

Company number: 09411750
Charity Number: 1175062

parkrun Global Limited

Report and consolidated financial statements
For the year ended 31 January 2019



SAYER | VINCENT
O O O O O | O O O O O O O O
O O O O O | O O O O O O O O
O O O O O | O O O O O O O O

Contents

For the year ended 31 January 2019

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report	13
Statement of financial activities (incorporating an income and expenditure account)	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

Reference and administrative information

For the year ended 31 January 2019

Company number 09411750
Country of incorporation United Kingdom

Charity number 1175062
Country of registration England & Wales

Registered office and operational address Unit 3, Lower Deck
Phoenix Wharf
Twickenham
TW1 3DY

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:

Gavin Megaw	Chair (appointed 1 October 2018)
P Sinton-Hewitt	Founder
C Gibbons	
J C Townsend	
K Hui	(appointed 28 June 2018)
I P Obeng-Dokyi	(appointed 28 June 2018, resigned 26 March 2019)
A Lane	(resigned 30 August 2018)

Key management personnel	Nick Pearson	Chief Executive
	Tom Williams	Chief Operating Officer
	Russ Jefferys	Global Head of Communications
	Chrissie Wellington	Global Head of Health and Wellbeing
	James Kemp	Global Head of Operations

Bankers Santander
100 Ludgate Hill
London
EC4M 7RE

Solicitors Muckle LLP
32 Gallowgate
Newcastle Upon Tyne
NE1 4BF

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 January 2019.

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, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

parkrun is a global series of weekly, free community events, designed to encourage engagement with physical activity and volunteering in a social environment.

Starting in October 2004 with a single event in Bushy Park, Teddington, parkrun now supports weekly events at over 2,000 locations across 20 countries. parkrun's mission is to make the world healthier and happier, through the provision of regular, community-led, socially-focussed physical activity events. Further, parkrun is committed to those events being free, for everyone, for ever.

parkrun Global Limited is responsible for delivering parkrun events around the world which currently includes events in the UK, Ireland, Southern Africa, Asia Pacific, mainland Europe, and North America.

All parkrun events are free, weekly, physical activity initiatives that are accessible to people of all abilities and backgrounds and encourage people to take part through walking, jogging, running, or volunteering.

parkrun's strategic mission is to use these free, weekly, community events to support improved, health, wellbeing, and happiness, in communities around the world. In pursuit of this mission, parkrun takes a proactive approach to encouraging those that are least active to take part in parkrun events.

parkrun dedicates itself to maximising accessibility to physical activity and volunteering opportunities, free of charge, through local, community-focused, volunteer-delivered events. Despite being 15-years old, parkrun continues to experience significant annual growth in registrations (16%), walking/running (23%), and volunteers (25%), and continues to see significant growth across all international territories.

parkrun acknowledges that, with regards to accessing physical activity, a multitude of barriers remain, discouraging many people in society from participating. parkrun attempts to remove or reduce these barriers, encouraging more people to become more physically active through either walking, jogging, running, or volunteering. Key to the parkrun philosophy is that parkrun events are free, for everyone, forever. This clear commitment removes the single biggest barrier to

participation in physical activity, that of cost. However, there are many others and parkrun is committed to addressing as many as possible.

Simplicity of engagement (fitness level is not important and little/no specialist equipment is needed) is a key element of parkrun's appeal, offering an informal and more accessible alternative to most other activity providers. Participation at parkrun requires a simple, one-time online registration, the registration then generates a unique identification number, which is all that is required to participate at any parkrun event, anywhere in the world, at any time. Simply printing off the unique identification number, in the form of a barcode, and scanning it at the finish is enough to ensure receipt of a result which includes time and position.

parkrun events take place, every week, in parks or public spaces, Saturday events are five kilometres in distance and are for anyone aged four or over, Sunday events are for children aged four to fourteen and are 2 kilometres in distance. All events are supported by a central support infrastructure, delivery template and technical platform, but are delivered locally by volunteers. parkrun believes that the benefits to an individual of participating at parkrun events either as a walker, jogger, runner, or volunteer, are significant both in terms of mental and physical health and wellbeing.

The aim of parkrun as a global organisation is to encourage communities to become healthier and happier through regular physical activity and volunteering, key to this is the belief that individuals and communities, that are empowered to provide their own solutions to health and wellbeing challenges, are more motivated to continue than those that have solutions imposed upon them.

This philosophy has seen the role of volunteer teams recognised as a major reason for the success and growth of parkrun; parkrun empowers volunteer teams to develop and deliver their own local events, encouraging fun and creativity to be added at a local level. And whilst the event template is rigid around areas relating to safety and welfare, it is flexible in many other areas, ensuring each event reflects its community.

By creating a simple, low cost template for starting events, parkrun has created a community model for physical activity and volunteering that is rapidly scalable.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on delivering parkrun events in the UK and the rest of the world and are undertaken to further parkrun Global Limited's charitable purposes for the public benefit.

In the 2018 financial year, more people took part in parkrun, as a walker, jogger, runner, or volunteer than ever before, with 1,924,369 different people participating, an increase of 16.8%.

During the 2018 financial year, every parkrun territory grew in size, every parkrun territory broke its single day/weekend attendance record, and globally we saw participation reach over 372,000 in a single weekend, in January 2019.

During the financial year 2018, over 1.1 million new people registered for parkrun globally, bringing the total amount of registrations to over 5.4 million.

Beneficiaries of our services

Despite the continued growth in overall numbers, parkrun is more focussed on the impact on health and happiness, than in absolute numbers. Whilst differing strategies exist in different territories for maximising health and wellbeing impact, more and more, in the most developed and mature parkrun markets, focus is moving towards more targeted activity that aims to encourage participation amongst groups that are least likely to engage in physical activity, or groups that would most benefit from increasing physical activity levels.

More recently this has meant targeted initiatives to increase participation of people who are:

- Inactive (as measured by doing 30 minutes of moderate exercise less than once a week over the last 4 week period).
- From areas of high social deprivation. This group experiences the greatest health inequalities in society and are likely to have very limited access to facilities and organised physical activity.
- People aged 55 and over. Older participants are increasingly likely to experience positive health outcomes from increased physical activity.
- People with long term health conditions. This group will regularly see some of the lowest activity rates in society and physical activity has been shown to have positive impacts on health outcomes amongst most health conditions.
- Women. In many parts of the world, there is a large participation gap between females and males.

A specific targeted initiative that parkrun instigated in an attempt to impact physical activity participation rates of individuals (and their families) from some of the most deprived areas of society, was the commencement of parkrun events across the UK custodial estate. After a successful trial event in the UK started in November 2017, nine further events were started on

custodial sites in the UK and Ireland during the 2018 financial year, with progress being made in developing the programme in Australia, and events due to start in 2019.

parkrun also partnered with the Royal College of GPs in 2018, encouraging local GP surgeries in the UK to partner with their local parkrun event. The partnership promotes the social prescription of participation at local parkrun events as a free, non-medical alternative to supporting the health of those with health conditions. By the end of 2018, over 700 GP surgeries across the UK had signed up to the programme, with plans to extend the initiative into Australia and Ireland.

parkrun uses evidence-based insight to steer strategy and decision making, continuous measurement takes place and a quarterly Global impact report is shared with the Trustees. During 2018, parkrun undertook its most significant piece of research to date, in an attempt to understand, in even greater detail, the health and wellbeing impacts of participating at parkrun.

In collaboration with the Advanced Wellbeing Research Centre at Sheffield Hallam University, almost 2 million people were surveyed in the UK and Ireland with 66,000 respondents contributing to the research. Detailed analysis and results are expected to be published in 2019, with the insight gained likely to have a major influence on future decision making.

Financial review

During the financial year to 31 January 2019 parkrun Global has focused on supporting existing parkrun events, enabling new events to commence once initial funding is obtained and investigating and seeking out new technology and improved systems internally that will help to reduce the costs of providing parkruns going forward and maintaining the free status that exists.

With the increase in numbers of both events and participation overall costs have risen over the period to £3,475,390 (2018 £2,793,926) and the Trustees continually seek to expand revenue streams to assist with the overall funding required to enable parkrun events to be run at no cost to the participant. In the current period funding from all sources increased to £4,311,480 (2018 £2,867,200). However a large percentage of the overall funding is restricted in terms of what the trustees can apply these funds to and as such they constantly seek to increase unrestricted funds.

The restricted income related to Charitable activities disclosed within the statement of financial activities includes all income to which the charity is entitled to as at the end of the year, but may not have received, and it should be noted that £800,000 of funding provided by Sport England has only partially been expensed in the current period, with the balance to be used in the current period. This significant source of funds helps explain the significant increase in overall income and in particular restricted income in the year.

Trustees believe that in the current period income from the new "parkrun forever" initiative will help boost funding to cover the increasing level of costs and this together with existing income streams means they have no concerns about the charity's ability to continue as a going concern.

Being a relatively new charity the trustees continue to implement and improve reporting procedures to enable them to monitor not only general overheads but also costs associated with restricted funds.

The group has net assets of £1,174,071 (2018: £288,550), represented by General funds of £129,096 and Restricted funds of £1,044,975. (2018: General £1,660 and Restricted £286,890)

The trustees are pleased with the improved unrestricted reserves position £129,006 (2018 £1,660) at the end of the financial year and they are seeking to improve this amount to ensure that any short term falls in income are sufficiently covered. The trustees constantly monitor cashflow requirements and although the cash held at the end of the year was down slightly £159,473 (2018 £228,856), this was boosted on the first day of the new year by £200,000 from Sport England that had been delayed due to administrative reasons.

As mentioned above the increase in funding from Sport England has significantly boosted the restricted funds available at the end of the year. Funds provided through parkrun donations continue to help fund costs at individual events the trustees are grateful for the continued support from the participants themselves. At the year end funds of £316,911 (2018 £233,567) were available to support specific funding requirements going forward.

The charity provides advice, guidance, training and technical support to all new parkrun events. In the past IT costs in terms of laptops, timers and bar code scanners has been significant. In the current year the trustees are pleased that the technology now exists for parkrun events to be handled entirely through the use of a new mobile App. This will significantly reduce the ongoing maintenance costs that existed for all parkruns. Now that the App has been fully tested in Germany it will be promoted for use elsewhere and the trustees have been able to reduce their estimate of ongoing support costs in the area and this resulted in the related income from start up events being boosted in the year.

The trustees continued to ensure that anybody taking part in a parkrun event is well supported in case of any emergency that may arise. To this end they have continued with a policy of placing AED's (Automatic External Defibrillators) within close proximity of all parkrun events and costs of over £45,000 has been incurred this year in addition to the £200,000 already spent in earlier years on AED's.

Reserves policy and going concern

The trustees have considered the future viability of the group and its ability to continue as a going concern, and regularly monitor cash flow forecasts. Having reviewed the makeup of the group's working capital and net current assets position at the year-end the trustees are confident that the group has sufficient resources to continue with its operations and seek to achieve its objectives. Consequently, the financial statements have been prepared on a going concern basis.

Restricted funds total £1,044,975 (2018 £286,890) and the detail of the funding provided is given in Note 21 to the accounts.

General funds total £129,096 (2018: £1,660) and so the position has improved since the prior year. Free reserves, after taking into account tangible fixed assets, are currently overdrawn as shown in Note 20 to the accounts and so the priority of the trustees over the next year is to improve this position by security additional unrestricted funding.

The reserves policy is to hold three months of operating expenditure within reserves and so again, the immediate aim of the trustees is to continue improve the financial sustainability of the organisation in order to build up the reserves towards the target level.

Principal risks and uncertainties

The trustees consider the principal risks to the charitable group to be in the following areas:

- **Economic risks.** As parkrun continues to grow the costs in administering a universally free service increase significantly, however we continue to successfully develop additional income streams and have managed to establish strong long-term contractual relations with our sponsors, partners and other financial supporters.
- **Government and Local Authority activity or inactivity.** In order to mitigate risks in this area we have established good links with government departments and Sport England, and we are always open to discussions with local authorities and in particular the departments responsible for the upkeep of local parks.
- **Cancellation of Events.** Participants are kept informed by way of social media of matters affecting local events and we do not see any significant problems arising in this area.
- **Reputational risks.** The trustees work hard to ensure parkrun has a robust health and safety, child and adult safeguarding and cyber security plans which help mitigate against damage to reputation that could result from failures in these areas.

Fundraising

As parkrun continues to rapidly expand, the costs associated with supporting events, safely and consistently, and at no cost to participants, inevitably increases.

Whilst the trustees support a lean, low cost approach to increasing scale, it has been important to develop strategies around raising revenue and ensuring that there is a continuing diversification within this strategy that limits risk to parkrun.

Over 80% of parkrun Global's revenue is generated in the UK, which is to be expected when market maturity and size are compared against other subsidiary markets.

parkrun generates funds in the UK from 3 main revenue streams.

1 Sponsorship

Historically this has been the main revenue stream, and in 2018 accounted for almost 50% of revenue. parkrun partners with commercial organisations to promote their products to the parkrun audience, through digital marketing and a very small amount of branding at parkrun events.

The trustees are delighted to see sponsorship income increase 27% to just under £1.5M in 2018.

2 Grant Funding

parkrun works with organisations to further health and participation objectives and receives grant funding to support these activities. During the financial year, parkrun worked with The Department of Health, London Marathon Charitable Trust and Sport England on specific projects. The trustees welcome the award of a £3M grant from Sport England (2018–2021) during the year to help fund projects designed to increase both female participation and to increase physical activity in areas of high social deprivation.

3 Self Generated Commercial Income (Retail)

More recently the trustees have identified the need for diversification of revenue streams and have supported the development and growth of retail revenue. The trustees believe that the growth of this revenue stream offers the greatest level of protection for parkrun as it strives for sustainability and to deliver on the commitment of being free, for everyone forever.

The trustees have set a long term target of generating over 50% of overhead costs from retail income and are delighted with the progress made towards this goal in 2018, both in terms of the 82% growth in profit from retail turnover to £475,000 and also with the launch of 'Contra', a new ethical and inclusive exercise clothing brand. The trustees see the long term development and growth of 'Contra' as a critical component of future sustainability.

To date, charitable fundraising has been limited to individual, local, parkrun events, raising funds for maintenance costs and expenses, the funds raised are restricted for exclusive use by each individual event and have had limited impact on supporting the ongoing costs required to sustain parkrun Global Ltd.

The trustees are pleased that the development of a new digital donations platform will launch in 2019, allowing participants, should they choose, to pledge regular monthly donations to support the central overheads and costs that maintain the broader parkrun infrastructure and systems. parkrun Global Ltd is not currently registered with the Fundraising regulator but the trustees are taking professional advice in relation to this matter. In the year, parkrun Global Ltd received no complaints in relation to fundraising (2018: none).

Plans for the future

parkrun intends to continue to responsibly grow participation and impact. Critical to the growth strategy is to ensure resources are secured for existing commitments, before expanding further. This approach means that although demand for parkrun events in new territories is increasing all the time, the approach of the trustees will be careful and considered.

Planning for a launch into Japan is well advanced, and this expansion has been made possible by securing a commercial sponsor before any events are launched, this is highly unusual and allows the trustees to be confident that the expansion will not put any increased strain on parkrun's resources. The trustees are excited about the opportunities ahead in Japan.

parkrun sees enormous growth opportunities ahead in the existing 20 parkrun countries. 2018 saw the largest number of new events started ever in a 12 month period, and the trustees are confident that this will be exceeded in 2019. Increasingly, parkrun will target that growth in areas where physical activity provision will have the greatest impact on community health and well being, although the approach will differ country to country, dependent upon the individual circumstances. parkrun in Australia are developing a detailed Health and Wellbeing strategy which will inform the most appropriate way to prioritise their resources, however great progress has already been made in preparing for parkrun events within the Australian custodial estate and for introducing an Australian social prescribing initiative similar to the partnership in the UK with The Royal College of GP's. The Trustees also expect a similar programme to be developed in Ireland.

Considerable resources are invested in protecting the technology infrastructure that allows parkrun to operate so simply and consistently and reliably. Investment is also being made into the digital experience as insight suggests that an improved digital experience would help to remove some barriers to participation for some of the most under represented groups at parkrun. 2019 is likely to see regular upgrades to the Global web platform.

The Trustees are conscious that participation growth requires continued revenue growth to mitigate risk, there will be a continued focus on developing and extending the 'Contra' range of sports apparel and 2019 will also see the launch of 'parkrun forever', a digital donations platform that the trustees anticipate will offer a significant new revenue stream, and will be relevant in a number of parkrun countries.

Structure, governance and management

parkrun Global Limited is a charitable company limited by guarantee, incorporated on 28 January 2015 and registered as a charity on 10 October 2017.

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

The charitable company's objects per the articles of association are to promote community participation in health recreation by:

- Organising and providing running events, and
- Creating opportunities for members of the community to participate in and/or volunteer at such running events.

The management of the organisation has been delegated by the trustees to the Chief Executive and Chief Operating Officer.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Appointment of trustees

The articles of association state that the Founder of the organisation shall be a Trustee. Other trustees are appointed by an ordinary resolution of the members or by co-option by the trustees. The minimum number of trustees is 3 and the maximum number is 7.

Trustees are recruited by a Committee, led by the parkrun Global Chair and including parkrun Global trustees. The committee has ultimate approval over the role description and the skills and experience criteria that are published ahead of selection, as well as the final selection.

Trustee induction and training

New trustees meet the Chair, the other trustees and the Executive team before their first meeting. In addition, they are required to join the Operations team on location visiting event teams and meeting volunteers. They are given full access to the Executive team to develop their understanding of the organisation. They are also given a copy of the Charity Commissions guidance to becoming a new trustee (CC3).

Related parties and relationships with other organisations

parkrun Global has two subsidiaries within the UK, parkrun Limited and parkrun Trading.

parkrun Global also now operates in the United States of America and South Africa via subsidiary companies and we are working to increase this number of parkrun territories that are operated via subsidiary companies rather than through licences.

Remuneration policy for key management personnel

The pay of all staff is reviewed annually by the Board of Trustees as part of the budget approval process. The setting of executive pay is overseen by the Remuneration Committee and is made up of the trustees and chaired by the Chair of Trustees. In view of the nature and scope of the charity,

the Trustees benchmark against pay levels in other physical activity charities and those with Global scope.

Funds held as custodian trustee on behalf of others

parkrun Global does not hold any funds as custodian trustee on behalf of other organisations.

Statement of responsibilities of the trustees

The trustees (who are also directors of parkrun Global Limited 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 group 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.

parkrun Global Limited

Trustees' annual report

For the year ended 31 January 2019

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 January 2019 was 7 (2018: 6). The directors are members of the charity but this entitles them only to voting rights. The directors have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the board on 30 October 2019 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'P Sinton-Hewitt', with a stylized flourish at the end.

P Sinton-Hewitt
Director

Opinion

We have audited the financial statements of parkrun Global Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 group's and of the parent charitable company's affairs as at 31 January 2019 and of the group's 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 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent 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.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group 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 group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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 group and the parent charitable company and their 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 Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 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 parent 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 group's and the parent 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 group or the parent 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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 group's or the parent charitable company's internal control
- 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 group's or the parent

Independent auditor's report

To the members of

parkrun Global Limited

- charitable company'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 group or the parent charitable company 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
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

30 October 2019

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

parkrun Global Limited

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 January 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations	2	5,488	243,933	249,421	7,474	232,061	239,535
Charitable activities							
Event related income	3	1,040,853	1,003,000	2,043,853	798,237	268,500	1,066,737
Other trading activities	4	2,018,100	-	2,018,100	1,560,897	-	1,560,897
Investments	5	106	-	106	31	-	31
Total income		3,064,547	1,246,933	4,311,480	2,366,639	500,561	2,867,200
Expenditure on:							
Raising funds	6	650,522	-	650,522	337,509	-	337,509
Charitable activities							
parkrun event related expenses	6	2,336,020	488,848	2,824,868	2,070,340	386,077	2,456,417
Tax payable by subsidiaries	11	(49,431)	-	(49,431)	14,085	-	14,085
Total expenditure		2,937,111	488,848	3,425,959	2,421,934	386,077	2,808,011
Net income / (expenditure) for the year	7	127,436	758,085	885,521	(55,295)	114,484	59,189
Transfers between funds		-	-	-	-	-	-
Net movement in funds		127,436	758,085	885,521	(55,295)	114,484	59,189
Reconciliation of funds:							
Total funds brought forward		1,660	286,890	288,550	56,955	172,406	229,361
Total funds carried forward		129,096	1,044,975	1,174,071	1,660	286,890	288,550

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 21a to the financial statements.

parkrun Global Limited

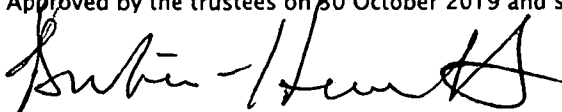
Balance sheets

Company no. 09411750

As at 31 January 2019

	Note	The group 2019 £	2018 £	The charity 2019 £	2018 £
Fixed assets:					
Tangible assets	12	439,076	496,483	-	-
Investments	13	-	-	1,000	1,000
		439,076	496,483	1,000	1,000
Current assets:					
Stock	15	222,571	74,901	-	-
Debtors	16	1,308,345	483,817	-	-
Cash at bank and in hand		159,473	228,856	15,857	5,005
		1,690,389	787,574	15,857	5,005
Liabilities:					
Creditors: amounts falling due within one year	17	(955,394)	(953,235)	(5,005)	(5,005)
Net current assets / (liabilities)		734,995	(165,661)	10,852	-
Total assets less current liabilities		1,174,071	330,822	11,852	1,000
Provision for liabilities	18	-	(42,272)	-	-
Total net assets / (liabilities)		1,174,071	288,550	11,852	1,000
Funds:	20a				
Restricted income funds		1,044,975	286,890	-	-
Unrestricted income funds		129,096	1,660	11,852	1,000
Total funds		1,174,071	288,550	11,852	1,000

Approved by the trustees on 30 October 2019 and signed on their behalf by



P Sinton-Hewitt
Director

Consolidated statement of cash flows

For the year ended 31 January 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period	885,521		59,189	
Depreciation charges	260,700		253,477	
(Increase)/decrease in stocks	(147,670)		(63,302)	
(Increase)/decrease in debtors	(824,528)		129,122	
Increase/(decrease) in creditors	(40,113)		210,528	
Net cash provided by operating activities		133,910		589,014
Cash flows from investing activities:				
Purchase & transfers of fixed assets	(203,293)		(511,228)	
Net cash used in investing activities		(203,293)		(511,228)
Change in cash and cash equivalents in the year		(69,383)		77,786
Cash and cash equivalents at the beginning of the year		228,856		151,070
Cash and cash equivalents at the end of the year		159,473		228,856
Analysis of cash and cash equivalents and of net debt				
	At 1		Other non-	At 31
	February		cash	January
	2018	Cash flows	changes	2019
	£	£	£	£
Cash at bank and in hand	228,856	(69,383)	-	159,473
Total cash and cash equivalents	228,856	(69,383)	-	159,473

1 Accounting policies

a) Statutory information

parkrun Global Limited is a charitable company limited by guarantee, incorporated and registered in England and Wales. The company's registered office address and principal place of business is Unit 3 Lower Deck, Phoenix Wharf, Twickenham, Middlesex, TW1 3DY.

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.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries parkrun Limited, parkrun Trading Limited and Parkrun South Africa NPC on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the four entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

One subsidiary is not consolidated within the financial statements as the directors believe the relationship will not continue in its current form and its inclusion within the consolidation has no significant bearing on the results for the year.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity 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 charity'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.

Notes to the financial statements

For the year ended 31 January 2019

1 Accounting policies (continued)

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.

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

f) 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.

g) 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.

h) 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 charity 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 running events undertaken to further the purposes of the charity and their associated support costs

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

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|-----------------------------|-----|
| ● Organising parkrun events | 88% |
| ● Commercial sponsorship | 12% |

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.

j) Operating leases

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

1 Accounting policies (continued)

k) 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. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Plant and machinery	33% on cost and 10% on cost
● Fixtures and fittings	20% on cost
● Computer equipment	50% reducing balance and 33% on cost

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Stocks of Milestone (Free) T shirts are not shown within the year end stock figure as they have no resale value. However a portion of the costs incurred on their acquisition are included in prepayments if needed to spread the cost of Milestone T shirts appropriately across the period of them being awarded.

n) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

o) 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.

p) 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.

q) Financial instruments

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.

r) Pensions

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the financial statements

For the year ended 31 January 2019

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Gifts and donations	5,488	243,933	249,421	7,474	232,061	239,535
	<u>5,488</u>	<u>243,933</u>	<u>249,421</u>	<u>7,474</u>	<u>232,061</u>	<u>239,535</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Event related income UK	541,723	–	541,723	267,667	–	267,667
Event related income Overseas	312,395	–	312,395	362,771	–	362,771
Grants	186,735	1,003,000	1,189,735	167,799	268,500	436,299
Total income from charitable activities	<u>1,040,853</u>	<u>1,003,000</u>	<u>2,043,853</u>	<u>798,237</u>	<u>268,500</u>	<u>1,066,737</u>

The detail of restricted grants is given in Note 21.

4 Income from other trading activities

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Retail sales and advertising	524,664	–	524,664	385,193	–	385,193
Corporate sponsorship	1,493,436	–	1,493,436	1,175,704	–	1,175,704
	<u>2,018,100</u>	<u>–</u>	<u>2,018,100</u>	<u>1,560,897</u>	<u>–</u>	<u>1,560,897</u>

5 Income from investments

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Bank Interest	106	–	106	31	–	31
	<u>106</u>	<u>–</u>	<u>106</u>	<u>31</u>	<u>–</u>	<u>31</u>

6a Analysis of expenditure (current year)

		Charitable				
	Raising funds £	Event related £	Governance costs £	Support costs £	2019 Total £	2018 Total £
Staff costs (Note 8)	161,533	972,065	-	171,138	1,304,736	1,138,416
Retail and advertising costs	191,855	-	-	-	191,855	111,088
Direct event costs	-	611,010	-	-	611,010	373,065
Event equipment depreciation	-	248,163	-	-	248,163	236,222
Office and admin	55,780	147,185	-	126,197	329,162	299,307
Consultancy and agency fees	189,555	31,883	-	-	221,438	169,839
Software and IT costs	-	87,269	-	21,817	109,086	120,604
Travel and staff expenses	-	329,231	-	52,424	381,655	255,976
Legal and professional	-	18,205	31,064	29,016	78,285	89,409
	598,723	2,445,011	31,064	400,592	3,475,390	2,793,926
Support costs	48,071	352,521	-	(400,592)	-	-
Governance costs	3,728	27,336	(31,064)	-	-	-
Total expenditure 2019	650,522	2,824,868	-	-	3,475,390	
Total expenditure 2018	337,509	2,456,417	-	-		2,793,926

6b Analysis of expenditure (prior year)

	<u>Charitable</u>				
	Raising funds £	Event related £	Governance costs £	Support costs £	2018 Total £
Staff costs (Note 8)	149,937	852,892	-	135,587	1,138,416
Retail and advertising costs	-	111,088	-	-	111,088
Direct event costs	-	373,065	-	-	373,065
Event equipment depreciation	-	236,222	-	-	236,222
Office and admin	-	175,061	-	124,246	299,307
Consultancy and agency fees	142,074	27,765	-	-	169,839
Software and IT costs	-	96,483	-	24,121	120,604
Travel and staff expenses	-	222,063	-	33,913	255,976
Legal and professional	-	28,128	36,781	24,500	89,409
	<u>292,011</u>	<u>2,122,767</u>	<u>36,781</u>	<u>342,367</u>	<u>2,793,926</u>
Support costs	41,084	301,283	-	(342,367)	-
Governance costs	4,414	32,367	(36,781)	-	-
Total expenditure 2018	<u><u>337,509</u></u>	<u><u>2,456,417</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,793,926</u></u>

Notes to the financial statements

For the year ended 31 January 2019

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	260,700	253,477
Interest payable	717	1,699
Operating lease rentals:		
Property	46,600	36,894
Auditor's remuneration (excluding VAT):		
Audit	18,986	29,400
Other services	-	3,500
Foreign exchange gains or losses	10,225	2,346

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,123,271	972,384
Social security costs	118,301	102,111
Employer's contribution to defined contribution pension schemes	55,637	57,240
Other forms of employee benefits	7,527	6,681
	1,304,736	1,138,416

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

	2019 No.	2018 No.
£60,000 – £69,999	2	1
£80,000 – £89,999	-	1
£90,000 – £99,999	1	-
£120,000 – £129,999	-	1
£130,000 – £139,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £475,870 (2018: £413,794).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustees received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,070 (2018: £556) incurred by three (2018: one) members relating to attendance at meetings of the trustees.

Paul Sinton-Hewitt had travel and subsistence expenses paid on his behalf in relation to his role within parkrun Ltd and these amounted to £5,850 (2018 £2,767).

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 24 (2018: 21).

10 Related party transactions

Paul Sinton-Hewitt the founder of parkrun and Trustee of parkrun Global was paid £72,100 (2018 – £70,000) for his daily work in promoting parkrun within the UK and Globally and performing ad hoc services to sponsors, grant providers, and the wider community as and when required. Payments to the founder as an employee are allowed under the provisions of the articles of association.

Jo Sinton-Hewitt the wife of Paul Sinton Hewitt is employed full time by parkrun Limited in the role of Event and Customer support and receives a commercial salary of £42,436 for the role (2018 £41,200).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries parkrun Limited and parkrun Trading Limited distribute under Gift Aid available profits to the parent charity. The credit in the accounts relates to an overprovision for taxation in relation to last year and the removal of a deferred tax provision that is no longer considered necessary.

	2019 £	2018 £
UK corporation tax at 19%	(49,431)	14,085

12 Tangible fixed assets

The group	Fixtures and fittings £	Computer equipment £	Plant and machinery £	Total £
Cost				
At the start of the year	22,180	155,609	1,040,094	1,217,883
Subsidiary assets transferred (see note)	426	733	–	1,159
Additions in year	1,673	4,168	196,397	202,238
At the end of the year	24,279	160,510	1,236,491	1,421,280
Depreciation				
At the start of the year	14,682	146,120	560,598	721,400
Depreciation of subsidiary assets transferred	45	59	–	104
Charge for the year	2,669	6,526	251,505	260,700
At the end of the year	17,396	152,705	812,103	982,204
Net book value				
At the end of the year	6,883	7,805	424,388	439,076
At the start of the year	7,498	9,489	479,496	496,483

During the period assets owned by the subsidiary in South Africa at the start of the year have been incorporated by way of a transfer in the figures above.

All of the above assets are used for charitable purposes.

13 Investment in subsidiary undertakings

The parent charity's investments at the Balance Sheet date in the share capital of companies include the following:

	2019 £	2018 £
Adjustment to reflect fair value of costs of investment	1,000	1,000
Cost at the end of the year	1,000	1,000

parkrun Limited

The charity is the sole member of parkrun Limited, a company registered in England. The company number is 07289574. The registered office address is Unit 3 Lower Deck, Phoenix Wharf, Twickenham, Middlesex, TW1 3DY.

All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

A summary of the results of the subsidiary is shown below:

	parkrun Limited 2019 £	2018 £
Turnover	1,648,362	1,277,624
Turnover from sales to subsidiary	1,172,500	960,069
Cost of sales	(950,403)	(765,429)
Gross profit	1,870,459	1,472,264
Administrative expenses	(1,736,860)	(1,411,843)
Profit on ordinary activities before interest and taxation	133,599	60,421
Interest receivable and similar income	21	31
Profit on ordinary activities before taxation	133,620	60,452
Taxation on profit on ordinary activities	51,184	(10,585)
Profit for the financial year	184,804	49,867
Retained earnings		
Total retained earnings brought forward	263,715	213,848
Profit for the financial year	184,804	49,867
Distribution under Gift Aid to parent charity	(52,000)	-
Total retained earnings carried forward	396,519	263,715
The aggregate of the assets, liabilities and reserves was:		
Assets	916,558	927,242
Liabilities	(520,039)	(663,527)
Reserves	396,519	263,715

Amounts owed to/from the parent undertaking are shown in note 17.

Included within turnover above is a management charge of £1,172,500 (2018: £960,069) to parkrun trading Ltd for the supply of staff and support services.

Also included within turnover above is a grant from parkrun Global Limited of £60,000.

Notes to the financial statements

For the year ended 31 January 2019

13 Investment in subsidiary undertakings (continued)

parkrun Trading Limited

The charity owns the whole of the issued ordinary share capital of parkrun Trading Limited, a company registered in England. The company number is 06053983. The registered office address is Unit 3 Lower Deck, Phoenix Wharf, Twickenham, Middlesex, TW1 3DY.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

The trustee J C Townsend is also a director of the subsidiary.

A summary of the results of the subsidiary is shown below:

	parkrun Trading Ltd	
	2019	2018
	£	£
Turnover	2,032,629	1,589,476
Cost of sales	(659,823)	(368,403)
Management charge payable to subsidiary	(1,172,500)	(960,069)
Gross profit	200,306	261,004
Administrative expenses	(128,916)	(246,483)
Profit on ordinary activities before interest and taxation	71,390	14,521
Interest receivable and similar income	81	–
Interest payable	(715)	(1,699)
Profit on ordinary activities before taxation	70,756	12,822
Taxation on profit on ordinary activities	3,463	(3,500)
Profit for the financial year	74,219	9,322
Retained earnings		
Total retained earnings brought forward	23,835	14,513
Profit for the financial year	74,219	9,322
Distribution under Gift Aid to parent charity	(18,000)	–
Total retained earnings carried forward	80,054	23,835
The aggregate of the assets, liabilities and reserves was:		
Assets	914,228	582,282
Liabilities	(833,174)	(557,447)
Reserves	81,054	24,835

Amounts owed to/from the parent undertaking are shown in note 17.

Included within administrative expenses above is a management charge of £1,172,500 (2018: £960,069) from parkrun Ltd who supplies staff and support services to parkrun Trading Limited.

13 Investment in subsidiary undertakings (continued)**parkrun South Africa NPC**

The charity is the sole member of parkrun South Africa NPC, a company registered in South Africa. The company number is 2011/132302/08. The registered office address is 6 Barkly Road, Parktown, 2193.

The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

A summary of the results of the subsidiary is shown below:

	parkrun South Africa NPC	
	2019	2018
	£	£
Turnover	134,921	16,243
Cost of sales	(31,161)	(1,377)
Gross profit	103,760	14,866
Administrative expenses	(86,622)	(5,987)
Profit on ordinary activities before interest and taxation	17,138	8,879
Profit on ordinary activities before taxation	17,138	8,879
Taxation on profit on ordinary activities	(5,216)	(1,821)
Profit for the financial year	11,922	7,058
Retained earnings		
Total retained earnings brought forward	7,058	–
Profit for the financial year	11,922	7,058
Total retained earnings carried forward	18,980	7,058
The aggregate of the assets, liabilities and reserves was:		
Assets	45,319	9,854
Liabilities	(26,339)	(2,796)
Reserves	18,980	7,058

Amounts owed to/from the parent undertaking are shown in note 17.

13 Investment in subsidiary undertakings (continued)

parkrun U.S.

Registered office : Registered in the United States of America.

Nature of business : to provide parkrun events in the USA.

parkrun U.S. is registered as a Non-profit Company and parkrun Global Limited is the sole member.

The directors do not consider the transactions within parkrun USA to be significant enough to warrant consolidation within the Group accounts.

	2019 £	2018 £
Retained earnings		
Total retained earnings brought forward	3,377	-
Profit for the financial year	15,280	3,377
	<hr/>	<hr/>
Total retained earnings carried forward	18,657	3,377
	<hr/>	<hr/>
The aggregate of the assets, liabilities and reserves was:		
Assets	5,963	3,377
Liabilities	12,694	
	<hr/>	<hr/>
Reserves	18,657	3,377
	<hr/>	<hr/>

PSH Retail Limited

parkrun Trading Limited owns the whole of the issued ordinary share capital of PSH Retail Limited, a company registered in England. The company number is 11222647. The registered office address is Unit 3 Lower Deck, Phoenix Wharf, Twickenham, Middlesex, TW1 3DY.

PSH Retail Limited is a dormant company that was formed to own and hold the intellectual property rights associated with the Contra clothing brand.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	70,854	-
Result for the year	10,852	-
	<hr/>	<hr/>

15 Stock

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Finished goods	222,571	74,901	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	222,571	74,901	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 January 2019

16 Debtors

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	231,921	327,891	-	-
Other debtors	59,809	22,311	-	-
Prepayments	99,287	28,533	-	-
Accrued income	917,328	105,082	-	-
	<u>1,308,345</u>	<u>483,817</u>	<u>-</u>	<u>-</u>

17 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	267,019	202,362	-	-
Taxation and social security	52,626	71,045	-	-
Other creditors	21,237	41,443	-	-
Amounts due to group undertakings	-	-	5,005	5,005
Accruals	95,519	96,304	-	-
Deferred income (note 19)	518,993	542,081	-	-
	<u>955,394</u>	<u>953,235</u>	<u>5,005</u>	<u>5,005</u>

18 Provisions for liabilities

Provisions for liabilities in 2018 comprises an amount in relation to deferred tax that the directors now believe will not arise as the Group has achieved charitable status.

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	42,272	41,696	-	-
Amount released in the year	(42,272)	-	-	-
Increase in provision in the year	-	576	-	-
Balance at the end of the year	<u>-</u>	<u>42,272</u>	<u>-</u>	<u>-</u>

19 Deferred income

Deferred income comprises amounts invoiced where the period covered by the agreement/invoice extends beyond the year end and as such the income has been spread over the period to which it relates.

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	542,081	435,378	-	-
Amount released to income in the year	(542,081)	(435,378)	-	-
Amount deferred in the year	518,993	542,081	-	-
Balance at the end of the year	<u>518,993</u>	<u>542,081</u>	<u>-</u>	<u>-</u>

20a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	439,076	-	439,076
Net current assets / (liabilities)	(309,980)	1,044,975	734,995
Net assets at 31 January 2019	129,096	1,044,975	1,174,071

20b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	496,483	-	496,483
Net current assets / (liabilities)	(452,551)	286,890	(165,661)
Provisions	(42,272)	-	(42,272)
Net assets at 31 January 2018	1,660	286,890	288,550

21a Movements in funds (current year)

	At 1 February 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 January 2019 £
Restricted funds:					
Sport England	53,323	853,000	(178,259)	-	728,064
London Marathon	-	100,000	(100,000)	-	-
Warburtons	-	50,000	(50,000)	-	-
parkrun Events	233,567	243,933	(160,589)	-	316,911
Total restricted funds	286,890	1,246,933	(488,848)	-	1,044,975
Unrestricted funds:					
General funds	1,660	3,064,547	(2,937,111)	-	129,096
Total unrestricted funds	1,660	3,064,547	(2,937,111)	-	129,096
Total funds	288,550	4,311,480	(3,425,959)	-	1,174,071

The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 1 February 2017	Income & gains	Expenditure & losses	Transfers	At 31 January 2018
	£	£	£	£	£
Restricted funds:					
Sport England	–	68,500	(15,177)	–	53,323
London Marathon	–	100,000	(100,000)	–	–
Warburtons	–	100,000	(100,000)	–	–
parkrun Events	172,406	232,061	(170,900)	–	233,567
Total restricted funds	172,406	500,561	(386,077)	–	286,890
Unrestricted funds:					
General funds	56,955	2,366,639	(2,421,934)	–	1,660
Total unrestricted funds	56,955	2,366,639	(2,421,934)	–	1,660
Total funds	229,361	2,867,200	(2,808,011)	–	288,550

Purposes of restricted funds

Sport England has provided funds to increase female participation and to increase participation of communities in areas of high social deprivation

London Marathon has provided funds to increase participation and increase the diversity of participation in parkrun events within London.

Warburtons provided funds to increase the amount of young people and their families from areas of high social deprivation attending junior parkrun events.

parkrun event funds represent donations provided by parkrunners to support individual events.

22 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2019 £	2018 £
Less than one year	42,765	26,450
	42,765	26,450

The charity has no future lease payments under non-cancellable operating leases.

23 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.