trustees on 12 July 2018 and signed on their behalf by

Name: Sir Keith Mills

Title: Chairman

Independent auditor's report to the members of Sported Foundation

Opinion

We have audited the financial statements of Sported Foundation (the 'charitable company') for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, 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 charitable company's affairs as at 31 December 2017 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Material uncertainty related to going concern

We draw attention to note 1d in the financial statements, which indicates that the charity is yet to secure significant funding budgeted for the next financial year. As stated in note 1d, these events or conditions, along with the other matters as set forth in note 1d, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report

To the members of Spotted Foundation

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Independent auditor's report

To the members of Spotted Foundation

companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control

Independent auditor's report

To the members of Sported Foundation

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Noelia Serrano (Senior statutory auditor)

27 September 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Sported Foundation

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

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies		638,846	-	638,846	436,198	-	436,198
Charitable activities							
Capacity building and advocacy	2	79,635	773,352	852,987	65,509	666,901	732,410
Other trading activities	3	-	-	-	7,738	-	7,738
Investments		279	-	279	1,452	-	1,452
Total income		718,760	773,352	1,492,112	510,897	666,901	1,177,798
Expenditure on:							
Raising funds	4	216,922	-	216,922	165,468	-	165,468
Charitable activities							
Capacity building and advocacy	4	854,771	888,078	1,742,849	871,996	1,175,892	2,047,888
Total expenditure		1,071,693	888,078	1,959,771	1,037,464	1,175,892	2,213,356
Net (expenditure) for the year and net movement in funds	6	(352,933)	(114,726)	(467,659)	(526,568)	(508,990)	(1,035,558)
Transfers between funds		-	-	-	18,170	(18,170)	-
Reconciliation of funds:							
Total funds brought forward		12,690	285,998	298,688	521,088	813,158	1,334,246
Total funds carried forward	16	(340,243)	171,271	(168,972)	12,690	285,998	298,688

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. 06541137

As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	12		468		7,536
Current assets:					
Debtors	13	143,654		138,046	
Cash at bank and in hand		262,920		360,452	
			406,574	498,498	
Liabilities:					
Creditors: amounts falling due within one year	14	(576,015)		(207,346)	
Net current assets			(169,441)		291,152
Total net assets	16		(168,972)		298,688
The funds of the charity:					
Restricted income funds	16		171,271		323,587
Restricted income funds in deficit	16		-		(37,589)
			171,271		285,998
Unrestricted income funds:					
General funds		(340,243)		12,690	
Total unrestricted funds			(340,243)		12,690
Total charity funds			(168,972)		298,688

The negative unrestricted reserves balance is offset by an interest free loan of £375,000, which has ensured that restricted funds have only been used for the purposes intended.

Approved by the trustees on 12 July 2018 and signed on their behalf by

Name: Sir Keith Mills

Position: Chairman

Sported Foundation

Statement of cash flows

For the year ended 31 December 2017

	Note	2017	2016
		£	£
Cash flows from operating activities	17	(97,811)	(1,203,506)
Net cash provided by operating activities			
Cash flows from investing activities:			
Dividends, interest and rents from investments		279	1,452
Purchase of fixed assets		-	(6,594)
Net cash provided by investing activities		<u>279</u>	<u>(5,142)</u>
Change in cash and cash equivalents in the year		(97,532)	(1,208,648)
Cash and cash equivalents at the beginning of the year		<u>360,452</u>	<u>1,569,100</u>
Cash and cash equivalents at the end of the year	18	<u><u>262,920</u></u>	<u><u>360,452</u></u>

1 Accounting policies

a) Statutory information

Sported Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operational address is 4th Floor, Marathon House, 190 Great Dover Street, London SE1 4YB.

b) 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) (September 2015) 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.

Public benefit entity

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

d) Going concern

As at 31 December 2017 the charity was in a negative net asset position, which has been funded by an interest free loan of £375,000 from Sir Keith Mills. Post balance sheet date, following repayment of the loan, a donation of £500,000 has been made to Sported Foundation, which fully offsets the negative net asset position.

The trustees have considered detailed plans and cashflow forecasts for the 12 months from the date of this report and have a reasonable expectation of receiving adequate resources through contracted and pipeline funding to continue operations. In addition, cost reduction strategies are in place to mitigate risk. The trustees recognise that there are material amounts that are uncertain, however based on contracted funding and past performance have positively concluded on the charitable company's ability to continue as a going concern.

Further, 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. Please refer to the trustees' annual report for more information about volunteers' contributions.

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 related to the specific purpose 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 | 10% |
| • Capacity building and advocacy – Direct costs | 90% |

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.

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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

- Computer equipment 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 members.

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. No interest loans are recognised at face value.

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.

p) Pensions

Sported commenced contributing to a defined contribution pension scheme for all staff at the statutory rate in 2017. Pension costs are accounted for as expenditure when paid.

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2017

2 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Baillie Gifford	-	40,000	40,000	-
Big Lottery Fund Wales	-	122,755	122,755	-
Comic Relief	-	95,452	95,452	128,295
Deutsche Bank	-	-	-	25,000
Esmée Fairbairn Foundation	-	30,000	30,000	30,000
London Marathon	-	48,500	48,500	-
Scottish Football Association	20,000	-	20,000	-
Sport England	-	191,068	191,068	389,932
Sport Northern Ireland	2,463	84,967	87,429	12,874
STV	-	36,000	36,000	41,800
Tennis Foundation	26,250	-	26,250	24,190
TSB	-	120,000	120,000	-
Other sources of income (sums of less than £20,000)	30,922	4,610	35,532	80,319
Total income from charitable activities	<u>79,635</u>	<u>773,352</u>	<u>852,987</u>	<u>732,410</u>
	-	-		

3 Income from other trading activities

Income from other trading activities is £nil (2016: £7,738 from consultancy).

Sported Foundation

Notes to the financial statements

For the year ended 31 December 2017

4 Analysis of expenditure

	Charitable activities					2017	2016
	<u>Capacity building and advocacy</u>					total	total
	Raising funds	Direct costs	Grant making	Governance	Support		
	£	£	(note 5)	costs	costs	£	£
			£	£	£		
Staff costs (Note 7)	100,677	1,069,292	-	-	103,843	1,273,813	1,236,204
Grants payable	-	-	(12,590)	-	-	(12,590)	363,037
Staff cover, recruitment and training	63,368	119,587	-	-	18,065	201,019	85,004
Travel and subsistence	1,673	50,955	-	-	78,916	131,545	154,218
Office supplies and rents	1,320	24,187	-	-	21,064	46,571	74,101
Events, meetings, conferences inc. mentoring	2,593	35,844	-	-	4,511	42,949	81,300
IT, databases and telephones	847	52,505	-	-	33,688	87,040	75,126
Marketing costs	-	24,015	-	-	19,162	43,177	24,922
Insurance, legal and banking	1,112	14,581	-	6,612	-	22,305	10,376
Audit	-	-	-	11,700	-	11,700	23,361
Accountancy	-	-	-	-	105,174	105,174	78,772
Depreciation	-	258	-	-	6,810	7,068	6,935
	171,591	1,391,224	(12,590)	18,312	391,234	1,959,771	2,213,356
Reallocation of support costs	42,799	343,867	-	4,568	(391,234)	-	-
Reallocation of governance costs	2,533	20,347	-	(22,880)	-	-	-
Total expenditure 2017	216,922	1,755,438	(12,590)	-	-	1,959,771	2,213,356
Total expenditure 2016	165,468	1,570,198	477,690	-	-	2,213,356	

Of the total expenditure, £1,071,693 was unrestricted (2016: £1,037,464) and £888,078 was restricted (2016: £1,175,892).

5 Grant making

	Grants to institutions £	Grants to individuals £	Support costs £	2017 £	2016 £
Small grants made during the year	(12,590)	-	-	(12,590)	-
Large grants made during the year	-	-	-	-	351,277
Matched grants made during the year	-	-	-	-	16,650
At the end of the year	(12,590)	-	-	(12,590)	367,927

No grants were paid during 2017. The negative amount of £12,590 relates to the write back of grants awarded in 2016 no longer payable.

Grants paid during 2016 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:

	2017 £	2016 £
Depreciation	7,068	6,935
Auditor's remuneration (excluding VAT):	9,750	7,650

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,140,629	1,113,899
Social security costs	120,043	119,216
Pension costs	9,680	-
Other forms of employee benefits	3,461	3,089
	1,273,813	1,236,204

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

	2017 No.	2016 No.
£100,000 – £109,999	1	-
£90,000 – £99,999	-	1
£70,000 – £79,999	1	-

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £300,607 (2016: £310,908).

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

8 Ex-gratia payments

No ex-gratia payments were made during 2017 (2016: £nil).

9 Staff numbers

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

2017	2016
No.	No.
32.1	32.3

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 KEM Management Limited donated office and meeting room space to the charity which saved the charity £39,900 (2016: £54,000). The value of this donation has been included within donations and legacies and the cost of the office space has been included within support costs.

Sir Keith Mills is a related party of Sported as a trustee. During the year Sir Keith Mills provided an interest free loan of £375,000 to the charity.

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 Pinsent Masons LLP raised invoices totalling £14,400 (2016: £2,952) for legal services provided to Sported Foundation by Pinsent Masons LLP.

In 2017 Sported Foundation paid £108 for room hire at the House of Sport on behalf of Nicola Walker, a trustee of the charity. Nicola Walker subsequently reimbursed the charity with the full cost of the room hire.

Aggregate cash donations from Trustees were £nil (2016: £15,250). Aggregate donations in kind from related parties were £39,900 (2016: £54,000).

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	40,787	40,787
Additions in year	-	-
	<hr/>	<hr/>
At the end of the year	40,787	40,787
	<hr/>	<hr/>
Depreciation		
At the start of the year	33,251	33,251
Charge for the year	7,068	7,068
	<hr/>	<hr/>
At the end of the year	40,319	40,319
	<hr/>	<hr/>
Net book value		
At the end of the year	468	468
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	7,536	7,536
	<hr/> <hr/>	<hr/> <hr/>

All of the above assets are used for charitable purposes.

13 Debtors

	2017 £	2016 £
Trade debtors	98,871	96,855
Other debtors	11,900	7,385
Prepayments	32,581	31,306
Accrued income	302	2,500
	<hr/>	<hr/>
	143,654	138,046
	<hr/> <hr/>	<hr/> <hr/>

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	73,055	24,421
Taxation and social security	35,782	34,989
Other creditors	26,163	105,645
Accruals	66,016	42,291
Short-term interest free loan	375,000	-
	<hr/>	<hr/>
	576,015	207,346
	<hr/> <hr/>	<hr/> <hr/>

15 Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	103	366	469
Net current assets	(340,346)	170,906	(169,440)
Net assets at the end of the year	(340,243)	171,272	(168,972)

Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	6,912	624	7,536
Net current assets	5,778	285,374	291,152
Net assets at the end of the year	12,690	285,998	298,688

16 Movements in funds (current year)

	At 1 January 2017 £	Incomes & gains £	Expenditure & losses £	Transfers £	At 31 December 2017 £
Restricted funds:					
Baillie Gifford – Supporting Scotland		40,000	(40,000)	–	–
Big Lottery Fund Wales – TSS:	–	122,755	(108,965)		13,790
Strengthening the Sport for Development Sector in Wales				–	
Comic Relief – Volunteer Programme	88,825	41,836	(120,863)	–	9,798
Comic Relief Women and Girls Programme – Project 51	–	53,616	(35,120)	–	18,496
Deutsche Bank – Sporteducate	169,193	–	(169,193)	–	–
Deutsche Bank – Volunteer Support	25,000	–	(16,963)	–	8,037
Esmée Fairbairn Foundation	30,000	30,000	(30,000)	–	30,000
London Marathon – The Big Half	–	48,500	(37,333)	–	11,167
Sport England – Bridging the Gap	(28,625)	67,685	(39,060)	–	–
Sport England – Campaign Funders	–	36,000	(36,000)	–	–
Sport England – Tackling Inactivity And Economic Disadvantage – Loughborough	–	37,383	(24,383)	–	13,000
Sport England – Tackling Inactivity And Economic Disadvantage – 20 Mentor Support	–	50,000	(19,577)	–	30,423
Sport Northern Ireland – Engage Her	(7,730)	70,808	(47,415)	–	15,663
STV – Fit For Impact Scotland	3,002	36,000	(39,002)	–	–
TSB Partnership Project	–	120,000	(100,428)	–	19,572
Other	6,332	18,769	(23,775)	–	1,325
Total restricted funds	285,998	773,352	(888,078)	–	171,271
Unrestricted funds:					
General funds	12,690	718,760	(1,071,693)	–	(340,243)
Total unrestricted funds	12,690	718,760	(1,071,693)	–	(340,243)
Total funds	298,688	1,492,112	(1,959,770)	–	(168,972)

The negative unrestricted reserves balance is offset by an interest free loan of £375,000, which has ensured that restricted funds have only been used for the purposes intended.

Movements in funds (prior year)

	At 1 January 2016 £	Incomes & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
Restricted funds:					
Allchurches Trust Limited – Allchurches Grants	40,000	–	(40,000)		–
Comic Relief – Volunteer Programme	76,692	111,645	(99,512)		88,825
Deutsche Bank – Sporteducate	652,969	–	(483,776)		169,193
Deutsche Bank – Volunteer Support	–	25,000	–		25,000
Esmée Fairbairn Foundation	–	30,000	–		30,000
Sport England – Box On	–	230,200	(223,999)		6,201
Sport England – Bridging the Gap	12,966	159,732	(183,153)	(18,170)	(28,625)
STV – Fit For Impact Scotland	–	41,800	(38,798)		3,002
The Kristian Gerhard Jebsen Foundation – Local Sports Support	30,531	–	(29,166)		1,365
Other	–	68,524	(77,488)		(8,964)
Total restricted funds	813,158	666,901	(1,175,892)	(18,170)	285,998
Unrestricted funds:					
General funds	521,088	510,897	(1,037,465)	18,170	12,690
Total unrestricted funds	521,088	510,897	(1,037,465)	18,170	12,690
Total funds	1,334,246	1,177,798	(2,213,357)	–	298,688

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. A brief description of each of the main projects funded from restricted funds is provided below.

Baillie Gifford – Supporting Scotland: this funding has supported Sported's work with groups in Scotland to become more sustainable and effective.

Big Lottery Fund Wales – Strengthening the Sport for Development Sector in Wales: this multi year grant has enabled the charity to expand its work in Wales, focusing on Sport for Development groups in deprived communities to make them stronger and more sustainable.

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

Comic Relief – Project 51: this grant is part of Comic Relief's Levelling The Field programme. Sported is working with Women in Sport to increase the capacity of our members to engage and increase female participation in sport.

Deutsche Bank – Sporteducate programme: this project provided funding and support to 33 Sport for Development groups across London which enabled them to combine sports sessions with additional activity to improve education and employment prospects for disadvantaged young people.

Movements in funds (continued)

Deutsche Bank – Volunteer Support: funding to enable Sported to help Deutsche Bank's staff to engage in volunteering with local sports clubs.

Esmée Fairbairn Foundation : a contribution towards CEO costs as Sported seeks to strengthen and improve social impact with organisations in the sport for change sector.

London Marathon Events – The Big Half: a partnership to support the development and implementation of a community engagement strategy linked to a new event in March 2018 called The Big Half. It involves working with the charity's members, faith groups, and other community organisations.

Sport England – Bridging The Gap : an action–research programme that provided 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.

Sport England – Campaign Funders: funding which enabled research into the effectiveness of utilising mass participation events to increase physical activity.

Sport England – Tackling Inactivity And Economic Development, Loughborough: the development and delivery of a training in Loughborough and delivery of six regional funding clinics in key Lower Socio–Economic Group (LSEG) areas as identified by Sport England.

Sport England – Tackling Inactivity And Economic Development, 20 Mentor Support: a mentor support programme guiding 20 member groups to develop their business plan, associated budget and apply to the Sport England Inactivity Fund or other more appropriate fund.

Sport Northern Ireland – Engage Her: funding of a pilot project to enable Sported to work together with Women In Sport to develop an understanding of engagement issues in Northern Ireland.

TSB – Partnership Project: the project aims to 'help local people help other people' to improve the lives of young people and their communities across Britain. Through the 4 year agreement, 300 TSB branches will be connected to Sported members forming 'hubs' of activity where TSB staff will use their professional skills to build capacity amongst the sport for change groups within Sported's membership. TSB support will enable local relationships, volunteering opportunities and a new leadership programme for young people to be established.

Other – these funds relate to a number of projects that support Sported's work including the completion of the Box On project working with boxing clubs to improve capacity and sustainability; funds from Sport Northern Ireland and St Jame's Place to work with groups in Northern Ireland to measure impact; and funding from the Rugby Football Development Development to run a pilot project using Sported mentors to work with two rugby clubs.

Movements in funds (continued)

Restricted funds in deficit

Funds which are derived from grants awarded to the charity for specific projects are held as restricted funds. Occasionally funds are received in arrears of project payments being made. If this happens the charity pays for continuing project work out of its unrestricted funds in the expectation of receiving funds on completion of the project, or on completion of a stage of the project. When this happens the project funds will show a deficit.

As at 31 December 2017, 0 projects were in deficit (2016: 6). The total value of projects in deficit was £nil (2016: £37,589).

Transfers between funds

There were no transfers between funds during 2017. During 2016, following an end of project review of Bridging The Gap, £18,170 was transferred from restricted funds to unrestricted funds. This amount represents expenditure incurred on the project during the 2015 which had not been charged to the project during 2015 and so had been paid from unrestricted funds.

17 Reconciliation of net (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(467,658)	(1,035,558)
Depreciation charges	7,068	6,935
(Decrease)/increase in debtors	(5,608)	59,999
(Decrease) in creditors	368,669	(233,430)
Other changes	3	-
Net cash used in operating activities	(97,811)	(1,203,506)

18 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	At 31 December 2017 £
Cash at bank and in hand	360,452	(97,529)	262,923
Total cash and cash equivalents	360,452	(97,529)	262,923

19 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.

20 Post balance sheet events

During the year £375,000 in funds were drawn down from a £500,000 loan facility provided by Sir Keith Mills. Post balance sheet, following repayment of the loan, he has agreed to donate £500,000 to Sported Foundation. This donation will fully offset the negative net asset and unrestricted reserve position at 31 December 2017.