



REPORT AND FINANCIAL STATEMENTS

FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

Charity number: 283813

Company number: 01550741

haysmacintyre LLP
Chartered accountants
Registered auditors
London

THE LONDON MARATHON CHARITABLE TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

DEFINITIONS

The following terms are used in the Trustees' Annual Report

"THE TRUST"	The London Marathon Charitable Trust Ltd
"LME"	London Marathon Events Limited, the wholly owned subsidiary of The London Marathon Charitable Trust Ltd
"LSCP"	London & Surrey Cycling Partnership Limited Liability Partnership, 75 per cent owned by London Marathon Events Ltd and 25 per cent owned by SweetSpot (a sports events and marketing company specialising in cycling events)

A simplified organogram is shown below.



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THE LONDON MARATHON CHARITABLE TRUST LIMITED

INTRODUCTION



Chris Brasher and John Disley, founders of the London Marathon and The London Marathon Charitable Trust

The London Marathon Charitable Trust Ltd

The Trust is one of the United Kingdom's major charitable funders of initiatives to encourage people to take part in physical activity.

The work of The Trust was made possible by the extraordinary foresight of the late Chris Brasher and John Disley, the founders of the London Marathon.

When Chris and John created the London Marathon in 1981, their vision was that the event's success would inspire the public to take up sport and generate funds to provide grants for sport and recreational facilities in London. They created The Trust as the parent charitable company for what is now LME to enable the surplus from the London Marathon, and all future events, to go to The Trust.

Inspiring activity

The Trust and LME have a shared vision of 'Inspiring activity'. Through the success of its events, LME is an extraordinary force for good that has inspired millions to get active and to raise huge sums of much-needed funds for charitable activity across the UK. In turn, The Trust distributes the funds it receives from LME, donations and interest to activity projects across the UK.

Through its grantmaking The Trust has enabled millions more people to become and remain physically active – regardless of age, gender, ability, race or background.

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CHAIR'S STATEMENT



Sir Rodney Walker, Chair of The London Marathon Charitable Trust

I must begin my report by noting that, during the financial period, the Trustees of The London Marathon Charitable Trust agreed to change the group's financial reporting period from 30 September to 31 December 2019 and this is the first financial reporting period adopting the new year-end date. The 15-month period covered by this report has been successful for the group.

Inspiring activity

The Trust and LME work together in complementary ways to 'inspire activity': The Trust through its grantmaking and LME through its events. Thanks to the outstanding performance of LME and the corporate Gift Aid The Trust received from the company during the financial period, The Trust was able to increase significantly the amount of grant funding to high-impact projects that will deliver its objective of inspiring people of all ages, backgrounds and abilities to take part in physical activity.

Inspiring activity through events

As The Trust's trading subsidiary, LME has the dual

purpose of generating income for its parent charity and of encouraging participation in physical activity. As such, LME is constantly working to grow and improve the mass-participation sporting events it organises, the amounts raised by participants for charities, and the positive impacts generated by inspiring people to take up sport.

During the financial period, LME organised 13 mass-participation events, including the Virgin Money London Marathon, the Vitality Westminster Mile, the Vitality London 10,000 and Children with Cancer UK Swim Serpentine. LME was also contracted to organise the INEOS 1:59 Challenge in Vienna where, on 12 October 2019, Eliud Kipchoge made history by becoming the first man to run a sub-two-hour marathon. In addition, LME owns 75 per cent of the London & Surrey Cycling Partnership LLP (LSCP), which, for the seventh time, organised the Prudential RideLondon festival of cycling for the Mayor of London and his agencies.

LME's overall surplus for the financial period as a result of delivering these events, which includes surplus generated through LSCP, was passed through corporate Gift Aid to The Trust to be

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CHAIR'S STATEMENT

allocated in grants to encourage participation in physical activity. In addition, all entry fees bequeathed by applicants unsuccessful in the Prudential RideLondon ballot for the sportives in the event went directly from LSCP to The Trust for grantmaking.

In addition to generating income for The Trust, LME itself delivers significant social benefit. The financial period included the 39th London Marathon, LME's flagship event sponsored by Virgin Money, which raised an incredible £66.4 million for thousands of charities. This set a new world record for an annual single-day charity fundraising event for the thirteenth successive year. It was also a landmark moment in the history of the event, as the total raised for charities since the first race in 1981 passed the £1 billion mark.

LME continues to fund a range of corporate social responsibility initiatives that inspire people of all ages and backgrounds to get active. During the financial period, LME continued to work with The Daily Mile Foundation to introduce The Daily Mile initiative into London primary schools. Since the partnership was launched by the Mayor of London with Sir Mo Farah in October 2018, the number of primary schools in London signing up for The Daily Mile has increased from 326 to 692, a 112 per cent increase.

(For more information about LME, see page 25.)

Inspiring activity through grantmaking in London and across the UK

Since its founding in 1981, The Trust has awarded in excess of £88 million to more than 1,430 projects.

Currently, The Trust provides two types of funding:

- **Facilities Grants for capital projects in The Trust's core areas of London and Surrey where LME organises events.**

- **Strategic Partnership Grants for projects that remove barriers to participation in physical activity across the UK.**

Through its Facilities Grants, The Trust provides significant funds for the building or renovation of spaces in which organisations deliver inspiring programmes that encourage and support people to experience the benefits of physical activity. However, it often takes several months or years to renovate buildings and construct new spaces and, therefore, for the impact of The Trust's funding to be revealed. The three case studies below highlight some of the impact The Trust is achieving through its Facilities Grants programme:

1. The Royal Borough of Greenwich awarded a grant of up to £150,000

In 2016, The Trust awarded the Royal Borough of Greenwich a £150,000 grant towards Sutcliffe Park Sports Centre. Following its opening in February 2018, the centre is having a major impact on encouraging active, healthy lifestyles in the borough. The new facility now offers an indoor skatepark and a 'Clip and Climb' wall, an 60-metre indoor sprint track, long jump pit and netted throwing cage, as well as a brand-new soft play area and outdoor inclusive playground. As part of the council's commitment to its Olympic and Paralympic legacy, all activities and facilities at the new centre are accessible to people with disabilities.

During 2018, the centre attracted close to 140,000 visits, 65 per cent of which were by under-16s. The popularity of Sutcliffe Park Sports Centre is illustrated by the fact that the total visits to the centre in the first year exceeded the council's target by more than 100 per cent.

Sutcliffe Park also offers a nature reserve, which is rich in wildlife. The Friends of Sutcliffe Park were consulted on the new building, which is designed to work with its surroundings and add to the environment. It features a bio-diverse roof

and landscaping, while new shrubs and trees were planted to complement the ecological biodiversity of the park. As a result of these improvements, the centre was rated 'excellent' by BREEAM for its environmental sustainability credentials.

2. Southbank Undercroft awarded a grant of up to £200,000

One facilities project that came to fruition this financial period was the expansion and development of the iconic skate space in the Queen Elizabeth Hall Undercroft on the Southbank Centre site. The Undercroft is revered as the birthplace of British skateboarding and has been home to skateboarders, BMX riders and graffiti artists for the last five decades. A grant of £200,000 awarded in 2018 enabled the opening up of a space that had been closed for 15 years. The improved, expanded space is also being used to deliver engaging introductory Skate Schools, attracting under-represented groups (particularly girls and young women) to the sport. The facility also provides better opportunities for children and young people to get involved with the many community-led physical and creative activities that take place in the space – skateboarding, BMXing, free running, street art, graffiti, photography and film-making – while socialising, keeping fit and engaging in stimulating and fun activities outside school hours.

3. London Borough of Hackney awarded a grant of up to £75,000

In January 2018, The Trust awarded the London Borough of Hackney a grant of up to £75,000 towards improvements to the Daubeney Playing Fields play area.

Since the completed play area opened in May 2019 it has been found that:

- Visits increased by 12,960 over a 24-week period from July to December 2019 (compared to 2018).

- People are spending longer in the play area, with visits of 30 to 60 minutes increasing from 27 per cent to 50 per cent.
- Use of the play area at weekends has increased from 53 per cent to 80 per cent.

This indicates The Trust's grant award has helped create a play area that is used more frequently, for longer periods of time and with people now actively choosing to visit the space at weekends, rather than just when passing.

In contrast to The Trust's Facilities Grants provided in our core areas, our Strategic Partnership Grants support the delivery of model projects across the UK and can see rapid impact as they are rolled out in new areas.

The two case studies below highlight some of this impact:



1. StreetGames awarded a grant of up to £205,950

Already during this financial period, projects such as the Doorstep Sport programme delivered by StreetGames is providing sports for 12 to 20 year olds across the UK. The Trust's £205,950 grant is being used to set up five new year-round activity programmes across Newcastle, Liverpool and Merthyr Tydfil. Jane Ashworth OBE, StreetGames CEO, said: "The generous support of The London

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CHAIR'S STATEMENT

Marathon Charitable Trust means a great deal to the team here at StreetGames, and will likely mean even more to the 2,000 disadvantaged young people who stand to benefit from this incredible grant. On behalf of StreetGames, its clusters, and all of these soon-to-be participants, thank you."

2. Our Parks awarded a grant of up to £200,000

In September 2018, The Trust awarded a grant of up to £200,000 to Our Parks to encourage regular activity through the delivery of free exercise sessions to residents across all 32 London boroughs. One aim is to convert the participants into members to make the exercise delivery sustainable. Since September 2018 the number of participants across all areas is 74,325. Of the participants:

- 78% of the unique attendees to Turn Up Tone Up programmes are female
- 62% of the unique attendees are from BME backgrounds
- 10% of the unique attendees are above the age of 60

Thanks

None of The Trust's impact would be possible without the wonderful work of our grantees, who are changing lives in big and small ways every day. Their determination and dedication inspires and motivates Trustees and staff alike.

We are indebted to all Trustees past and present for their commitment to delivering our objectives. During the financial period we said farewell to a number of Trustees and welcomed two new Trustees to the Board. Departures include long-serving Trustee Simon Cooper, who was the nominee of the Mayor of London; Charles Reed, who was the nominee of Activity Alliance; and Olympian Donna Fraser, who was the nominee of UK Athletics. We are delighted that Sam Orde has joined the Board as nominated Trustee of Activity Alliance. Councillor Terry O'Neill, who was the

nominee of the Local Government Association, stepped down during the financial period and sadly died in October 2019. We are grateful to Councillor Richard Henry, who has joined us as the nominee of the Local Government Association.

The Trustees have been ably supported by the Finance and Audit Committee (FAC), chaired by Gillian McKay, and the Grants Committee (GA), chaired by Charles Johnston and assisted by Charles Reed. It goes without saying that the Board has been helped greatly in its work by The Trust's staff team. During the financial period the staff team has been enhanced by the arrival of Grants Officer Marianna Sikorowska and Company Secretariat and Operations Administrator Anmol Dhillon, and by the temporary support of Donna Richards.

The Trustees extend their sincere thanks to Chair Sir John Spurling, Chief Executive Nick Bitel and Event Director Hugh Brasher, along with the entire Board and Management of LME, and to all employees and volunteers who, together, make a real difference to national participation in physical activity.

The Trustees look forward to continuing to make effective use of The Trust's funds in the coming year, by supporting initiatives that inspire people to take part in physical activity and encouraging them to remain involved for the benefits activity brings to their physical and mental health.

Following the end of the financial year the Trustees have considered the implications of the COVID-19 pandemic. Please see note 20 (page 58) for details.



A handwritten signature in black ink, appearing to read 'R. Walker', written in a cursive style.

Sir Rodney Walker, Chair

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

The Trustees' Annual Report

These accounts are the consolidated accounts for The Trust, and its subsidiary entities LME and the LSCP, for the financial period ended 31 December 2019.

The London Marathon Charitable Trust Ltd

The London Marathon Charitable Trust Ltd (a company limited by guarantee and not having a share capital; number 01550741) was established in 1981 and is a registered charity, number 283813.

The Trust's objects

The objects of The Trust, as set out in its Articles of Association, are restricted specifically to: "Promote participation in amateur sport and healthy physical recreation for the benefit of the inhabitants of those cities or counties where LME (or such other subsidiaries of the charity from time to time) holds events, and in such other areas of the United Kingdom as the Trustees may from time to time decide, and in particular to provide, promote, improve or assist in providing, improving or promoting:

- a) Public facilities, amenities, equipment and services for healthy physical recreation and play.
- b) Facilities and services for recreational sporting or other leisure-time occupation in the interests of social welfare for the public at large, or those who by reason of their youth, age, infirmity, disablement, financial hardship or social or economic circumstances have need of such facilities and services.
- c) The improvement and preservation of good health and wellbeing through participation in sport, play and healthy physical recreation.
- d) Volunteering in sport and healthy recreation

for the benefit of the community.

- e) Education and training of sports coaches and sports volunteers."

The Trust delivers against these objects through its grantmaking activity. (For more information on The Trust's grantmaking, see page 10.)

Delivering public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general advice on public benefit when reviewing The Trust's aims and objectives and in planning future activities and setting the grantmaking policy for the financial period. The Trust provides clear identifiable benefits to the general public through its mission to support initiatives that inspire activity, enabling people to become and remain physically active regardless of age, gender, ability, race or background and that challenge inequality of access to physical activity. The Trustees are pleased that the achievements and performance of The Trust demonstrate tangible results in these areas. The Trust ensures that, as a condition of its grant agreements, all funded projects are to be accessible to and affordable for the public.

The Trust's income during the financial period

The Trust's income is primarily due to the surplus generated by LME in staging mass-participation sporting events. The extended financial period meant that The Trust received income for five quarters. At the end of this financial period The Trust received £8,429,618 in corporate Gift Aid from LME (2018: £8,372,357). The Trust also received bequests from participants in Prudential RideLondon totalling £356,730 (2018: £683,169). Thanks to additional donations and interest, The Trust's total income this financial period was £9,277,294 (2018: £9,446,779) all of which will be used to support The Trust's charitable purposes in the coming financial periods. (For more information on The Trust's income, see page 35.)

The Trust's grantmaking during the financial period

The Trust does not receive corporate Gift Aid until the end of the financial period and does not recognise corporate Gift Aid until it is received. Therefore, The Trust sets its grantmaking budget based on the funds it received and brought forward from the preceding period.

During the extended financial period, The Trust approved 106 grants totalling £11,669,171. Net grantmaking was £11,592,742 as grant amounts totalling £76,429 were withdrawn during the financial period. (This compares to 82 grants totalling £8,066,371 in 2017-18 and net grantmaking of £8,044,059 as grant amounts totalling £22,312 were withdrawn.) (For further details, see note 8 to the accounts.)

This brings the total The Trust has awarded since its founding in 1981 to more than £88 million to more than 1,430 projects across the UK, enabling millions of people to get active.

Facilities Grants

Facilities Grants are available in the 'core areas' in which LME organise mass-participation sporting events. During the financial period these core areas included London and Surrey. (South Northamptonshire District Council Area and Aylesbury Vale District Council Area, which had been included in The Trust's core areas, are no longer eligible to apply for Facilities Grants as LME no longer delivers events in these areas.)

During the financial period, The Trust chose to rename its formerly titled Reactive Grants as Facilities Grants. The Trustees believe this name change better reflects what the charity supports through this funding programme.

The Facilities Grant guidelines in place for 2018-19 enabled The Trust primarily to provide capital funding for facilities that support projects that encourage and help people to become and

remain physically active. During the financial period the Trustees selected projects that clearly demonstrated how the new or improved facilities would engage and support those who are the least active to become more active, improving their health and wellbeing.

The Trust had two types of Facilities Grants that eligible organisations could apply for online at lmct.org.uk:

- 1) Small Grants (£5,000-£20,000)
- 2) Major Grants (£20,001-£150,000)

The Trustees have the discretion to award Major Grants of more than £150,000 where they believe that additional support is merited and significant impact will be achieved.

Applicants can submit proposals for facilities projects based in the core areas in which LME organises events. The Trust has a simple online Expression of Interest (EOI) form for applicants for a Small Grant. Eligible applicants were then invited to complete a simple, one-stage online application form. Applications could be made at any time and were considered on a quarterly basis. The staff informed applicants of the Trustees' decision within 16 weeks of applying. The Trust had a two-stage online application process for Major Grants. Those applicants invited to progress to Stage Two had 12 months in which to submit a detailed application for consideration at one of the quarterly Trustees' Meetings.

The Grants Committee met quarterly to review grant applications and progress reports, and to make recommendations to the full Trustees' Board. The Trustees met quarterly to make final funding decisions. Decisions on Small Grants and stage one Major Grants were delegated to the GC. This allowed The Trust to be more responsive to applicants. The Trustees also offer the option for Facilities Grants to include a revenue funding

element of up to 10 per cent of the total grant award. This funding could be used to enhance the impact of the facility, for example, through community outreach and activation. The Trust also provided a digital toolkit for grantees to use to publicise their work and their grant from The Trust.

Facilities Grants awarded during the financial period

During the financial period, The Trust awarded 96 Facilities Grants totalling £6,429,221 (net grantmaking was £6,352,792 as grants totalling £76,429 were withdrawn). Facilities Grants included both Small and Major Grants.

Small Grants: 56 awarded, £917,588 (2017/18: 37 awarded, £614,540)

Small Grants of between £5,000 and £20,000 were provided for the renovation, modernisation or creation of local facilities for organisations with a strong commitment to encouraging and supporting people to become and remain physically active.

Please see below for examples of Small Grants awarded in the financial period:

KIDS awarded a grant of up to £19,207



KIDS' adventure playgrounds provide an opportunity for stimulating and inclusive play on closed-access sites. Since 2004, KIDS has managed Chelsea Playground in Kensington and Chelsea, offering an accessible green space within an urban environment where disabled children, their siblings and local children can choose

activities in a setting that supports their needs. Funding from The Trust enabled a 12-foot sunken trampoline to be installed in place of a disused sandpit, as well as the installation of a Magibox projector. This is enabling disabled children to be physically active through positive play.

Spelthorne Borough Council awarded a grant of up to £15,000

The Trust's funding supported the creation of a fitness trail with exercise equipment in Staines Park, Surrey. Councillor Maureen Attewell, Cabinet Member for Community Wellbeing, said: "We are delighted to be working with The London Marathon Charitable Trust. Staines Park is an important part of our local community and we hope that the new fitness trail and exercise equipment will inspire local residents to use the park and become more physically active." Catherine Moore, Chair for the Staines Park Residents Association, said: "Having surveyed our members, a fitness trail was identified as the most popular improvement to the park, and something both young and old enjoy."

Major Grants: 40 awarded, £5,511,633 (2017/18: 36 awarded, £4,532,831)

Major Grants of between £20,001 and £150,000 were provided for the renovation, modernisation or creation of significant facilities for organisations with a strong commitment to encouraging and supporting people to become and remain physically active. Successful applicants had robust business plans in place for their facilities, as well as effective strategies for increasing participation in physical activity, sport and/or play. In order to understand the impact of The Trust's grants, successful applicants were expected to have clear plans in place for monitoring and evaluating the effect of the projects that The Trust funded.

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TRUSTEES' ANNUAL REPORT

Please see below for examples of Major Grants awarded in the financial period:

The Holy Redeemer Community Centre awarded a grant of up to £150,000



Trust funding supported the creation of a Community Wellbeing Centre at The Holy Redeemer Church in Bexley. The aim was to open up a church building for wider community use, providing indoor and outdoor spaces where people of all ages and abilities could be physically active. The result is an inclusive and welcoming community hub with cafe, and wellbeing events to help tackle social isolation, improve mental health and encourage people to become more active. A representative of the Holy Redeemer Development Team, Brian Ayto, said that they were keen to attract providers of sports and physical activity classes: "We want to encourage physical activities to assist in improving the health of the local community, as well as provide a venue for those who might usually be limited by the availability of suitable spaces and activities, such as the blind and partially sighted."

Orion Harriers awarded a grant of up to £95,000

Orion Harriers are well on their way to completing the extension of their clubhouse to provide increased changing facilities and communal areas. The Trust's £95,000 grant will enable the club to respond to demand and expand their beginners' running programme, as well as to offer additional programmes that specifically target people in the community who are currently inactive.



Strategic Partnership Grants

The Trust provides support for UK-wide Strategic Partnership Grants that address the barriers to participation in physical activity and inspire people from all communities to take part. These partnerships target support for children and young people, as well as those who are less likely to participate in physical activity – such as people from low-income communities, older individuals, and people with disabilities. The Trust supports ambitious, high-impact, Strategic Partnerships that take place anywhere in the UK and are not restricted to its core areas. The Trustees are pleased that the programme has enabled The Trust to partner with key organisations across the UK. These organisations are skilled at providing supportive and accessible environments that inspire individuals to be physically active, and to reap the physical and mental health benefits that this activity provides. These partnerships are solicited by The Trust and are identified through its extensive networks and expressions of interest received via email at strategic@lmct.org.uk. Again, The Trust provided a digital toolkit for grantees to use to publicise their work and their grant from The Trust.

Strategic Partnership Grants awarded during the financial period

During the financial period, The Trust awarded 10 Strategic Partnership Grants totalling £5,239,950 (2017/18: 10 awarded totalling £2,919,000) to projects in London and across the UK.

These UK-wide initiatives aim to see more than 80,000 children and people from deprived areas introduced to physical activity. Monitoring and evaluation are important parts of each of these grants as they will enable The Trust and grantees to assess the effectiveness of The Trust's funding and to learn lessons for future partnerships.

Strategic Partnerships across the UK include:

Alliance of Sport in Criminal Justice awarded a grant of up to £1 million



The national Levelling the Playing Field project aims to use the power of sport and physical activity to engage and improve health and life outcomes for more than 11,200 black, Asian and minority ethnic (BAME) children (aged 10 to 17) who are at risk of entering, or who are already disproportionately involved in, the Criminal Justice System in England and Wales. Delivered by Alliance of Sport in Criminal Justice in conjunction with the Youth Justice Board, targeted work will take place in London, the West Midlands, South Yorkshire and Gwent, South Wales. The partnership delivering this project has grown into a strategic national forum with high-level representation from Government and civil society organisations.

Strategic Partnerships in London and Surrey include:

Transport for London (TfL) awarded a grant of up to £2 million



In December 2019, The Trust awarded its largest Strategic Partnership Grant to date: £2 million for TfL to encourage walking and cycling across London through a five-year grants programme. Walking & Cycling Grants London (WCGL) will offer funding to community groups and organisations, enabling them to deliver projects that allow people to experience the benefits of walking and cycling. It will support the participation of under-represented groups across the capital by removing barriers to their participation, thereby enhancing their health outcomes. TfL is match-funding The Trust's grant in what is a £4 million programme overall.

TfL expects 60 to 80 projects to be funded each year, resulting in more than 60,000 people participating in regular walking and/or cycling. This programme should also help reduce London's reliance on cars for short journeys and will thus be contributing to The Trust's environmental sustainability policy.

London United awarded a grant of up to £820,000

This project will target circa 4,800 teenage girls in London's most deprived areas. Girls and young women are less likely to participate in sport and physical activity than boys and young men. However, there is a clear desire among some girls and young women for exclusively female activities, particularly informal ones where being 'good at sport' isn't the most important factor. Teenage girls who hang out together are often under pressure

to smoke, drink alcohol and, in some cases, take drugs. Over the last seven years in London, there has been a significant increase in the number of victims of serious youth violence, with almost a quarter of those young women. This programme will seek to address this trend by ensuring girls and young women are engaged in structured physical activity projects which build self-confidence and resilience, and ensure they are diverted from negative influences. The project will be delivered by London United, a collective of 14 professional football club community organisations and charities that works strategically to increase participation in football and other sports and physical activities and improve the life chances of young people.

London Youth awarded a grant of up to £500,000

Charity London Youth's ambitious programme will engage circa 3,000 children and young people in physical activity. While The Trust and others are supporting work to engage under-represented groups across significant swathes of inner London, there remain major gaps in provision in the outer boroughs. These are areas where many young Londoners live, but where out-of-school provision and funding for youth organisations is lagging. This project will deliver activity to young people through the 70-plus groups in the outer London boroughs, particularly Barking & Dagenham, Brent, Croydon, Enfield, Harrow, Hillingdon and Waltham Forest. They will target The Trust's funding at young people who are at risk of being inactive, including those from low socio-economic and BAME backgrounds, girls and young women.

The London Marathon Charitable Trust's strategy for financial periods 2018-2022

The strategic objectives approved by the Trustees in April 2018 for the period from 1 October 2018 to September 2022 are shaped by The Trust's objects, vision and mission.

The Trust's *vision* is a society in which everyone is physically active, contributing to their health and wellbeing.

The Trust's *mission* is to provide funding to:

- Initiatives that inspire activity, enabling people to become and remain physically active regardless of age, gender, ability, race or background and to challenge inequality of access to physical activity.

The Trust's overall grantmaking objectives for financial periods 2018-22 are to maintain and increase participation in physical activity by providing funding that:

- Improves facilities in The Trust's core areas that encourage and support all members of the local community to become and remain physically active.
- Identifies and supports ambitious partnership projects that will challenge inequality of access to physical activity and deliver the greatest possible impact for The Trust's target audiences: children and young people and those who are less likely to be physically active, such as women and girls, those from BAME communities and those with disabilities.
- Reflects the spirit of the London Marathon in The Trust's grantmaking.

The Trust delivers these objectives through two grantmaking approaches:

- Facilities Grants for the renovation or creation of facilities for sport and recreation in The Trust's core areas (currently London and Surrey).
- Strategic Partnership Grants support for high-impact initiatives across the UK that will challenge inequality of access to physical activity.

The Trust's performance against its objectives for financial period 2018-19

The specific objectives for the financial period from 1 October 2018 to 31 December 2019 are listed below, along with The Trust's achievements against each objective.

- 1. To generate and assess Facilities Grant applications, resulting in the support of improved facilities in our core areas that are used to encourage and support all members of the local community to become and remain physically active.**

Achievements

- The Trust awarded 96 Facilities Grants in its core areas totalling £6,429,221 (2017-18: 73 grants totalling £5,147,371). All The Trust's grants were targeted to encourage and support all members of the local community to become and remain physically active.
- The Trust tracks its grantmaking in relation to available data on physical inactivity, obesity, deprivation rankings and facilities available. Grantees report their achievement against the encouraging activity objectives, and case studies are published on The Trust's website.
- The Trust is reaping the benefit of implementing changes to assist applicants and increase the quality of applications received. This included hiring additional professional staff to provide advice and guidance. The Trust also simplified the application process for The Trust's Small Grants programme, with the introduction of an Expression of Interest form. These changes and others mean that The Trust received applications from all but one of its eligible areas during the financial period. In addition, the percentage of applications that were successful increased.

- 2. To work proactively with partners to identify and support ambitious, large-scale opportunities to deliver the greatest possible impact in our core areas, as well as nationally. The aim is to challenge inequality of access to physical activity by focusing particularly on supporting children and young people and under-represented groups, including BAME communities and women and girls, to become and remain active.**

Achievements

- The Trust awarded 10 Strategic Partnership Grants totalling £5,239,950 (2017-18: 10 grants totalling 2,919,000). All these grants were targeted at projects that seek to remove barriers to participation in physical activity.
- The Trust tracks its grantmaking in relation to data on physical inactivity, obesity, deprivation rankings and facilities available. Through the Strategic Partnership Grants, The Trust is able to target funding to its priority audiences in a way not possible under The Trust's reactive Facilities Grants programme.
- Having appointed a Strategic Partnership Lead in 2017-18, The Trust now has staff dedicated to this programme, which has enabled it to develop more robust and productive relationships with these grantees.

- 3. To improve our grantmaking practices**

Achievements

- The Trust commissioned an external legal review of the charity's grant agreements to ensure that they meet the needs of its revised strategy, and to streamline processes for grantees and staff.

4. To maximise the impact of our grantmaking

Achievements

The Trust:

- undertook outreach work to identify potential applicant organisations delivering its objectives
- provided capacity building support for three organisations as part of its Small Grants programme
- convened and facilitated two information exchange gatherings for grantees to enable a step-change in delivery for its target audiences

5. To demonstrate the impact of our grantmaking

Achievements

The Trust:

- commissioned research on the impact of its funding since 1981 to identify lessons and trends, as well as to generate information for dissemination as part of The Trust's 40th year in 2021.

6. To maximise The Trust's return on its investment

Achievements

1. The FAC and Trustees sought independent professional advice about The Trust's investment and reserves policy. The Trustees have appointed Cazenove Capital as investment managers and have tasked them with helping The Trust maximise the return on its investment, while balancing the need to retain the money required to fulfil The Trust's existing grant commitments and enable it to commit further funds.

7. To improve internal operational practices

Achievements

- The Trustees undertook an internally facilitated review of Board performance against the Charity Governance Code. This highlighted several issues to be worked on, including the development of formal Terms of Reference for The Trust and LME.
- The staff have worked together to identify and implement activities that enhance working practices to help create a cohesive, effective and efficient team.
- The staff have undertaken an internally facilitated applicant and grantee perception study to provide feedback on The Trust's systems and processes, which has resulted in modifications to The Trust's grantmaking (see Monitoring The Trust's Systems and Processes on page 18).

The Trust's objectives for financial period 2020

The Trustees have set specific objectives for 2020 to drive achievement of the strategic objectives agreed for the period through to 2022. These relate to grants delivery, impact and organisational development.

Grants delivery – To inspire activity through grantmaking by awarding Facilities and Strategic Partnership Grants that encourage the development and sustained undertaking of physical activity by all members of the local community, especially by The Trust's target audiences.

The Trust will work to achieve this objective by:

- providing grants that support the creation and improvement of facilities in its core areas through its Facilities Grants.
- providing grants that remove barriers to

participation in physical activity for under-represented groups in its core and national areas through its Strategic Partnership Grants programme

- supporting grantees to maximise their impact on our shared objectives by convening and facilitating information-exchange gatherings for The Trust's grantees, and/or other funders to enable a step-change in delivery for The Trust's target audiences
- improving its monitoring and evaluation framework in order to identify the impact of The Trust's funding, lessons and trends and, where appropriate, to disseminate this information
- exploring ways to encourage projects to address their environmental sustainability and diversity

Impact – To demonstrate and maximise the impact of our grants.

The Trust will work to achieve this objective by:

- establishing a multi-year evaluation of its grants programmes and implementing any recommendations.

Organisational development – To make The Trust more fit for purpose and ensure it operates in the most effective, efficient, impactful manner, in accordance with all statutory obligations and highest possible governance standards.

The Trust will work to achieve this objective by:

- developing and overseeing the implementation of Terms of Reference for The Trust and LME
- embedding and enhancing The Trust's relationship with its investment managers

Monitoring The Trust's impact

The Trustees ask those applying for funding to show clearly how their projects will benefit the community and align with The Trust's objective of inspiring activity. The Trust requires regular reports so the Trustees and staff can exercise appropriate oversight. All proposals must include an assessment of how the success or otherwise of the project is measured.

The Trust asks applicants to identify up to five key outcomes they think they can achieve as a result of the work that The Trust funds. This helps:

- organisations plan and explain their work
- The Trust understand what it is funding
- The Trust and grantees to monitor progress of the work

The Trust uses these outcomes as a baseline record of what the grantee plans to achieve, against which progress and change can be reported each year. At the end of the grant The Trust assesses how much of what was planned was achieved. Crucially, when making a judgement about whether initial outcomes have been achieved, The Trust considers evidence of the total impact of the grant to date. The initial outcomes may not have been met, but the work could have generated impact similar to that initially planned.

The Trustees note that there are several challenges that arise from focusing on outcomes:

- As many of The Trust's grants are for capital costs, and it is likely to be one of many funders, the outcomes of the work can never be directly attributable to The Trust's grant.
- If an organisation is learning from its work, it is likely that its outcomes will change over the course of a grant.

- Setting outcomes is a delicate balance that is hard to get right. Sometimes a grantee sets outcomes that are too simple, sometimes much too ambitious.

The Trust is committed to continual improvement and seeks to learn lessons from the information it receives from applicants, grantees and other stakeholders and to review and, where necessary, revise its systems and processes (see Monitoring The Trust's systems and processes, right).

The staff have benchmarked The Trust against other grantmakers, and the Trustees believe that the organisation offers high-quality grantmaking (see Transparency and accessibility on page 19). The Trustees and staff wish to demonstrate and maximise the impact of grants and in order to achieve this objective have agreed that in the next financial period they will establish a multi-year evaluation of The Trust's grants programmes and implement recommendations.

Monitoring The Trust's systems and processes

In December 2019, the staff conducted the fourth annual Applicant and Grantee Perception Survey of all the recent applicants. The aim was to gather feedback on The Trust's funding programmes, application processes and the support the staff provide to applicants and grantees.

The staff used the data from this annual survey, which had a 31 per cent response rate (115 responses in total), to undertake a self-critical review of The Trust's performance against the objectives the Trustees agreed for 2018-19. Highlights include:

The word cloud created from the responses to the question: "What is the word that best describes The Trust at this point in time?"

Efficient
Generous
Helpful
Excellent
Supportive
Responsive
Professional
Thorough

- 94% of respondents had a positive experience of the application process, a 1% increase from the 2018 results. 52% rated their experience as 'excellent', a 2% improvement from 2018.
- 87% of respondents found The Trust to be 'very helpful' during the application process, a 3% improvement from 2018.
- 96% of respondents said that, overall, The Trust's staff were 'responsive' or 'extremely responsive', a 2% improvement from 2018.

- 62% of respondents who received pre-application advice from a member of The Trust's staff found it 'useful', compared with 72% in 2018 (in 2016, the first year the survey was conducted, the figure was 56%).
- Respondents indicated that The Trust compares favourably with other grantmakers in the following areas:
 - the approachability of The Trust overall
 - The Trust's understanding of grantees
 - the information available about the grant programmes and application process
 - the speed of the decision
- Areas identified for potential future improvement include:
 - the ease of the application process
 - the expectations of smaller organisations/projects
 - The Trust's monitoring and reporting requirements
 - the grant drawdown policy and process

The Trustees believe the 2019 survey findings are helpful and encouraging, demonstrating that The Trust continues to make real improvements to the application process and to provide a very high level of customer service to applicants and grantees.

The Trust responded to applicant and grantee feedback it received last financial period by increasing the levels of funding that The Trust offers, as well as simplifying the application requirements, along with the reporting and drawdown processes. These changes were put in place in January 2020 and The Trust will monitor applicant and grantee responses to them.

The Trust will be developing an action plan for addressing key issues identified by applicants and grantees in the latest survey, including:

- introducing feedback sessions with unsuccessful applicants
- further simplifying and streamlining the application process, particularly for Small Grants
- introducing more proportional monitoring and reporting requirements depending on grant size and project type
- improving guidance on the grant drawdown process

Transparency and accessibility

The Trust seeks continually to improve its transparency and accessibility. The Trust's website (lmct.org.uk) includes a simple online application process and user-friendly forms to gather information from grantees about the impact being delivered against its charitable objects.

In addition to The Trust's online presence, the staff promoted applications through communications with relevant networks, links with other organisations and media coverage. Staff attended events regularly to promote funding opportunities. The Trust has put plans in place for 2020 to increase its outreach to under-represented groups and individuals.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

Governance and management of The London Marathon Charitable Trust

Members

The Trust has a membership separate from its Trustee body. The Trust has a maximum of seven Members, whose liability is limited to the sum of £1 in the event of The Trust being wound up.

The Trust's Members currently comprise:

- Activity Alliance
- Active Partnerships (formerly County Sports Partnership Network)
- Local Government Association
- London Councils
- Sport England
- UK Athletics

Members have various constitutional powers under the Articles of Association and under Company Law. The key powers are to:

- approve amendments to the Articles of The Trust by Special Resolution
- appoint Trustees (both individually as Members and collectively up to six nominated by The Trust in General Meeting)
- remove a Trustee or Trustees whether or not appointed by them

Every Member is bound under the Articles to use best endeavours to promote the objects and interests of The Trust. The power to nominate a Trustee is also a fiduciary power that must be exercised in the best interests of The Trust, rather than to promote the interests of the nominating body.

Board of Trustees

The Board of Trustees is responsible for the conduct of The Trust, its governance and operation, from setting strategic direction to monitoring The Trust's performance against objectives, as well as its finances. The Trustees meet as a Board four

times a year to set and oversee the delivery of The Trust's strategy.

The Trustees are the directors of The Trust under Company Law and charity trustees under Charity Law. They may delegate functions to committees or employees but remain responsible for the performance of those delegated functions, so must monitor the delegation. This structure allows the Trustees to enlist all relevant skills when filling the independent appointments made collectively, ranging from skills necessary for the grantmaking activity of The Trust (with Trustees who have knowledge and experience relevant to The Trust's objects) and also addressing the required commercial skills (those who have financial, legal, accounting and business experience). All Trustees are subject to fiduciary duties, requiring them to act in the best interests of The Trust, giving it precedence in all matters. Trustees do not therefore act as a representative of the person or organisation by whom they are nominated. The Trust has a Board that is independent of LME, aside from three Trustees of The Trust who sit as Directors of LME.

Where a Trustee also acts as a Director of LME, or as a trustee of another organisation, the interests of The Trust take precedence in all Trustees' Meetings and conflict management procedures are followed.

The Board of Trustees considers The Trust policies, receives committee reports and recommendations, approves annual budgets, oversees the management of The Trust, considers grant applications, reviews the performance of LME and LSCP, and guides the Chief Grants Officer.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

Governance of The Trust

Prince Henry of Wales, Duke of Sussex

Patron

John Bryant

Vice President, London Marathon Charitable Trust

Trustees as of the date of approval of the Trustees' Annual Report, and the committees on which they sit, are listed below.

John Austin (FAC, GC)

Nominated Trustee of London Councils

Dawn Austwick OBE (GC)

Independent Trustee

Rosie Chapman

Independent Trustee

Simon Cooper (GC) (stepped down May 2019)

Nominated by the Mayor of London

Donna Fraser (stepped down October 2019)

Nominated Trustee of UK Athletics

Councillor Richard Henry (joined October 2019)

Nominated Trustee of the Local Government Association

Charles Johnston (GC)

Nominated Trustee of Sport England

Lee Mason

Nominated Trustee of Active Partnerships

Gillian McKay (FAC)

Independent Trustee

Councillor Terry O'Neill (stepped down 26 April 2019)

Nominated Trustee of the Local Government Association

Sam Orde (joined April 2019) (FAC)

Nominated Trustee of Activity Alliance

Alan Pascoe MBE (GC)

Independent Trustee

Charles Reed (GC, NC) (Stepped down April 2019)

Chair, Activity Alliance

Councillor Robert Rigby (GC)

Nominated Trustee of London Councils

Clare Shepherd (FAC, GC)

Independent Trustee

Sir John Spurling KCVO OBE (FAC)

Chair of LME

Sir Rodney Walker (NC)

Chair

Committees

The Trustees are currently supported by three committees that make recommendations to the full Board. Trustees and other non-executives are able to sit on the committees. In the above list, membership of a committee is indicated by the committee's acronym, as shown below.

The Finance and Audit Committee (FAC)

supports the Board in its responsibilities for financial and business planning. The FAC meets four times a year at three monthly intervals. (Charles Congdon was co-opted as a member of the FAC in November 2019.)

Grant applications are reviewed, appraised and recommended for approval by the Grants Committee (GC). In line with the grants policy, the GC meets four times a year at three monthly intervals. (Charles Reed was co-opted as a member of the GC in April 2019.)

The **Nominations Committee (NC)** is convened as necessary to make recommendations to the

Board of Trustees for appointments to the Board of Trustees.

During the financial period there were several changes to the membership of the Board:

- Long-serving Trustee Simon Cooper, who had been the nominee of the Mayor of London, left the Greater London Authority and therefore stepped down from The Trust's Board.
- Charles Reed, who was the nominated Trustee of Activity Alliance, came to the end of his term as Chair of Activity Alliance and therefore stepped down. He has been replaced by Sam Orde, in-coming Chair of Activity Alliance.
- Olympian Donna Fraser, who was the nominated Trustee of UK Athletics (UKA), came to the end of her term as Vice President of UKA and therefore stepped down.
- Councillor Terry O'Neill, leader of Warrington City Council and member of the LGA National Culture, Tourism and Sport Board, stepped down from the Board due to ill-health. He had been the nominated Trustee of the LGA.
- Councillor O'Neill was replaced by Councillor Richard Henry, member of Stevenage Borough Council and of the LGA National Culture, Tourism and Sport Board.

The Trustees welcome Sam Orde and Councillor Henry to the Board and look forward to benefiting from their skills and experience.

Trustees' induction and training

The Trustees' induction process includes an initial meeting with the Chair and Chief Grants Officer, which includes education on the powers

and responsibilities of the Trustees. Trustees are provided with a briefing pack that includes a summary of The Trust's history, a copy of the governing Articles of Association, minutes of the Trustees' meetings and copies of the previous three years' annual reports and accounts. The Board keeps its skill requirements under review and ensures that Trustees partake in ongoing training on issues of governance and matters related to The Trust's areas of grantmaking. Priority is given to enhancing capabilities in good governance, investment and financial management and providing background information on subjects related to The Trust's grantmaking priorities.

Management of The Trust

The Trustees have resolved that, other than those matters which the Board reserves for itself as set out in 'The Schedule of Matters Reserved for the Board' and 'Delegated Authority of the Grants Committee', the Board delegates the day-to-day running of The Trust to the Chief Grants Officer.

The Trust is committed to providing timely advice and support to applicants and grantees. The Trust now has a small team of eight staff members to manage The Trust, as well as one part-time Grants Officer who is currently on maternity leave. Management of The Trust includes handling enquiries and applications and assisting active grantees. Under a Service Level Agreement with LME, a limited number of support services are provided to The Trust by LME and by The Trust to LME.

Implementing best practice

During the financial period, the Trustees considered ways of maximising delivery of The Trust's charitable objects. This caused Trustees to take action both on governance and practical delivery matters.

In relation to governance, the Trustees, The Trust staff and members of the LME Management Board met with representatives of the Charity Commission to learn more about the guidance that

the commission was developing for charities with a connection to a non-charity and has subsequently published. This meeting led to ongoing work to develop formal Terms of Reference for The Trust and LME. The Trustees also implemented their annual internal Board review, which aligned with the Charity Governance Code. This was a useful means of highlighting issues for further work during the financial period and ties into the development of formal Terms of Reference. This task is being carried out with the assistance of external consultants. The Trustees also sought advice on risk governance and will be developing this work in the coming months.

On the grantmaking front, the Trustees approved several modifications that they hope will increase the ease of application and reporting on grants, as well as the funds available for high-impact projects. These changes, which will be implemented in early 2020, include the raising of the funding levels for Small Grants to a maximum of £50,000 (up from £20,000) and for Major Grants to a maximum of £250,000 (up from £150,000). These changes will be accompanied by the further simplification of the application process for Small Grants, as well as the provision of online reporting and funding claim systems for all grantees.

The Trust staff

Sarah Ridley

Chief Grants Officer/Company Secretary

Olu Alake

Strategic Partnerships Lead

Deirdre Cole

Grants Officer part-time
(on maternity leave from June 2019)

Amy Cruse

Grants Administrator

Anmol Dhillon

Company Secretariat and Operations Administrator
(joined from May 2019)

Donna Richards

Company Secretariat and Operations Administrator
(joined from January to May 2019)

Eleanor Grant

Grants Officer

Megan Rix

Grants Administrator

Marianna Sikorowska

Grants Officer (joined from April 2019)

Joe Thompson

Facilities Grants Lead

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT



The work of London Marathon Events Ltd in 2018-19

The Trust is the sole shareholder of its trading company, LME. The company passes its surplus to The Trust each financial period through corporate Gift Aid.

In the financial period, LME delivered 13 world-class mass-participation events:

- The Vitality Big Half, The Little Half and The Vitality Big Mile
- Virgin Money London Marathon, including the Virgin Money Giving Mini London Marathon
- Vitality Westminster Mile
- Vitality London 10,000
- Standard Chartered Great City Race
- Prudential RideLondon featuring Prudential RideLondon FreeCycle, Prudential RideLondon-Surrey 100, Prudential RideLondon-Surrey 46 and Prudential RideLondon-Surrey 19 (LME owns

75 per cent of LSCP, which organises the event on behalf of the Mayor of London and his agencies)

- Children with Cancer UK Swim Serpentine

In addition, LME participated in the organisation of the INEOS 1:59 Challenge in Vienna, Austria, on 12 October 2019, when Eliud Kipchoge became the first man to run a sub-two-hour marathon.

LME is the acknowledged world leader in maximising revenue for charities through iconic mass-participation sports events. Since the London Marathon was founded in 1981, the events organised by LME have raised more than £1 billion for a huge variety of charities.

In the last financial period, more than £78 million has been raised for charities working across the UK and internationally by 180,000-plus participants through the 13 events.

The second edition of The Vitality Big Half was held in London on 10 March 2019. This event aims to be the first to truly reflect the diversity of London's population with an extensive community programme offering discounted places planned to inspire inactive people to enter. More than 13,000

runners took on the 13.1-mile challenge through the four host London boroughs of Tower Hamlets, Southwark, Lewisham and Greenwich. High winds on the day unfortunately led to the cancellation of The Vitality Big Festival and The Vitality Big Mile.

Since it was founded in 1981, more than 1.2 million runners have completed the London Marathon and in 2019 the total raised for charity passed the £1 billion mark. The 2019 event raised an incredible £66.4 million for good causes, setting a new world record for an annual single-day charity fundraising event for the thirteenth successive financial period. The London Marathon continues to be the most popular marathon on the planet, with a world-record 457,861 people applying in the ballot for a place in the 2020 event, which will be the 40th race.

The May Bank Holiday weekend saw more than 9,000 runners of all ages and abilities make their way around St James's Park and finish in front of Buckingham Palace in the Vitality Westminster Mile. The next day, a record total of 19,465 runners completed the Vitality London 10,000.

On 16 July, 5,000 runners from London businesses participated in the Standard Chartered Great City Race, raising money for charity.

More than 100,000 riders participated in Prudential RideLondon, the world's greatest festival of cycling, over the weekend of 3-4 August, raising £11.5 million for charity. In just seven periods, the event has raised more than £77 million in total and inspired more than 100,000 new or lapsed cyclists to get onto two wheels.

Six thousand swimmers entered Children with Cancer UK Swim Serpentine, which took place on 21 September. The open-water swimming festival at the famous lake in Hyde Park – also the venue for open-water swimming at the London 2012 Olympics – is the largest single-day open-water swim in the UK, with 32 per cent of the participants new to the sport.

Corporate Social Responsibility

LME continued to fund a range of Corporate Social Responsibility initiatives, including supporting British Athletics' endurance running training programmes, Night of the 10,000 PBs and introducing The Daily Mile into London's state primary schools.

In addition to these initiatives, three floors of LME's office building continue to be let at a reduced rate to London Sport to create a House of Sport, intended to enhance networking and collaboration in the voluntary sport sector.

Sustainability

LME is committed to becoming the global leader in sustainable mass-participation sports events. In 2019 LME has focused on better understanding and monitoring its impacts and launched a number of successful initiatives aimed at reducing these impacts where possible.

Initiatives include but are not limited to:

- partnering with a world-leading environmental consultancy to develop an Environmental Management System (EMS) as a robust method for collecting data and tracking performance
- sharing ideas, good practice and collaborating with fellow organisers of major events
- reducing the number of water bottles at its events: there were 215,000 fewer bottles on the course at the Virgin Money London Marathon for example
- introducing Lucozade Sports Pods and bottle belts, reducing bottle usage
- ensuring its bottles are made of recycled materials and are 100 per cent recyclable

Directors of London Marathon Events Ltd

LME has a Board of Directors that is independent from The Trust, aside from three Trustees who sit as Directors of LME.

Financial Review and policies of The London Marathon Charitable Trust Ltd

Income

The Trust is funded primarily from corporate Gift Aid from its wholly owned subsidiary, LME. At the end of the extended financial period The Trust received £8,429,618 in corporate Gift Aid from the surplus generated by LME. In addition, The Trust received the following income:

- £356,730 in bequests made by applicants unsuccessful in the ballot for Prudential RideLondon
- £300,000 donation from New Balance
- £158,892 from interest on cash balances
- £32,054 from return on investments

This brings the total income received during the period to £9,277,294 (2018: £9,446,779).

Cash management and Reserves Policy

In total, The Trust holds cash balances of £25,276,648. Of this, The Trust holds £8,789,923 in cash which has been designated for future grantmaking. This amount includes £8,429,618 of cash received in corporate Gift Aid from LME at the end of the financial period. The Trustees anticipate that most of these funds will be awarded in grants during the financial period after the funds were received.

In addition, The Trust holds cash of £17,977,739 committed for grants that have already been awarded but for which the grantees have not yet submitted claims for payment.

The Trust always holds a significant cash balance at each financial year-end, for two reasons:

1. Because LME pays corporate Gift Aid in the final month of the financial period. Until this total is confirmed, The Trust does not make commitments for grants from these anticipated funds. The amount received in corporate Gift Aid at the end of the financial period is added to the year-end cash balances.

2. Because there is a time-lag between the awarding of grants and the payment of grants upon completion of the funded project.

To maximise the return to The Trust for the reserves, the Trustees have decided to make a long-term investment of £10m. This is to seek to protect the value of The Trust's cash holdings against the impact of inflation. The Trustees have appointed Cazenove Capital as The Trust's investment manager and are investing funds in Cazenove's Charity Responsible Multi-Asset Fund. This is a long-term investment fund with a diversified strategy investing in equities, bonds and alternative assets. The fund adopts a responsible investment approach seeking sustainable long-term returns, using exclusions, the integration of social, environmental and governance considerations in equities and engagement. The Fund will not invest in companies that do not meet the responsible investment criteria set by the Manager. The Fund aims to provide income and capital growth in excess of the Consumer Price Index plus four per cent per annum (net of fees) over rolling 10-year periods.

As of 31 December 2019, £1.5 million has been invested into the Responsible Multi-Asset Fund, with the remaining £8.5 million ringfenced for investment in the following financial period. The Trust's cash balances are held in a mixture of current accounts and short-term cash deposits with interest of £158,892 generated in the financial period.

Loans

In 2015, The Trust made a grant of up to £250,000 and an interest-free loan of £200,000 to London Diocesan Board of Schools. These sums went towards a new gymnastics facility in The Bishop Wand Church of England School for Spelthorne Gymnastics, Sunbury-on-Thames, in order to offer a diverse range of participation opportunities for children and young people. The loan repayment conditions are that it shall be repaid in 114 equal monthly instalments, and repayments are being

made in accordance with the loan terms. The Trustees made the loan as it aligned with The Trust's objectives to encourage and support participation in sport, physical activity and play, particularly among those who are currently inactive. At the end of the financial period £56,140 had been repaid and £143,860 of the loan remained.

The Trust's risk management

The Trustees are responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which The Trust is exposed. The FAC reviews both the risks and their management at its quarterly meetings and provides a report to the Board of Trustees. The Board reviews risks and risk management in detail twice a financial period. The Trustees are aware that The Trust is reliant on the performance of LME. To mitigate this risk, the Board of Directors of LME includes three Trustees of The Trust, and The Trust actively oversees the strategic business decisions of the subsidiary, receiving regular reports.

During the financial period, the Trustees reviewed the major risks facing The Trust and the systems and procedures to manage them. The key risks the Trustees identified are:

- inability to achieve The Trust's objectives and respond to requests for grants due to a significant drop in income from LME
- not applying the Trust's assets for charitable purposes
- not maximising the Trust's assets
- not demonstrating The Trust's impact
- not adhering to legislation, regulations or best practice
- loss of key staff

The Trustees have reviewed The Trust's risk mitigation, as well as the LME Directors' assessment of risks, and are satisfied risks have been properly identified and are being appropriately managed. (For LME's Risk Management, see page 29.)

The direct implications of the COVID-19 pandemic for The Trust are limited. The Trust has sufficient cash reserves to fulfil grants already awarded and any future grants will be awarded in line with ongoing cash flow projections.

Seeking to implement best practice, towards the end of the financial period the FAC and Trustees sought external expert advice on risk governance systems and processes. A high-level review of the group's practices indicated robust systems were in place. Further clarification of roles, responsibilities and mechanisms for providing assurance were recommended and work has begun to address these issues in the coming months.

The Trust's policies and procedures for setting pay of key management personnel

Trustees are committed to ensuring The Trust pays its staff fairly and in a way that ensures it attracts and retains people with the right skills to have the greatest impact on delivering its charitable objectives. When recruiting, Trustees sought to attract high-calibre individuals with experience and skills in grantmaking and the sports and recreation arenas. The Trust therefore benchmarked salaries against those of other grantmaking organisations operating at its scale. Having compared The Trust to other major funders, the Trustees believe staff are paid at an appropriate level to attract and retain a skilled and experienced team, delivering high-quality grantmaking. The Trustees review the pay and remuneration of The Trust's staff annually. The Chief Grants Officer (CGO) attends the meeting (leaving for the discussion regarding the CGO's remuneration). (For LME's policies and procedures for setting pay of key management personnel, see page 29.)

Fundraising activities

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Trust does not undertake fundraising activities as The Trust's income is generated primarily from the trading surplus LME pays through corporate Gift Aid and from bequests

by event entrants. The charity does not employ commercial participators or third-party professional fundraisers and has received no complaints in relation to fundraising activities during the year.

Policies of London Marathon Events Ltd

LME's risk management

The staging of major sports events is always associated with uncertainties and risks. Due to the nature of business in this industry, LME is constantly exposed to risks and opportunities that must be identified and managed. This necessitates effective and systematic management and monitoring risk of risks and opportunities. A risk is one or more future events with unplanned, negative consequences for the planning of events, up to the risk of a threat to the continued existence of LME. Risk is unavoidable and the resources available for managing risk are finite. The aim of risk management within LME is therefore to achieve an optimum response to risk, prioritised in accordance with an evaluation of the risks.

The key risks identified within LME have been recorded in the Corporate Risk Register (CRR), which is reviewed regularly by the FAC and the Board. The CRR details the scope of each risk, the potential impact, action taken to mitigate the risk and any outstanding actions. The key risks that the Board has identified are the cancellation or loss of permission to stage particular events, economic risks including the loss of key sponsors, reputational risk and the failure to maintain adequate relationships with key stakeholders.

LME has an established system of internal controls in place that governs all areas of its operations. The Directors have reviewed the risk mitigation in place within LME and are satisfied that risks have been properly identified and mitigated.

Restrictions imposed by the UK Government as a result of the COVID-19 pandemic have resulted in the postponement of the 2020 Virgin Money

London Marathon, Vitality London 10,000 and Vitality Westminster Mile events to later in the year, however this is expected to have a limited impact to cash flows and profitability.

LME's policies and procedures for setting pay of key management personnel

As LME has expanded its roster of events, it has had to grow its staff base. As an employer, LME is committed to ensuring staff are fairly remunerated, have good working conditions and achieve a good work-life balance. LME has to ensure its remuneration packages attract and retain the right staff for the delivery of world-class events in a competitive international marketplace. In recent financial periods, staff who have left have gone to work as far afield as the USA and Australia and LME, in turn, has recently recruited staff whose last jobs were abroad (Hong Kong and Singapore).

LME has used a third party to conduct a benchmarking exercise to compare its salaries with those across a group of around 60 mixed companies from not for profit, charity, retail, service, events, manufacturing and educational sectors in largely London-based companies. Having conducted this exercise, LME believes pay is at an appropriate level to attract and retain a skilled and experienced team to deliver world-leading, quality events. The Board's Remuneration Committee reviews the pay and remuneration of LME's staff annually.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

Trustees' responsibilities for financial statements

The Trustees (who are also directors of The Trust 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 Statements (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of The Trust, the group and its incoming resources and application of resources, including income and expenditure, for the year. In preparing financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards 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 the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of The Trust. These records also enable them to ensure that the financial statements comply with the Companies Act 2006. In addition Trustees are responsible for safeguarding the assets of The Trust and the group and therefore for taking reasonable steps to prevent and detect fraud and other irregularities.

The Trustees have incorporated the requirements of the Strategic Report within their Trustees' Annual Report and in approving this Trustees' report are also approving the company's Strategic Report.

In so far as each of the Trustees are aware at the time the report is approved:

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

THE LONDON MARATHON CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

The London Marathon Charitable Trust Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association.

Charity Number: 283813

Company Number: 01550741

Registered and Principal Office: Marathon House, 190 Great Dover Street, London SE1 4YB

Bankers

Santander UK PLC, 2 Triton Square, Regent's Place, London NW1 3AN (account closed in November 2019)

NatWest, 156 Fleet Street, London EC4A 2DX

UBS AG, 1 Finsbury Avenue, London EC2M 2AN (account closed in December 2019)

Investment managers

Cazenove Capital, 1 London Wall Place, London EC2Y 5AU

Auditor

haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Financial statements and Trustees' Annual Report

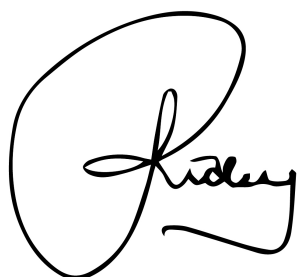
As the Board of Trustees, we present the Trustees' Annual Report along with the financial statements of The Trust and The Group for the period ended 31 December 2019. The consolidated financial statements have been prepared in accordance with the accounting policies set out on page 40 and comply with The Trust's Articles of Association, the Companies Act 2006, the Charities Act 2011 and the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102 effective 1 January 2015, Charities SORP (FRS 102)). In approving this Trustees' Annual Report, the Board members are also approving the Strategic Report in their capacity as company directors.

By order of the Board

SARAH RIDLEY

Company Secretary

24 April 2020

A handwritten signature in black ink, appearing to read 'S Ridley', with a large, stylized initial 'S'.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE LONDON MARATHON CHARITABLE TRUST LIMITED

Opinion

We have audited the financial statements of The London Marathon Charitable Trust Limited for the period ended 31 December 2019, which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and related 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 December 2019 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period 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

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (FRC) 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 30, 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 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

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.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE LONDON MARATHON CHARITABLE TRUST LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website: frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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 financial statements is not appropriate

or

- the Trustees have not disclosed in the 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 12 months from the date when the financial statements are authorised for issue.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE LONDON MARATHON CHARITABLE TRUST LIMITED

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's Statement. 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 (which incorporates the Strategic Report and the Directors' Report) for the financial period for which the financial statements are prepared is consistent with the financial statements
- the Strategic Report and the Directors' Report (included within 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

its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the Strategic Report and the Directors' Report).

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

- adequate accounting records have not been kept by the parent charitable company
- the parent charitable company financial statements are not in agreement with the accounting records and returns
- certain disclosures of Trustees' remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit

Use of our audit 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. 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.



Anna Bennett
(Senior Statutory Auditor)
for and on behalf of
haysmacintyre LLP,
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 13 May 2020

haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

INCOME FROM:	Notes	Unrestricted funds		Total	Total
		General fund £	Designated fund £	15m ended 31 Dec 2019 £	12m ended 30 Sep 2018 £
Donations		300,000	-	300,000	310,140
Bequests		356,730	-	356,730	683,169
Other trading activities	3				
LME		38,224,744	-	38,224,744	32,695,739
LSCP		9,034,844	-	9,034,844	9,267,977
Investments		249,467	-	249,467	100,493
Total income		48,165,785	-	48,165,785	43,057,518
EXPENDITURE ON:					
Raising funds					
Organising events					
LME	7	30,802,451	-	30,802,451	25,703,914
LSCP	7	8,096,040	-	8,096,040	8,494,743
		38,898,491	-	38,898,491	34,198,657
Charitable activities	7,8				
Facilities Grants		368,008	6,352,792	6,720,800	5,366,916
Strategic Partnership Grants		303,543	5,239,950	5,543,493	3,056,750
		671,551	11,592,742	12,264,293	8,423,666
Total expenditure		39,570,042	11,592,742	51,162,784	42,622,323
NET INCOME/(EXPENDITURE)		8,595,743	(11,592,742)	(2,996,999)	435,195
Transfers between funds	16	(8,595,743)	8,595,743	-	-
NET MOVEMENT IN FUNDS		-	(2,996,999)	(2,996,999)	435,195
Fund balances at 1 October 2018		3,000,000	11,795,922	14,795,922	14,360,727
FUND BALANCES AT 31 DECEMBER 2019		3,000,000	8,798,923	11,798,923	14,795,922

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior period are included in the statement of financial activities.

Details of comparative figures by fund can be found in note 9.

The notes on pages 40 to 58 form part of these financial statements.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

INCOME FROM:	Notes	Unrestricted funds		Total	Total
		General fund £	Designated fund £	15m ended 31 Dec 2019 £	12m ended 30 Sep 2018 £
Donations and legacies					
Donations		300,000	-	300,000	310,140
Bequests from Prudential RideLondon		356,730	-	356,730	683,169
Other trading activities					
LME	3	8,429,618	-	8,429,618	8,372,357
Investments		190,946	-	190,946	81,113
Total income		9,277,294	-	9,277,294	9,446,779
EXPENDITURE ON:					
Charitable activities	7,8				
Facilities Grants		373,488	6,352,792	6,726,280	5,370,738
Strategic Partnership Grants		308,063	5,239,950	5,548,013	3,058,928
Total expenditure		681,551	11,592,742	12,274,293	8,429,666
NET INCOME/(EXPENDITURE)		8,595,743	(11,592,742)	(2,996,999)	1,017,113
Transfers between funds	16	(8,595,743)	8,595,743	-	-
NET MOVEMENT IN FUNDS		-	(2,996,999)	(2,996,999)	1,017,113
Fund balances at 1 October 2018		-	11,795,922	11,795,922	10,778,809
FUND BALANCES AT 31 DECEMBER 2019		-	8,798,923	8,798,923	11,795,922

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior period are included in the statement of financial activities.

Details of grants can be found in note 8.

Details of comparative figures by fund can be found in note 19.

The notes on pages 40 to 58 form part of these financial statements.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

Company No. 01550741

	Notes	31 Dec 2019 £	£	30 Sept 2018 £	£
FIXED ASSETS					
Tangible fixed assets	10	21,423,567		21,720,063	
Investments	11	1,532,054		-	
			22,955,621		21,720,063
CURRENT ASSETS					
Debtors	12	16,490,708		13,431,819	
Cash at bank and in hand		35,849,424		28,120,331	
			52,340,132		41,552,150
CREDITORS: amounts falling due within one year	13	(44,429,643)		(29,576,244)	
NET CURRENT ASSETS			7,910,489		11,975,906
TOTAL ASSETS			30,866,110		33,695,969
CREDITORS: amounts falling due after more one year	14		(18,283,926)		(18,116,786)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(783,261)		(783,261)
TOTAL NET ASSETS			11,798,923		14,795,922
UNRESTRICTED FUNDS					
General fund	16		3,000,000		3,000,000
Designated fund for grantmaking	16		8,798,923		11,795,922
			11,798,923		14,795,922

The financial statements were approved and authorised for issue by the Board on 24 April 2020 and were signed below on its behalf by:

Sir Rodney Walker
Chair



THE LONDON MARATHON CHARITABLE TRUST LIMITED

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2019

Company No. 01550741

	Notes	31 Dec 2019		30 Sept 2018	
		£	£	£	£
FIXED ASSETS					
Investments	11		1,532,058		4
CURRENT ASSETS					
Debtors	12	144,506		343,474	
Cash at bank and in hand		25,276,648		23,848,436	
		25,421,154		24,191,910	
CREDITORS:					
amounts falling due within one year	13	(18,154,289)		(12,395,992)	
NET CURRENT ASSETS			7,266,865	11,795,918	
TOTAL ASSETS			8,798,923	11,795,922	
UNRESTRICTED FUNDS					
General fund	16		-		-
Designated fund for grantmaking	16		8,798,923		11,795,922
			8,798,923		11,795,922

The financial statements were approved and authorised for issue by the Board on 24 April 2020 and were signed below on its behalf by:

Sir Rodney Walker
Chair



THE LONDON MARATHON CHARITABLE TRUST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

	15m ended 31 Dec 2019	12m ended 30 Sept 2018
	£	£
Net cash provided by operating activities	9,975,479	9,681,507
Cash flows from investing activities		
Bank interest received	249,467	100,493
Purchase of fixed asset investments	(1,532,054)	-
Purchase of tangible fixed assets	(73,423)	(3,697,968)
Net cash provided by (used in) investing activities	(1,356,010)	(3,597,475)
Cash flows from financing activities		
Cash (outflows)/inflows from borrowing	(628,532)	(2,774,547)
Interest paid	(261,844)	(172,690)
Net cash provided by (used in) financing activities	(890,376)	(2,947,237)
Change in cash and cash equivalents in the reporting period	7,729,093	3,136,795
Cash and cash equivalents at the beginning of the reporting period	28,120,331	24,983,536
Cash and cash equivalents at the end of the reporting period	35,849,424	28,120,331
Reconciliation of net income to net cash flow from operating activities	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	(2,996,999)	435,195
Adjustments for:		
Depreciation	369,918	248,206
Interest paid	261,844	172,690
Interest received	(249,467)	(100,493)
Decrease/(increase) in stock	-	24,104
(Increase)/decrease in debtors	(3,058,889)	(75,537)
Increase in creditors (excluding loans)	15,649,072	8,977,342
Net cash provided by operating activities	9,975,479	9,681,507
Analysis of cash and cash equivalents	2019 £	2018 £
Cash at bank and in hand	18,282,455	3,090,755
Notice deposits	17,566,969	25,029,576
	35,849,424	28,120,331

Cash balances at the period end were held by the Charity (£25.2m), LME (£8.5m) and LSCP (£2.1m). Of the balance held by the Charity, £17.8m represents money already awarded as grants and due to be paid to grant recipients in future periods.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

a) Basis of accounting

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 the 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) and the Companies Act 2006.

The Trust meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements consolidate the results on a line by line basis of The Trust, LME and LSCP.

b) Going concern

The Trustees consider The Trust to be a going concern.

In light of the ongoing COVID-19 pandemic, the Trustees have reviewed revised financial information and are satisfied that The Trust has sufficient reserves to continue as a going concern for the next financial year.

c) Income

All income is included in the statement of financial activities when the group is entitled to the income, it is probable that income will be received and the amount can be quantified with reasonable accuracy. Income represents amounts received from sponsorships, marketing, entrance fees,

bequests from London Marathon applicants and investments.

Sponsorships are usually multi-year agreements and the income is recognised in the accounts when the sponsored event occurs. An accrual or deferral is made where the agreed amount is not invoiced in the year or invoiced for next year's event in advance.

Marketing income is recognised when the event to which the advertising relates to takes place. Any marketing income received in advance is deferred to future years and is included within 'accruals and deferred income' on the face of the balance sheet.

Entrance fees relate to the income received from runners for the current year's event.

Bequests represent the entry fees, net of costs of the bequests, donated by participants unsuccessful in the ballot by which entrants in the events are accepted. Donations are recognised as income when the results of the ballot are known and bequests are therefore made by unsuccessful applicants.

d) Expenditure

Expenditure on operations and events is recognised in the Statement of Financial Activities in the period to which it relates.

Grants awarded are included in the statement of financial activities when approved and when the intended recipient has been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid are accrued for.

Governance costs are the costs of governance arrangements that relate to the general running of The Trust and include audit fees, any legal advice and costs associated with constitutional statutory requirements.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

e) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Gains or losses arising on the translation of foreign currencies and other exchange differences are taken to the profit and loss account.

f) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its estimated useful life as follows:

Freehold buildings, Nil

Motor vehicles, 25 per cent on cost

Fixtures and equipment, 25 per cent on cost

It is policy only to capitalise items with a value of £5,000 or greater.

The directors have adopted the above policy to not depreciate freehold property on the basis of a high residual value, due to being well maintained and situated in a prime London location, thus not expected to materially reduce in value over its estimated 50-year useful economic life.

Therefore the directors are of the view that holding at cost will give a true and fair view of the asset value, and a notional depreciation charge would not have a material impact on the company's financial statements.

g) Fixed asset investments

Fixed assets investments are stated at cost less provision for diminution in value.

h) 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.

i) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments.

j) Creditors and provisions

Creditors and provisions are recognised where the group 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.

k) Taxation

The Trust has charitable status and is not subject to corporation tax on its charitable activities. The subsidiary company is liable to corporation tax on its taxable profits, including its share of profits and losses of LSCP.

l) Funds

General funds comprise funds that are available to be used for the general purposes of the group.

The Trustees have designated all funds received from the trading subsidiary in the period, but not yet awarded as grants, to fund future grantmaking activity.

m) Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits are accounted for on an accrual basis and in line with FRS 102.

The company operates a defined contribution pension scheme. Pension costs are charged to the profit and loss account when payable. The assets of the scheme are held separately from those of the company in independently administered funds.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

n) Areas of significant judgement and estimation

In the application of the accounting policies, Trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The Trustees have considered the significant judgements applicable to the financial statements, and have concluded that these are limited to the non depreciation of the freehold building, as set out in 1f above.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. In previous periods, critical estimates applicable to the financial statements related to the accrued expenses in the LLP for the event held in the period, many of which were estimated due to the proximity of the event to the period end. Following the change of year-end to 31 December, for 2019 there is less estimation applied to the costs and this is no longer considered a significant source of estimation uncertainty.

o) Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the

Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences, except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Gift Aid

The Trust has received from LME, under Gift Aid, an amount of £8,429,618 (2018: £8,372,357). This was paid in full during the period (2018: £160,916 remained outstanding from LME at the year-end).

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

3. INCOME FROM TRADING ACTIVITIES

The Trust owns the whole of the share capital of LME, which is responsible for generating income from the staging of the London Marathon and other events.

LME is a designated member of LSCP and controls 75 per cent of LSCP under the agreement

between the Members. LSCP is therefore consolidated into these accounts as a subsidiary of LME. LSCP is responsible for generating income from the staging of Prudential RideLondon.

The results of LME and LSCP for the period, extracted from the audited accounts, are summarised below:

	London Marathon Events Limited		London & Surrey Cycling Partnership LLP	
	2019	2018	2019	2018
	£	£	£	£
Turnover	38,705,546	33,056,423	9,391,574	9,951,146
Operating costs	(30,540,751)	(25,531,224)	(8,923,573)	(9,532,596)
Gross profit	8,164,795	7,525,199	468,001	418,550
Investment income	479,259	424,827	-	-
Interest receivable	47,264	13,103	11,258	6,277
Interest payable	(261,700)	(172,690)	-	-
Other costs	-	-	-	-
Operating profit	8,429,618	7,790,439	479,259	424,827
Taxation	-	-	-	-
Profit after taxation	8,429,618	7,790,439	479,259	424,827
Gift Aid donation	(8,429,618)	(8,372,357)	-	-
Profits allocated to Members	-	-	(479,259)	(424,827)
Other comprehensive (expenditure)/income for the period	-	(581,918)	-	-
The assets and liabilities of the subsidiaries were:				
Fixed assets	21,423,567	21,720,063	-	-
Current assets	22,587,711	15,190,248	5,406,516	2,330,908
Current liabilities	(21,944,087)	(15,010,260)	(5,460,190)	(2,335,629)
Non-current liabilities	(19,067,187)	(18,900,047)	-	-
Total net assets	3,000,004	3,000,004	(53,674)	(4,721)
Aggregate share capital and reserves	3,000,004	3,000,004	-	-
Total Members' interests	-	-	(53,674)	(4,721)

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

4. NET INCOME	Group 2019 £	2018 £	Charity 2019 £	2018 £
Net income is stated after charging:				
Group				
Depreciation	369,918	248,206	-	-
Auditor's remuneration (including subsidiaries)				
- Audit services	26,850	17,500	6,600	3,000
- Other services	2,985	950	-	-
Pension costs	365,726	226,333	25,540	8,446
5. STAFF COSTS	Group 2019 £	2018 £	Charity 2019 £	2018 £
Total staff costs comprise:				
Wages and salaries	6,287,666	4,471,210	446,042	258,491
Social security costs	683,364	488,439	46,961	24,956
Pension contributions	365,726	226,333	25,540	8,446
	7,336,756	5,185,982	518,543	291,893

The average monthly number of employees for the group (The Trust, LME and LSCP) during the period was 82 (2018: 75). Of these, eight (2018: six) FTE staff members were employed by The Trust to deliver The Trust's grantmaking activities, and all other staff were employed by LME and LSCP to deliver mass-participation sporting events.

The total remuneration of the group's key management personnel, defined as the seven members of the Management Board (MB) of LME plus the Chief Grants Officer (CGO) of The Trust, was £1,727,273 (2018: £1,471,184 being eight members of MB of LME plus the CGO of the Trust).

Included within 'Wages and salaries' above are ex-gratia termination payments of £92,599 (2018: £147,607).

The number of group employees whose annual emoluments were £60,000 or more is listed below.

	Group 2019 Number	2018 Number	Charity 2019 Number	2018 Number
£60,001 - £70,000	6	2	-	-
£70,001 - £80,000	3	4	-	-
£80,001 - £90,000	3	1	-	1
£90,001 - £100,000	2	2	1	-
£100,001 - £110,000	1	1	-	-
£110,001 - £120,000	1	1	-	-
£120,001 - £130,000	-	2	-	-
£130,001 - £140,000	1	1	-	-
£180,001 - £190,000	-	1	-	-
£210,001 - £220,000	2	-	-	-
£260,001 - £270,000	1	1	-	-

Contributions were made to defined contribution pension schemes for the above group employees of £159,015 (2018: £61,005).

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

6a. TRUSTEES

None of the Trustees (or any person connected with them) received any remuneration during the period (2018: none). Travel expenses of £8,433 (2018: £5,586) were reimbursed to Trustees during the period in relation to travel and subsistence.

6b. RELATED PARTY TRANSACTIONS

LME has paid during the period the sum under corporate Gift Aid of £8,429,618 (2018: £8,372,357) to its parent company, The Trust, which was paid in full during the period (2018: £160,916 remained outstanding at the year-end). During the period, the subsidiary company charged the parent £10,000 (2018: £6,000) for administration services pursuant to a Service Level Agreement.

LME is a designated member of LSCP, a limited liability partnership registered in England and Wales. During the period the company made payments on behalf of LSCP totalling £798,485 (2018: £640,347) including a recharge of salary costs of £626,661 (2018: £405,638). In addition, management fees were paid in the period totalling £470,803 (2018: £354,684). Its share of the profit for the period was £479,259 (2018: profit £424,827). At the period-end the company was owed £744,811 by LSCP (2018: LME owed £4,721 to LSCP).

LSCP paid management fees to its designated members in the period, of which SweetSpot Group Limited charged £199,000 (2018: £199,000) and LME charged £470,803 (2018: £354,684).

The CEO of LME also acts as a consultant to Kerman & Co LLP Solicitors. LME paid £67,920 (2018: £73,336) and LSCP paid £24,183 (2018: £17,125) to Kerman & Co during the period for legal services. There were no transactions between Kerman & Co and LMCT. All transactions were on an arms-length basis.

7. ANALYSIS OF EXPENDITURE

Group	Staff costs £	Other costs £	Depreciation £	Total 2019 £	Total 2018 £
Raising funds					
Organising events					
Trading costs of subsidiary	6,818,213	31,459,660	358,918	38,636,791	34,025,967
Bank interest and charges	-	261,700	-	261,700	172,690
Charitable activities					
Direct costs of grantmaking	518,543	153,008	-	671,551	379,607
Grants awarded (note 8)	-	11,592,742	-	11,592,742	8,044,059
Total group expenditure	7,336,756	43,467,110	358,918	51,162,784	42,622,323
Charity					
Charitable activities					
Direct costs of grantmaking	518,543	163,008	-	681,551	385,607
Grants awarded (note 8)	-	11,592,742	-	11,592,742	8,044,059
Total charity expenditure	518,543	11,755,750	-	12,274,293	8,429,666

Included within the above are group governance costs of £35,283 (2018: £24,636) relating to audit fees and Trustees' expenses. Included in the charity costs are costs of £10,000 (2018: £6,000) for the Service Level Agreement with LME. This intercompany cost is not included in the group figures.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

7. ANALYSIS OF EXPENDITURE (continued)

PRIOR YEAR

Group £	Staff costs £	Other costs £	Depreciation £	Total 2018
Raising funds				
Organising events				
Trading costs of subsidiary	4,894,089	28,883,672	248,206	34,025,967
Bank interest and charges	-	172,690	-	172,690
Charitable activities				
Direct costs of grantmaking	291,893	87,714	-	379,607
Grants awarded (note 8)	-	8,044,059	-	8,044,059
Total group expenditure	5,185,982	37,188,135	248,206	42,622,323

Charity

Charitable activities				
Direct costs of grantmaking	291,893	93,714	-	385,607
Grants awarded (note 8)	-	8,044,059	-	8,044,059
Total charity expenditure	291,893	8,137,773	-	8,429,666

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

8. GRANTS AWARDED	2019	2018
	£	£
Facilities Grants		
Major Grants		
London Borough of Croydon	500,000	
London Borough of Hounslow	250,000	
London Borough of Hackney	250,000	
Towcestrians Sports Club	250,000	
London Borough of Tower Hamlets	250,000	
London Borough of Richmond upon Thames	200,000	
Bede House Association	150,000	
The Parochial Church Council of the Ecclesiastical Parish of Lamorbey,		
The Holy Redeemer	150,000	
Cobham Rugby and Sports Association	150,000	
Woking Borough Council	150,000	
Leatherhead & Dorking Gymnastics Club	150,000	
Royal Latin School	150,000	
Walterton and Elgin Community Homes	150,000	
London Borough of Enfield	150,000	
London Borough of Islington	150,000	
Streatham and Marlborough Cricket Club	150,000	
Albury Sports Club Limited	150,000	
London Borough of Ealing	150,000	
Gasworks Dock Partnership	150,000	
The Prospect Trust	150,000	
Guildford County School	137,000	
London Borough of Hounslow	118,200	
London Borough of Barnet	103,000	
Every Child, Every Day Academy Trust	100,000	
London Borough of Haringey	100,000	
Blackheath Squash Raquets Club	100,000	
Orion Harriers	95,000	
Southwark Diocesan Board of Education	94,000	
East London Dance	90,000	
Meridian Sports & Social Club	86,400	
Polka Children's Theatre Limited	85,000	
Stanmore Bowls Club	82,000	
Blackheath Cricket Club	79,200	
London Borough of Greenwich	77,968	
Cranleigh Cricket Club	70,000	
1st Claygate Scout Group	70,000	
Wanstead and Snaresbrook Cricket Club	54,400	
Bagshot Playing Fields Association	50,000	
Woodford Rugby Ground Limited	35,000	
Fight for Peace (UK)	30,000	
London Borough of Lambeth	30,000	
Botany Bay Cricket Club	27,000	
Total Major Grants	5,514,168	4,532,831

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

8.	GRANTS AWARDED (continued)	2019 £	2018 £
	Facilities Grants (continued)		
	Small Grants		
	Old Cranleighan Society	31,000	
	Coppice Primary School	20,000	
	London Borough of Redbridge	20,000	
	Waverley Borough Council	20,000	
	South Bookham SPACE Limited	20,000	
	Achieving for Children	20,000	
	Highbury Vale Blackstock Trust	20,000	
	The Charles Darwin Academy Trust	20,000	
	Royal Borough of Kingston upon Thames	20,000	
	Walworth Garden	20,000	
	Chingford Cricket Club	20,000	
	Brunswick Club Trust	20,000	
	Greensand Multi-Academy Trust – Reigate School	20,000	
	Children's Discovery Centre East London	20,000	
	Westside Basketball Club	20,000	
	Coram's Fields & the Harmsworth Memorial Playground	20,000	
	Royal Borough of Kensington and Chelsea	20,000	
	Fairbairn Amateur Boxing Club	20,000	
	London Borough of Islington	20,000	
	Royal Borough of Kingston upon Thames	20,000	
	Puttenham Parish Council	20,000	
	South London Harriers	20,000	
	London Otters Rowing Club	20,000	
	London Borough of Enfield	20,000	
	Century Bowling & Sports Club	20,000	
	The Barnes Sports Club Limited	20,000	
	Leatherhead Cricket Club	20,000	
	Archbishop Tenison's School Sports Group Limited	20,000	
	KIDS	19,207	
	Wey Valley Indoor Bowls Association	19,000	
	Xavier Catholic Education Trust	16,800	
	London Borough of Merton	16,150	
	Spelthorne Borough Council	15,000	
	London Borough of Lambeth	15,000	
	Phoenix Canoe Club Limited	15,000	
	London Borough of Hillingdon	15,000	
	The AHOY Centre	14,500	
	Hampton Hill Cricket Club	13,200	
	Guildford County School	13,000	
	London Borough of Ealing	12,100	
	Kingston Riverside Club CIC	12,000	
	London Borough of Hounslow	11,885	
	Bromley by Bow Centre	11,800	
	London Borough of Harrow	11,200	
	London Borough of Barnet	10,000	

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

8.	GRANTS AWARDED (continued)	2019 £	2018 £
	Facilities Grants (continued)		
	Small Grants (continued)		
	London Borough of Haringey	10,000	
	Communitas Education Trust t/a Goose Green Primary School	9,293	
	London Sports Trust	9,128	
	East London Dance	9,000	
	Fulham Good Neighbour Service	9,000	
	Restorative Justice for All	9,000	
	Raised Planters Project	7,200	
	Surrey County Council	7,000	
	Saint Francis Hospice	6,335	
	Cranleigh Cricket Club	6,080	
	East Clandon Parish Council	5,100	
	Wimbledon and Putney Commons Conservators (WPCC)	5,000	
	Sporting Assets	3,825	
	Bagshot Cricket Club	3,550	
	Stanmore Bowls Club	2,500	
	London Sports Trust	800	
	Restorative Justice for All	400	
	Total Small Grants	915,053	614,540
	Total Facilities Grants	6,429,221	5,147,371
	Strategic Partnership Grants		
	Transport for London	2,000,000	
	Alliance of Sport in Criminal Justice	1,000,000	
	London United Community Benefit Society	820,000	
	London Youth	500,000	
	Sporting Equals	327,000	
	England & Wales Cricket Board	290,000	
	StreetGames UK	205,950	
	Rackets Cubed	75,000	
	Sported Foundation	12,000	
	The GoodGym	10,000	
	Total Strategic Partnership Grants	5,239,950	2,919,000
	Total	11,669,171	8,066,371
	Less: Grants withdrawn in the period (from Facilities Grants)	(76,429)	(22,312)
		11,592,742	8,044,059

9. TAXATION

The Trust is a registered charity and therefore has no liability to taxation as its income is not from trading activities and is applied only for charitable purposes. LME and LSCP are liable to Corporation Tax on their taxable profits.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

10.	TANGIBLE FIXED ASSETS	Freehold land & buildings £	Equipment £	Motor vehicles £	Total £
	Group				
	Cost				
	At 1 October 2018	20,867,672	1,382,363	35,000	22,285,035
	Additions	22,385	38,287	12,750	73,422
	Disposal	-	(11,000)	-	(11,000)
	At 31 December 2019	20,890,057	1,409,650	47,750	22,347,457
	Depreciation				
	At 1 October 2018	-	529,972	35,000	564,972
	Charge for the period	-	369,118	800	369,918
	Disposal	-	(11,000)	-	(11,000)
	At 31 December 2019	-	888,090	35,800	923,890
	Net book value				
	At 31 December 2019	20,890,057	521,560	11,950	21,423,567
	At 30 September 2018	20,867,672	852,391	-	21,720,063

The charity did not hold any tangible fixed assets at 31 December 2019 (2018: nil).

11.	FIXED ASSETS INVESTMENTS	Group 2019 £	Charity 2018 £	2019 £	2018 £
	As at 1 October 2018	-	-	-	-
	Additions	1,532,054	-	-	-
	Disposals (at proceed value)	-	-	-	-
	Gain/(loss) on revaluation	-	-	-	-
	As at 31 December 2019	1,532,054	-	1,532,054	-
	Investment in subsidiary LME	-	-	4	4
		1,532,054	-	1,532,058	4

The charitable company holds four ordinary shares of £1 each in its wholly owned trading subsidiary LME, which is incorporated in England and Wales. The activities and results of this company are summarised in note 3.

Cazenove Capital Charity Responsible Multi-asset Fund	Group 2019 £	Charity 2018 £	2019 £	2018 £
Equities	1,090,388	-	1,090,388	-
Bonds	121,570	-	121,570	-
Multi-asset funds	36,500	-	36,500	-
Alternatives	229,678	-	229,678	-
Cash	53,918	-	53,918	-
Total	1,532,054	-	1,532,054	-

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

12. DEBTORS	Group 2019 £	2018 £	Charity 2019 £	2018 £
Trade debtors	8,807,762	4,000,569	-	-
Amounts owed by group undertakings	-	-	-	160,916
Other debtors	234,142	1,865,919	144,506	182,558
Prepayments and accrued income	7,448,804	7,565,331	-	-
	16,490,708	13,431,819	144,506	343,474

Amounts falling due after more than one year and included in the debtors above:

	Group 2019 £	2018 £	Charity 2019 £	2018 £
Prepayments	3,185,831	3,053,426	-	-
Other debtors	122,806	149,122	122,806	149,122

13. CREDITORS: amounts falling due within one year	Group 2019 £	2018 £	Charity 2019 £	2018 £
Bank loan	502,826	502,826	-	-
Trade creditors	350,534	897,287	-	-
Amounts owed to group undertakings	-	-	337,438	-
Grant commitments (see below)	17,799,739	12,390,205	17,799,739	12,390,205
Accruals and deferred income	23,164,455	15,784,528	7,197	5,787
Other tax and social security	2,605,089	-	9,915	-
Other creditors	7,000	1,398	-	-
	44,429,643	29,576,244	18,154,289	12,395,992

Grant commitments

£

Grant commitments b/fwd at 1 October 2018	12,390,205
Grants awarded in the period (note 8)	11,669,171
Grants paid in the period	(6,183,208)
Grants withdrawn in the period (note 8)	(76,429)

Grant commitments c/fwd at 31 December 2019	17,799,739
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THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

14. CREDITORS: amounts falling due after more than one year	Group 2019 £	2018 £	Charity 2019 £	2018 £
Bank loans	9,643,188	10,271,721	-	-
Deferred income	8,640,738	7,845,065	-	-
	18,283,926	18,116,786	-	-
Analysis of bank loan				
Within one year	502,826	502,826	-	-
In one to two years	502,826	502,826	-	-
In two to five years	9,140,362	9,768,895	-	-
Less included in current liabilities	(502,826)	(502,826)	-	-
	9,643,188	10,271,721	-	-

The group had two loans in place during the period.

The first loan to LME, originally of £8 million, is secured by way of legal mortgage over 190 Great Dover Street. The loan accrues interest at a rate of 1.5 per cent above LIBOR and is repayable over 60 months from the date of drawdown. The first capital repayment was due 24 months after drawdown, namely 22 January 2019.

The second loan to LME originally of £3.1 million is secured by way of legal mortgage over Units 3-5 Blackhorse Business Park, Blackhorse Road. The loan accrues interest at a rate of 1.5 per cent above base rate and is repayable over 60 months.

Together the two loans to LME totalled £11.1 million. At the period end, LME had loans outstanding of £10,146,014 (2018: £10,774,547).

15. DEFERRED TAXATION	2019 £	2018 £
At the beginning and end of the period:		
Timing differences on capital disposals	783,261	783,261

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

16a. UNRESTRICTED FUNDS MOVEMENTS

	Balance at 30 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 Dec 2019 £
General reserve	-	9,277,294	(681,551)	(8,595,743)	-
Designated funds:					
Facilities Grants	5,400,000	-	(6,352,792)	6,352,792	5,400,000
Strategic Partnership Grants	6,395,922	-	(5,239,950)	2,242,951	3,398,923
Charity	11,795,922	9,277,294	(12,274,293)	-	8,789,923
Subsidiary undertakings	3,000,000	38,888,491	(38,888,491)	-	3,000,000
Group	4,795,922	48,165,785	(51,162,784)	-	11,798,923

The Trustees have designated all funds received from the trading subsidiary in the period, but not yet awarded as grants, to fund future grantmaking activity.

16b. COMPARATIVE UNRESTRICTED FUNDS MOVEMENTS

	Balance at 1 October 2017 £	Income £	Expenditure £	Transfers £	12m ended 30 Sep 2018 Total £
General reserve	-	9,446,779	(385,607)	(9,061,172)	-
Designated funds:					
Facilities Grants	7,290,051	-	(5,125,059)	9,630,930	11,795,922
Strategic Partnership Grants	-	-	(2,919,000)	2,919,000	-
National Programme	792,047	-	-	(792,047)	-
Core Plus	1,208,697	-	-	(1,208,697)	-
Playing Fields	1,488,014	-	-	(1,488,014)	-
Charity	10,778,809	9,446,779	(8,429,666)	-	11,795,922
Subsidiary undertakings	3,581,918	33,610,739	(34,192,657)	-	3,000,000
Group	14,360,727	43,057,518	(42,622,323)	-	14,795,922

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

16b. COMPARATIVE UNRESTRICTED FUNDS MOVEMENTS (continued)

Facilities Grants

Formerly referred to as Reactive Grants, applications to The Trust's Facilities Grant programmes may be submitted at any time during the period and the Trustees meet quarterly to make funding decisions. Facilities Grants can be either Small Grants or Major Grants, the difference is explained below:

▪ Small Grants

The Small Grants programme provides awards of between £5,000 and £20,000 to small projects within The Trust's core areas. These projects should aim to help improve existing amenities or to build new facilities that will enable organisations to encourage and support more people to become involved in physical activity, sport and/or play, particularly those who are currently physically inactive.

▪ Major Grants

The Major Grants programme provides funds of more than £20,001 for the renovation, modernisation or creation of significant facilities for organisations in The Trust's core areas. These organisations need to demonstrate a clear commitment to encouraging and supporting people who are not physically active to participate in physical activity, sport and/or play. Applicants may apply for funding of up to £150,000. The Trustees have the discretion to award grants of more than £150,000 towards major projects where a particularly strong case is made to demonstrate the impact on The Trust's priority outcomes. In 2017-18, the Trustees chose to absorb the former Strategic Grants category into the Major Grants.

Strategic Partnership Grants

In 2017-18, The Trust established a Strategic Partnership Grants programme that provides funding to projects across the UK that address barriers to participation in physical activity and inspire people from all communities to take part. These partnerships encompass work that had been delivered through the previous National Programme and Core Plus.

National Programme

Following changes to The Trust's objects, introduced in January 2018, The Trust was able to provide capital and revenue support across the UK. The Trustees decided to introduce a proactive grantmaking programme delivered in partnership with others. In 2017-18, this programme was transferred into the newly established Strategic Partnership Grants programme.

Core Plus

Core Plus funding enabled the Trustees to support both capital and revenue programmes in The Trust's core areas that fulfilled The Trust's charitable objects but which fell outside of the criteria for The Trust's open programme. In 2017-18, this programme was transferred into the newly established Strategic Partnership Grants programme.

Playing Fields

The Trustees previously set aside £1,448,014 to enable them to purchase playing fields should they come under threat of development. No purchases were made during the period and these funds have now been transferred into The Trust's designated facilities funds for grantmaking in The Trust's core areas.

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Investments £	Net current assets/(liabilities) £	Other liabilities £	Total 2019 £
Unrestricted funds	-	1,532,058	7,266,865	-	8,798,923
Total Charity	-	1,532,058	7,266,865	-	8,798,923
Subsidiary undertakings	21,423,567	(4)	643,624	(19,067,187)	3,000,000
Total Group	21,423,567	1,532,054	7,910,489	(19,067,187)	11,798,923

COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Investments £	Net current assets/(liabilities) £	Other liabilities £	Total 2018 £
Unrestricted funds	-	4	11,795,918	-	11,795,922
Total Charity					
Subsidiary undertakings	21,720,063	(4)	(12)	(18,900,047)	3,000,000
Total Group	21,720,063	-	11,795,906	(18,900,047)	14,795,922

18. CAPITAL COMMITMENTS

At 31 December 2019 the group had capital commitments of £nil (30 September 2018: £nil).

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

19. ACTIVITIES BY FUND IN THE PREVIOUS YEAR

GROUP		Unrestricted funds		Total
		General Fund	Designated Fund	12m ended
INCOME FROM:	Notes	£	£	30 Sept 2018
				£
Donations		310,140	-	310,140
Bequests		683,169	-	683,169
Other trading activities	3			
LME		32,695,739	-	32,695,739
LSCP		9,267,977	-	9,267,977
Investments		100,493	-	100,493
Total income		43,057,518	-	43,057,518
EXPENDITURE ON:				
Raising funds				
Organising events				
LME	7	25,703,914	-	25,703,914
LSCP	7	8,494,743	-	8,494,743
		34,198,657	-	34,198,657
Charitable activities	7,8			
Facilities Grants		241,857	5,125,059	5,366,916
Strategic Partnership Grants		137,750	2,919,000	3,056,750
		379,607	8,044,059	8,423,666
Total expenditure		34,578,264	8,044,059	42,622,323
NET INCOME/(EXPENDITURE)		8,479,254	(8,044,059)	435,195
Transfers between funds	16	(9,102,935)	9,102,935	-
NET MOVEMENT IN FUNDS		(581,918)	1,017,113	435,195
Fund balances at 1 October 2017		3,581,918	10,778,809	14,360,727
FUND BALANCES AT 30 SEPTEMBER 2018		3,000,000	11,795,922	14,795,922

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

19. ACTIVITIES BY FUND IN THE PREVIOUS YEAR (continued)

CHARITY		Unrestricted funds		Total
		General Fund	Designated Fund	12m ended
	Notes	£	£	30 Sep 2018
INCOME FROM:				
Donations and legacies				
Donations		310,140	-	310,140
Bequests from Prudential RideLondon		683,169	-	683,169
Other trading activities				
LME	3	8,372,357	-	8,372,357
Investments		81,113	-	81,113
Total income		9,446,779	-	9,446,779
EXPENDITURE ON:				
Charitable activities				
Facilities Grants	7,8	245,679	5,125,059	5,370,738
Strategic Partnership Grants		139,928	2,919,000	3,058,298
Total expenditure		385,607	8,044,059	8,423,666
NET INCOME/(EXPENDITURE)		9,061,172	(8,044,059)	1,017,113
Transfers between funds	16	(9,061,172)	9,061,172	-
NET MOVEMENT IN FUNDS		-	1,017,113	1,017,113
Fund balances at 1 October 2017		-	10,778,809	10,778,809
FUND BALANCES AT 30 SEPTEMBER 2018		-	11,795,922	11,795,922

THE LONDON MARATHON CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15-MONTH PERIOD ENDED 31 DECEMBER 2019

20. SUBSEQUENT EVENTS

As at 31 December 2019 China had alerted the World Health Organization (WHO) of several cases of an unusual form of pneumonia in Wuhan, which has since been identified as coronavirus (or COVID-19) and developed into a global pandemic.

Measures implemented by the UK Government involve a high degree of social disruption, which have impacted The Trust's trading subsidiary. The 2020 Virgin Money London Marathon, Vitality London 10,000 and Vitality Westminster Mile events have been postponed until later in the year.

At the time of writing, The Trust and LME anticipate these events will go ahead on the postponed dates, which will limit any impact on cash flow and profitability. This is an evolving situation however and therefore any future planned events are subject to further potential disruption. The Trustees and directors are therefore actively monitoring the situation and engaging with key stakeholders.

Both The Trust and LME have sufficient cash reserves to cope with this unprecedented situation for the next financial year, even if further events need to be cancelled in 2020. Additional financing is also available if required, including through the UK Government's interest-free Business Interruption Loan Scheme and a working capital bank loan. Trustees and Directors are working with key stakeholders, supply chain, customers, charities and staff to minimise the impact of COVID-19.

Due to the significant uncertainty brought about by the unfolding COVID-19 pandemic, in March 2020 The Trust signed the Funder statement on COVID-19, to offer reassurance

that The Trust stands with the charity sector. If a community, service or organisation is affected by the COVID-19 outbreak, and they receive grant funding from The Trust, The Trust is committed to responding to grantees with flexibility.

At the time of writing the Trustees have taken the difficult decision to temporarily pause new applications to The Trust's Facilities Grants programme. The Trustees believe that this is a prudent measure and allows The Trust to focus on supporting existing grantees. This is a temporary pause and the Trustees intend to resume new grantmaking as soon as possible.