

sportscotland Group

Annual Report and Accounts
for the year ended 31st March 2023

Statement of Account prepared pursuant to Article 15
of the Royal Charter for the Scottish Sports Council

Laid before the Scottish Parliament
By the Scottish Ministers
November 2023

Annual Report & Accounts

sportscotland

CONTENTS	Page
<u>Minister's Foreword</u>	3
<u>Report to the Council</u>	4
<u>The Performance Report</u>	6
<u>Overview</u>	6
Chief Executive's Report	6
Purpose and Activities of the Organisation	7
Performance Summary	10
Going Concern	18
<u>Performance Analysis</u>	19
Active Scotland Outcomes	19
Environment Performance Indicators	21
Review of the Financial Results for the Year	30
Sustainability	31
<u>The Accountability Report</u>	32
<u>Corporate Governance Report</u>	32
Directors Report	32
Statement of Accountable Officer's Responsibilities	33
The Governance Statement	34
<u>Remuneration and Staff Report</u>	44
<u>Parliamentary Accountability and Audit Report</u>	51
<u>The Financial Statements</u>	60
Notes to the Accounts	65
Accounts Direction	101

Minister's Foreword

In 2022/23, as the sporting system continued to recover from the impact of the pandemic, we were again able to enjoy all sport's physical and mental health benefits.

I am pleased that within this recovery is a real commitment to inclusion. This report demonstrates the changes that **sportscotland** are making, working with partners and communities, to target resources where they are needed most.

Even as we continue to recover from the pandemic, we are faced with the most challenging economic conditions in living memory. People have less money to spend on sport, while operators are faced with higher costs. To continue to thrive, the sport sector will need to embed the ethos of teamwork that served us so well during the pandemic. I am sure we will.

The stories like the ones in this report, for example Active Recovery Moray, illustrate a willingness to form partnerships outside of the sector. I know these are just a snapshot of the many great examples of partnerships that are delivering wider social outcomes through sport. I am excited to see the outcomes of **sportscotland's** new partnerships with Enable and the college sector.

At the Birmingham Commonwealth Games, we again saw the sporting system support our athletes to perform on the world stage, as they delivered our best-ever away games. This year Scotland hosts the inaugural Cycling World Championships and **sportscotland's** Cycling Facilities Fund will ensure a lasting benefit for many communities.

My thanks to the professionals and volunteers who contribute to getting people active. A special thank you to Stewart Harris who retired as **sportscotland's** Chief Executive Officer in October 2022 after 16 years. I look forward to continuing to work with new Chief Executive Officer, Forbes Dunlop, to build a more active Scotland.

Maree Todd, Minister for Social Care, Mental Wellbeing and Sport

REPORT TO THE COUNCIL

Statement of Account Prepared Pursuant to Article 15 of the Royal Charter for the Scottish Sports Council

Foreword

The Scottish Sports Council (trading as **sportscotland**) was established by Royal Charter in 1972 for the purposes, inter alia, “of fostering the knowledge and practice of sport and physical recreation among the public at large and the provision of facilities therefore”. On July 1st 1999 the Scottish Sports Council adopted the trading name of **sportscotland**. **sportscotland**’s head office is Doges, Templeton on the Green, 62 Templeton Street, Glasgow, G40 1DA.

It is financed mainly by annual grant-in-aid borne on the vote of the Scottish Government Population Health Directorate and from income generated by its own activities.

The statutory authority for payment of grant-in-aid is Section 3 of the Physical Training and Recreation Act 1937.

Format of Accounts

These accounts have been prepared in accordance with the accounts’ direction issued by Scottish Ministers, a copy of which is appended to the end of the accounts.

Additional Sources of Funding

Lottery Sports Fund

Under the *National Lottery etc. Act 1993*, **sportscotland** was appointed to distribute Lottery funds for expenditure on, or connected with sport in Scotland, in accordance with the powers set out in its Royal Charter.

All distributing bodies must prepare a separate statement of accounts relating to the National Lottery distribution activities. The financial statements of the **sportscotland** National Lottery Distribution Fund are available from Doges, Templeton on the Green, 62 Templeton Street, Glasgow, G40 1DA once they have been laid before the Westminster and the Scottish Parliaments.

Subsidiary

The Scottish Sports Council Trust Company

The Scottish Sports Council Trust Company (“the Trust Company”) is constituted as a company limited by guarantee under Companies Act legislation and has been recognised by the Inland Revenue as having Charitable Status and, as such, is exempt from Corporation Tax. The Trust Company’s accounts are consolidated into the **sportscotland** Group accounts.

sportscotland is a guarantor of the **sportscotland** Trust Company (the Trust Company) which was incorporated as a charitable trust company to administer the activities of its National Centres in order to receive grants from the Foundation for Sport and the Arts and other charitable trusts. The liability as guarantor is limited to £1.

The main objectives of the Trust Company are:

- The preservation and safeguarding of the physical and mental health of the community through physical recreation (including sports) and education in relation thereto; and
- The provision, in the interests of social welfare and for the purposes of improving the conditions of life for the person for whom the same are primarily intended, of facilities for physical recreation (including sports) which shall be available to members of the public at large, including special facilities for persons who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances may have need of special facilities.

In order to achieve these aims the Trust Company operates the National Sports Centres at Glenmore Lodge, near Aviemore and Inverclyde, at Largs, at which courses of instruction and sporting facilities are provided. Further information on the courses and facilities provided can be obtained from the **sportscotland** website (www.sportscotland.org.uk).

Through its activities the Trust Company creates outcomes across the sporting system. Delivering a return on investment by:

- Maximising and aligning resources with key partners;
- Strengthening enablers through investment in people, places and profiling sport;
- Supporting and improving sporting environments through work with clubs and communities of practice, schools and education, and investment in resources to support and improve performance sport; and
- Achieving outcomes for all people who wish to be involved in sport, remain in sport, return to sport or progress with sport.

The Trust Company is increasingly seeking to operate as one entity by the sharing of knowledge, skills and ideas between centres. The National Centres are working closely with the **sportscotland** senior management team in order to play an operational role in the delivery of key elements of the **sportscotland** corporate strategy, with a particular focus on increasing access to outdoor activity and opportunities for inclusion in sport and physical activity.

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

This annual review covers the first year since the start of the pandemic where we haven't faced significant restrictions to our way of life due to Coronavirus (COVID-19). While the lasting impact of the pandemic is still being felt across the sporting sector, the robust response of the sporting system has ensured that sport and physical activity has remained at the heart of communities across Scotland.

This has been another 12 months where the strength of Scotland's sporting system has been clearly evident. From the sport being delivered in schools, clubs and community sports hubs across the country, to Scottish athletes competing at the highest level all over the world, including at Birmingham 2022, where Team Scotland recorded its best ever performance at an away Commonwealth Games.

There are still a number of significant challenges facing the sector and our collaboration with local and national partners will be central to helping navigate those challenges.

There are also many exciting opportunities ahead and it is heartening to know that we have a dedicated and talented workforce of volunteers and professionals who underpin our sporting system, and go above and beyond every day, to help us take advantage of those opportunities.

This annual review demonstrates the impact sport has on people, families and communities across Scotland and I'd like to thank everyone who continues to play their part in that.

Forbes Dunlop, Chief Executive & Accountable Officer, **sportscotland**

Purpose and Activities of the Organisation

About us

sportscotland is the national agency for sport. We are a non-departmental public body, responsible through ministers to the Scottish Parliament. We are also a National Lottery Fund distributor and are governed by National Lottery distribution rules.

We have three directorates - sports development, high performance and corporate services. The **sportscotland** Trust Company operates national training centres which provide quality, affordable and appropriate residential and sporting facilities for people to develop in sport.

We deliver from our headquarters in Glasgow, the **sportscotland** institute of sport in Stirling and our regional bases across Scotland – and we have a wide range of partnerships running the length and breadth of the country.

This report applies to the **sportscotland** group, which is **sportscotland** and the **sportscotland** Trust Company.

You can find out more at: [Who we are \(sportscotland.org.uk\)](http://sportscotland.org.uk).

A sporting system for everyone

Our vision is of an active Scotland where everyone benefits from sport. We are committed to the Scottish Government's vision of a more active Scotland and the Active Scotland Outcomes Framework (ASOF), which contributes to the National Performance Framework¹. Our mission is to help the people of Scotland get the most from the sporting system.

The sporting system is made up of different components that interact with each other as illustrated in the diagram below. It is not a structure, an organisation or a process. The system adapts to its environment. So as the world around sport changes, the system components and the way they interact evolves.

The sporting system shows how resources are invested by various organisations and partners to promote sport and develop the people and places that create sporting opportunities which are delivered in the schools and education, clubs and communities and performance sport environments.

It helps everyone see where they fit in and how they contribute. As a result, people in Scotland take part in sport at the level they choose which has an impact on activity levels, health and other aspects of society and the economy.

¹ <http://nationalperformance.gov.scot/>

Figure 1: A sporting system for everyone



Structure: Our Environments

We see people taking part in sport and physical activity across three different environments. We use these environments to structure the programmes we invest in and our key activities.

Schools and Education

The schools and education environment helps build competence and confidence in sport by providing positive sporting experiences at schools, colleges and universities.

We collaborate closely with local and national partners to make changes to improve sport and physical activity for children, young people and young adults. We also ensure the voice of children and young people informs our decision-making.

We continue to hold strategic conversations with local authorities and local partners to understand the impact of the cost-of-living crisis and resource constraints on local sport and physical activity.

We will use our partnership working to everything we can to protect the professional workforce and sports facilities infrastructure, while driving the changes needed to reduce inequalities and ensure inclusion underpins everything we do. Our support will be driven by the needs and priorities of our local partners.

Clubs and Communities

The clubs and communities environment offers local opportunities for participants and athletes to take part in sport and physical activity and develop to the level they choose.

Through our ways of working, we will improve the connections between local authorities and Scottish Governing Bodies of sport (SGBs) to build capacity and capability within local clubs, hubs and communities. We also work with third sector organisations and other

partners to add value and strengthen this approach.

We continue to work with SGBs, national partners, clubs and community organisations to understand the impact of the cost-of-living crisis. We will work with partners to target our investment to help protect the professional workforce and sports facilities infrastructure and support the ongoing recovery of the sport and leisure sector.

We encourage a more inclusive approach. We support clubs, hubs and communities to understand barriers people face, adapt to better meet these requirements, and make it easier for people to participate in sport.

Performance Sport

The performance sport environment helps prepare and support athletes to perform consistently on the world stage using cutting edge expertise and technology.

We work in close partnership with SGBs and others in performance sport. We enhance areas of our system in response to the changing landscapes and direct requirements of our sports, athletes and partners.

We provide and encourage better leadership, management and impact awareness across our high performance system through refining our management toolkits and ensuring athlete and staff welfare is at the core of our programmes and support. We use research, data and business intelligence to ensure we can make better informed decisions going forward.

Making it Happen

Making it Happen supports our work in all three environments, both within sportscotland and for the whole sporting system. It is about effective business management and helps us:

- make the most of our people, places and tools.
- do the things we need to do to be a good organisation.
- help people understand and value us and sport.

Further information on what we do can be found at: [Business plan \(sportscotland.org.uk\)](https://www.sportscotland.org.uk/business-plan).

Performance Summary

We report on our annual performance by summarising key highlights from our operational delivery across the environments in the sporting system, and providing data about how this contributes to the six outcomes in our corporate strategy, Sport for Life².

Playing our Part

Over the last year, our business plan priority has been to deliver the outcomes in Sport for Life, while continuing to support the recovery of the sector. Working with local, national and strategic partners, we leveraged increased investment across a range of development areas. Inclusion and recovery were our primary decision-making drivers.

We progressed a more targeted approach to supporting local partners to reduce inequalities in sport and physical activity. We worked closely with partners to determine specific communities of focus. We established their needs and agreed how we can add most value in each local context. Our aim is to engage and improve access to opportunities for under-represented groups, including people who live in rural areas or areas of multiple deprivation.

We encouraged local partners to think creatively about what they could do to reduce inequalities in sport and physical activity through Active Schools and community sport hubs. We agreed to invest £3.2m into eleven projects over the next four years, across eight local authorities. We have committed to invest £0.5m in year one and £0.9m a year thereafter. We provided independent evaluation and outcomes setting support to partners. We will establish a community of practice to support implementation and shared learning. We launched a new initiative with local partners, Scottish Swimming, Education Scotland and the Scottish Government. The aim is to increase opportunities for all children and young people to access school swimming, positively contributing to their wellbeing and safety. We supported four delivery pilots across the country and will support an independent evaluation of the programme to inform next steps. We developed new partnerships with the college sector in Scotland. Our ambition is to increase sport and physical activity opportunities for students and enhance the approach to work-based placements in the sport sector.

Alongside the new areas of development, we continued to support the sector to ensure inclusion underpins everything we do. We developed new partnerships to help us engage more diverse people and communities in sport and physical activity. We collaborated with ENABLE to help our staff and invested networks better understand the needs of disabled people and support them to take part.

We announced a new relationship with the race discrimination charity, Sporting Equals. This is a key part of our ongoing commitment to tackling race inequality in sport and physical activity. The partnership will strive to increase levels of knowledge, awareness and understanding of the issues within sport. It will aim to give sports, clubs and communities the confidence to identify and tackle race inequalities and racism.

We supported sporting success on the world stage. We provided a range of preparation and support services to athletes and sports ahead of the Birmingham 2022 Commonwealth Games. 260 athletes were selected as part of Team Scotland, with over 51% being female. Team Scotland won 51 medals, including 13 gold medals, across ten sports. This

² <https://www.sportforlife.org.uk/>

surpassed a pre-Games target of between 38 to 48 medals. Duncan Scott became Scotland's most decorated Commonwealth Games athlete with 13 medals.

We launched a refreshed leadership programme for the sector in January 2023. This included an inclusive Scottish Sport Leadership Programme available for the professional workforce and an executive management coaching programme for SGB Chief Executive Officers. These aim to enhance the leadership skills, knowledge and capability of staff within the sporting sector.

We delivered a Lead to Succeed event for over 100 current young leaders, to celebrate a decade of our young people as leaders' programmes. We invited inspirational athletes, previous Young People's Sport Panel members and Young Ambassadors to share their stories. Over 100 young people attended. We provided a series of workshops and resources to help them in their roles and future development.

We continued to manage a strategic investment fund to deliver a network of accessible, inclusive and inspiring cycling facilities nationwide. In 2022/23, we approved investment of £1,487,088, into 11 projects. In addition, over 30 initiatives were supported through the community cycling fund investing £344,713 to deliver new cycling activities across clubs, communities and schools. This investment aims to support a legacy of positive change and encourage more people to take part in cycling, using the inaugural UCI Cycling World Championships taking place in August 2023 as a catalyst.

We recognise the significant challenges impacting the sporting system and wider society. Our focus will be to safeguard the professional workforce our investment supports. We will protect and maintain the wider infrastructure that the sporting system is built on. We will prioritise our resources on the opportunities which have the greatest impact on people's physical and mental health and wellbeing. Inclusion will remain at the core of everything we do.

Environment updates

Schools and Education

We maintained regular dialogue with senior leaders to understand the challenges in sport across local authorities and to support strategic planning for sport across key programmes. We engaged directly with Active Schools and Sports Development Managers from all 32 local authorities to support delivery against the set priorities and local needs in each area as teams settled back into a more normalised post-pandemic academic year.

We continued to develop the Active Schools workforce. We worked closely with the Chartered Institute of Sport and Physical Activity (CIMSPA), Active Schools and Sports Development Managers to create standards specific to Active Schools coordinators. We developed a training needs analysis process that will help managers identify learning and development priorities for staff. We also worked with Active Schools Managers to explore the opportunities around local delivery of child wellbeing in physical activity and sport (CWPS) training for young leaders.

We worked in partnership with SDS (Scottish Disability Sport) to roll out their Introduction to Inclusive Practice (IIP) e-learning across the Active Schools Network. SDS developed this further into a bespoke Inclusive Practice for Active Schools workshop. This workshop intends to help Active Schools with their approach to schools around engaging ASN (Additional Support Needs) pupils and better meeting their needs. The sessions are delivered together with disabled young people with lived experience which allows for real in-depth discussion and improvements.

We supported cohort five of the Young People's Sport Panel (YPSP) to deliver across their focus areas. The panel was involved in the design of the Kit for All initiative with local and national partners, promoting Euan's Guide to raise awareness of the accessibility of sport and leisure venues and inputting into the Scottish Government's Physical Education consultation. Panel members attended a range of opportunities and events, including the Diversity and Inclusion Awards, the Coaching Officiating and Volunteering Awards, and Scottish Sports Awards. We also recruited the sixth YPSP cohort, supporting them to settle into their roles and to define their focus areas for the next two years.

We launched the Young Ambassador (YA) programme for the 2022/23 academic year. 308 schools across Scotland signed up for the programme, resulting in 619 YAs. The programme aims to equip young people with the skills to promote and inspire other young people to get involved in sport within their schools and communities. In September 2022, we delivered six Young Ambassador Conferences alongside our YA Delivery Team consisting of 30 young people from 13 different local authorities. All 619 YAs attended the conferences.

We ran Active Girls Day in October 2022. This encourages girls and young women to get involved in a day of sporting celebration with the parallel goal of increasing female participation in PE, physical activity, and sport. We promoted the positive work of our partners, and the incredible role models supporting girls' sport, across our social media channels. We provided a promotional toolkit to help allow schools, clubs, and partners tailor their offering to suit local need.

We revised our Fit for Girls Solutions workshop in partnership with the Youth Sport Trust. We successfully recruited 20 young female leaders to facilitate the sessions. They provide a platform for the voices of girls and young women to be heard. This helps local practitioners understand the needs of girls and young women in sport, both now and in the future.

We refreshed the School Sport Award for the 2022/23 academic year, which is an initiative designed to encourage schools to continuously improve physical education (PE) and school sport opportunities. The relaunch included developing a new website and self-assessment tool. 529 schools have registered and are currently progressing with an assessment.

We continued to develop our strategic partnership with Public Health Scotland (PHS). A key activity is the development and implementation of a systems-based approach to physical activity in Scotland. We supported PHS in the development and co-facilitation of eight workshop sessions, engaging 80 stakeholders from across 47 organisations. The workshops covered a range of themes aligned to the International Society for Physical Activity and Health publication 'The Eight Investments that Work for Physical Activity'. Evidence based strategic actions were identified and agreed in principle by participants. This was used to inform a final report published in November 2022.

Clubs and Communities

We worked with SGBs and other specific partners to determine what enhanced support we could provide to support them post-pandemic. Following this, we contracted a new Case Management and Support Service to embed additional safeguarding and investigations resource in partners. This aims to improve efficiency and expertise in relation to safeguarding, child wellbeing and protection. We continue to support all invested SGBs to ensure compliance with Safeguarding Standards and the UK Anti-Doping (UKAD) framework. We also established a new SGB welfare and protection board leads group with

20 SGBs and regularly meet with the Home Country Safeguarding working group to collaborate on projects in this area of common interest.

We supported the delivery of Whyte Review Workshops for CEOs, Heads of Development, national coaches and development staff from SGBs with over 80 attendees. These sessions were designed to be both informative and developmental, with delivery from Children 1st and Scottish Gymnastics.

Following the independent review into racism in cricket by Plan4Sport, we continue to support Cricket Scotland to implement the recommendations from the Changing the Boundaries report into racism within the sport. We provided additional financial assistance to cricket to help progress the recruitment of a specialist HR function, diversify their board recruitment process and review and update their policies and procedures with an anti-racism and Equality, Diversity and Inclusion (EDI) lens. We also provided support to design, build and implement a robust, independent investigations and disciplines process.

We continued to develop our nationwide Community Sports Hubs (CSH) programme. We successfully launched our new CSH brand and logo to increase the visibility of the CSH project both locally and nationally. We rolled out an Impact and Interventions update to the sharing and learning tool for the CSH officer network. The tool aims to create an ethos of shared learning across the network and better capture the activity taking place across hubs, demonstrating more clearly the impact they are having, and the partnerships involved.

We provided residential to give CSH Officers the opportunity to connect, share and learn with peers across the hub network. The days included a variety of sessions to support them in their role and foster inclusive approaches in club and community sport. This included workshops run by partners Scottish Disability Sport (SDS) and ENABLE Scotland.

We progressed our Changing Lives action plan, ensuring it aligns with our new EDI approach. We continued to see commitment from Changing Lives strategic partners on contributing to embed the Changing Lives approach within the sporting system. We delivered Changing Lives Hot Topic sessions for the cohort, with themes including the cost-of-living crisis and delivering sustainable programmes.

We continued to build on our strategic partnership with the Scottish Association for Mental Health (SAMH). We supported the launch of the SAMH Club Level Charter, which provides direction and support to club and community organisations to support mental and physical health. We facilitated SAMH mental health workshops to local partners and SGBs, helping professional staff in sport to explore and understand mental health and wellbeing in the context of sport and physical activity. We delivered 171 workshops, with over 2,700 attendances from across our local authority and SGB partners.

We approved investment into 29 projects through the Sports Facilities Fund, totalling £1,975,300. Through the Cycling Facilities fund we approved investment of £1,487,088, into 11 projects. We approved two awards through the Transforming Scottish Indoor Tennis Fund, totalling £305,000. We also approved investment of £1,278,507 into 181 projects through Awards for All.

We developed our knowledge and understanding of sustainability within facilities. We provided staff training on carbon accounting and Passivhaus construction. This will enable us to provide better advice and guidance to the sector on the design and development of sports facilities. We contracted the British Association of Sustainability in Sport (BASIS) to

deliver an initial package of support to SGBs, including training, a framework and self-assessment tool, and a session to help them identify their next steps.

We launched a new coach education subsidy to support development and qualification costs, prioritising funding for groups which are under-represented within coaching. We worked with SGBs and partners to widen their reach and engagement with under-represented groups and to share good practice.

We continued our investment and development of our online learning platform Brightspace. We supported 27 SGBs and 15 other partners to use the platform, reaching 18,732 active learners. We launched three new EDI courses in partnership with e-coach and two additional communities of practice to support partners delivering the Island Games and for SGB coaching network. We collaborated with home country partners across the UK, with Sport NI and Sport Wales now buying into Brightspace.

Performance Sport

Our overall headline goals remained centred around the 2022 Birmingham Commonwealth Games as well as planning for the 2024 Paris Summer Olympic and Paralympic Games and 2026 Milan/Cortina Winter Olympic and Paralympic Games, supporting investment and operational delivery.

We continued our focus to support our Scottish athletes in the Birmingham 2022 Commonwealth Games. We successfully managed COVID-19 processes and protocols within the high-performance system, introducing a 90-day programme as part of Project Birmingham in collaboration with Commonwealth Games Scotland and SGBs. Team Scotland sent a total of 260 athletes, with ages ranging from 16 years to 75 years. Despite the majority of athletes making their Commonwealth Games debut (61.2%) the team had positive results, returning home with a total of 51 medals, across 57 medallists, including 12 para-sport medals.

We facilitated a new opportunity with UK Sport and English Institute of Sport on a performance learning arena. This is an online learning portal for practitioners which provides opportunities for enhanced learning and engagement with performance colleagues from across the UK. We continued to progress with work in the new performance data management system, with the migration of supplemental clinical data.

We established a collaborative gymnastics project group to develop resources and support to athletes, coaches and parents, to develop behavioural and phyco-social skills. We partnered with Stirling University and Netball Scotland on a project to understand the physical capacity of pathway netball players and physical preparation habits in adolescent netball players.

We continue to invest and support coach developer practitioner services for SGB performance coaches, with ten SGBs now receiving support. We supported SGBs to deliver the athlete to high performance coach apprenticeship programme and review the impact of investment. Nine SGBs have recruited seven full time coaches, including three female coaches. Six part time coaches have also been recruited, including one female.

We established a performance Health and Wellbeing Group as part of our key focus on mental health and wellbeing delivery. This is supported by representatives from mental health and wellbeing, female athlete health, concussion, respiratory health and clean sport. This approach aims to ensure we will be able to effectively deliver to Scottish sport as well as collaborate and shape the wider UK high performance structure. We made continued progress with our strategic policy for Clean Sport, with all SGBs receiving investment

having operational Clean Sport plans in place and being provided with Clean Sport education support.

We co-commissioned independent research with UK Sport and other home country sport councils to identify the equality profile of athletes on the sport and talent pathway. This helped us investigate the barriers to inclusion, establish a baseline for future interventions and support the change required to engage under-represented groups into talent pathways. We shared the findings and data with SGBs to facilitate discussions on the demographic makeup of the cohort of talented athletes.

We developed a female athlete health check questionnaire and engagement plan to enable us to better understand needs and adapt our support services. We worked with sports to create female athlete health representatives to ensure female athlete needs are considered within sport specific activity and service delivery. We are also working with other home country sports councils to develop pregnancy guidelines for athletes.

Making it Happen

Following the pandemic and an extended period where our staff were working from home, we carried out a phased approach to office opening, with regional offices being re-opened for staff and partners. We finalised the development of our hybrid working policy, continually engaging staff to hear their views.

We continued to develop a strong working relationship with the Minister for Social Care, Mental Wellbeing and Sport. We facilitated a range of Ministerial engagements including a meeting with North Ayrshire Council, giving the Minister an insight into our approach with local authorities on EDI. The Minister had positive interactions with the YPSP both in-person and appearing on their podcast. We also celebrated Team Scotland's success in the 2022 Commonwealth Games in Birmingham, with Ministers attending the Games and related events.

We continued to develop and improve our IT systems and cyber resilience capabilities. This included the completion of a 24-month project on various ICT Infrastructure projects to ensure our systems reflect the significant changes in how staff now work. We also embedded Power BI (Business Intelligence) into the MySport system to assist with reporting.

We established an internal working group to explore our role in supporting the sector to mitigate climate change. The group used feedback from partners to develop a series of recommendations. We presented the recommendations to our Board for feedback, and we will embed confirmed actions within our new operational plans.

We maintained a high standard of governance throughout our finance, procurement, and legal functions, receiving positive feedback from auditors. We also provided significant legal, stakeholder relationship management and communications support regarding the Cricket Scotland Governance Review.

We progressed work with our EDI approach, appointing a new EDI manager. We provided leadership to the sporting sector to influence and drive the changes needed to address inequalities and ensure everyone has the opportunity to take part. We developed and delivered a series of EDI workshops to help people understand inclusive design and learn about useful tools and resources to use in practice. Over 350 staff and partners who work or volunteer at different levels, across a range of organisations and sectors, attended the sessions.

We applied a more targeted and diversified approach to advertising vacancies where under-represented groups are more likely to access opportunities. We continue to develop inclusive employer communications, through our social media, sponsorship and other communications channels, ensuring there is greater visibility of **sportscotland** as a diverse and inclusive employer. We worked in partnership with ENABLE, the Race Equality Network and Council for Ethnic Minority Voluntary Organisations Scotland (CEMVO) to implement improvements to our recruitment and onboarding processes. We benefited and learned from a work experience placement within our ICT team, via the Enable Breaking Barriers programme. The placement is designed to help more disabled people into work as well as support organisations to develop more inclusive support for disabled colleagues.

We progressed with our research approach, supporting monitoring and evaluation of our key programmes, as well as developing research in new areas including our work with the college sector, Active Schools and CSH inclusion projects, school swimming projects and exploring collecting equality data from SGBs. We provided a series of bitesize and lunchtime seminars to help staff and partners learn more about the research and data we collect, and how it links with our EDI approach and inclusive design.

We implemented a new package of developmental training and resources through LinkedIn learning. We launched a range of refreshed EDI in workplace e-learning to ensure colleagues and managers are delivering in line with legislative guidance and our EDI approach, as well as offering practical help to challenge unlawful discrimination or inappropriate behaviour.

Our internal health and wellbeing group developed a suite of guidance for colleagues on women's health and support for menopause. We also invited staff and partners to attend a developing female leaders' interactive session. This aimed to support the development of environments, mindsets and pathways that enable women to excel.

We built on the successful #FeelYourPersonalBest campaign we jointly run with SAMH by inviting Public Health Scotland to support the campaign. #FeelYourPersonalBest aims to raise the profile of the role that sport and physical activity plays to support positive mental health. It promotes the message that there are many ways to get active and encourages people to find an activity that works for them and their daily routine. With PHS joining the project, we reached a wider audience including through local health boards and sharing content across their channels.

We held monthly #SportHour sessions across the year covering a range of themes including Sport for all Ages, Volunteering in Sport and Women and Girls. With the return of face to face events in 2022/23, **sportscotland** sponsored events celebrating success in the sporting system, including the Scottish Association of Minority Ethnic Educators (SAMEE) Awards and the Scottish Sports Futures Awards. We worked in partnership with Commonwealth Games Scotland to deliver The Scottish Sports Awards 2022, to recognise and celebrate achievements of individuals, teams and organisations across the sporting system. We continued with the "Focus On" articles which profile a different SGB every month based on our monthly communications themes.

National Centres

sportscotland continues to provide strong support to the national centres and their staff. There has also been the opportunity to review, enhance and more closely integrate the role of the national centres in the delivery of the **sportscotland** corporate strategy and to seek to give greater prominence to the centres, working together with the rest of

sportscotland to deliver the outcomes aligned with the ambitions of the Active Scotland Outcomes Framework (ASOF) which continues to be the Scottish Government's key policy framework for delivering a more active Scotland.

Inverclyde

2022/23 was the first full trading year at the centre since the interruptions to operations due to the COVID-19 pandemic. 2022/23 was the strongest year of trading across all key metrics – income, occupancy, participant days and number of groups – since the centre reopened in 2017.

The school's market, which had been one of the last to return due to COVID-19 considerations, bounced back better than pre-pandemic levels, with income at £478k, 32% more than the previous high of financial year of 2018/19. Demand is strong across the year for school bookings, branching out with the previously traditional school period of March – June. This demand for traditionally quieter periods of occupancy in the winter months in turn contributed to the strongest February and March trading period since the centre reopened in 2017.

The SGB segment finished the year £36k ahead of budget, as this segment continues to grow following COVID-19 disruption. Encouragingly, this growth is due to not only returning SGBs, but also new SGBs who had previously not utilised the centre pre-pandemic. Smaller to mid-scale competitive events at weekends for SGBs, such as Scottish Judo and Wrestling, has also contributed to this revenue growth.

The clubs segment continues to build up towards pre-pandemic levels, finishing the year at income of £266k. This is primarily due to the strength of gymnastics club training and football pre-season, although encouragingly a range of martial arts have returned to the centre for the first time since COVID-19, aiding the recovery of this segment. Across both clubs and SGBs, 26 sports were represented in groups from these segments.

Finally, for residential income, the partner and internal segments have increased to be significant income generators, from previously low levels. This is in part due to an increase in targeted investment by **sportscotland** into groups utilising the national centre for a residential experience. This is expected to continue into future financial years and due to the design of this model can be used to support periods of expected lower occupancy. Community income segments including fitness, gymnastics, golf and community court and pitch bookings, continue to supplement the core residential segments. Fitness, in particular, has seen significant growth from pre-pandemic levels, in large part due to increasing demand for junior memberships.

Overall expenditure finished higher than budget, primarily down to two areas - increased gas costs against budget, as well as increased contractor costs for cleaning and catering expenses. This is linked to increase in residential group numbers and therefore there is associated increased income with these additional costs.

Glenmore Lodge

Glenmore Lodge continues to deliver high quality training, supporting personal outcomes for individuals and helping support development and innovation in the outdoor and adventure sport sector. It remains a key strategic partner for governing bodies across four primary outdoor and adventure sports – mountaineering, paddle sports, snow sports and mountain biking. This partnership continues to bring significant resilience to qualification frameworks as investment is prioritised to support the development of future leaders, coaches, and instructors.

2022/23 represented the first full year of trading since the start of the pandemic. We have seen a return to near normal levels of activity, although overall occupancy remains constrained by high levels of single room occupancy. While we achieved an overall room occupancy of 50%, bed utilisation was only 37%.

Throughput on programmed courses was 2,529 (2021/22 1,940), this represents 88% of our two-year pre pandemic average. In addition, we had a further 928 individual undertaking tailormade training courses and 2,459 individuals who attended a conference or seminar.

Income out turned at £1,521k, 12% above forecast (2021/22 £1,117k excluding furlough). Despite experiencing exceptional increases in all areas of our cost base (Biomass costs increased 67%), we were able to contain costs within our forecast.

sportscotland continues to invest in Glenmore Lodge as a strategic venue for outdoor and adventure sport. Investment this year supported refurbishment of South Wing accommodation. Its facilities support several governing bodies and individuals, as well as being used by a variety of local and regional sports clubs.

Glenmore Lodge offers unique opportunities for promoting #SportForLife within targeted EDI areas. Our focus within the reporting period (2022/23) has been on the following key areas:

- Women in leadership and female participation
- Youth
- Safety
- Community
- Inclusion

Principal Risks

sportscotland faces, and actively manages, a wide range of risks which are categorised in our risk register as strategic, reputational, operational and financial. Details of our risk management approach and of the significant risks facing **sportscotland** are set out in the discussion of risk management in the Accountability Report section of this document.

Going Concern

The statement of financial position as at 31 March 2023 shows net assets of £37.2 million. Funding for **sportscotland** in 2023/24 has been approved by the Scottish Parliament and there is no reason to believe that future funding and budgetary approval will not be forthcoming. It has accordingly been considered appropriate to prepare these financial statements on a 'going concern' basis.

Forbes Dunlop
Chief Executive & Accountable Officer

Performance Analysis

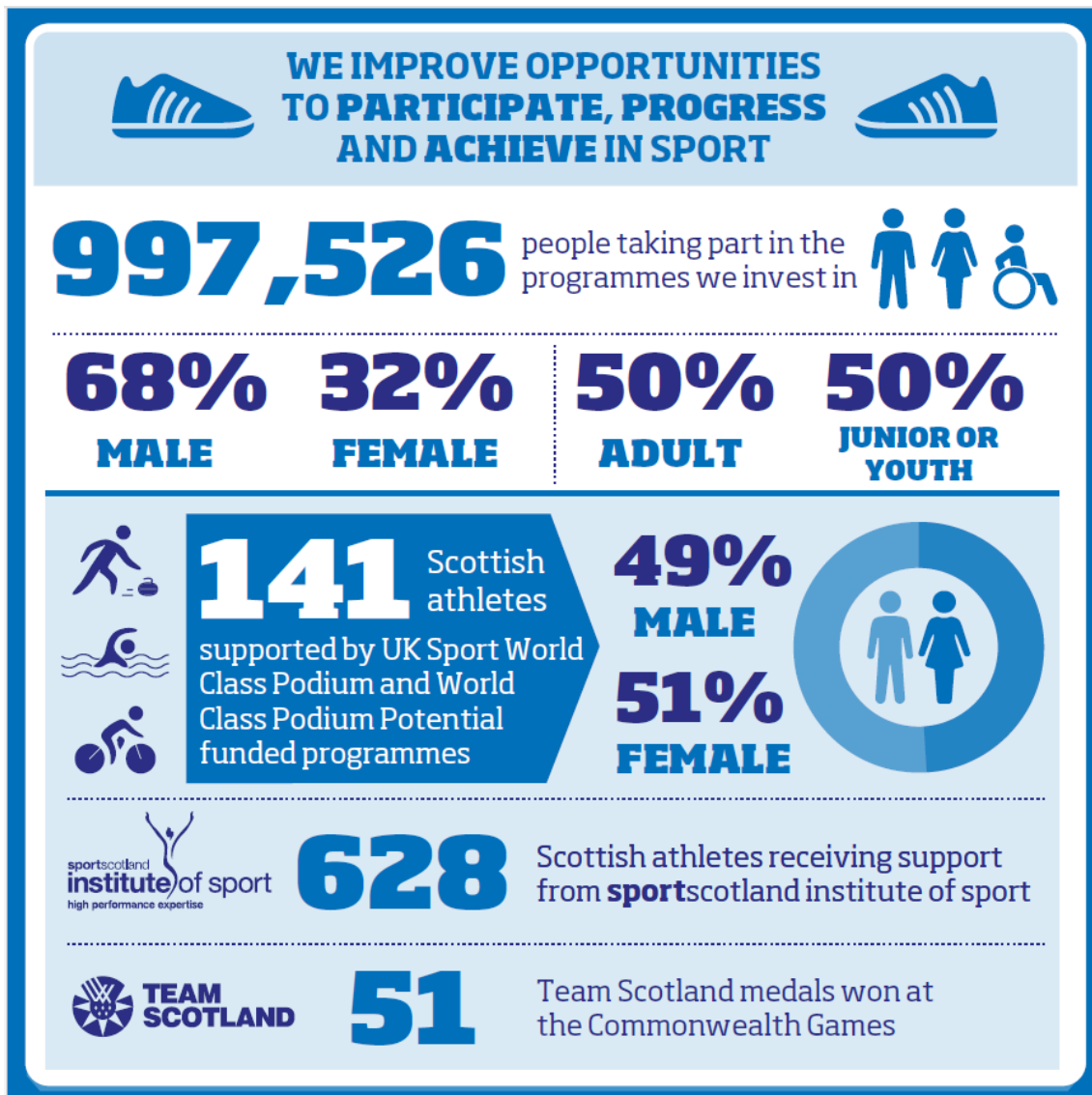
This report covers the fourth year of our corporate strategy, *Sport for Life*².

In 2022/23, as recovery from the Coronavirus (COVID-19) pandemic continued and sport and physical activity returned, we resumed focus on our contribution to Sport for Life and the Active Scotland Outcomes Framework (ASOF). We prioritised capturing the scale and diversity of those taking part in our programmes, given the impact of COVID-19 on our partners' operations and the wider sporting system.

This report therefore aims to demonstrate our progress against the outcomes in Sport for Life between 1 April 2022 and 31 March 2023 as well as illustrating participation trends across each of the three environments in the sporting system. Through personal stories we highlight the impact of our collaborative work with partners across the system.

Active Scotland Outcomes

We improve opportunities to participate, progress and achieve in sport



We improve our active infrastructure – people and places



There are proven benefits of taking part in sport and physical activity. We have strong evidence around the impact of sport [reported](#) in previous years which shows this. We took the same survey approach this year. However, due to lower response rates from some larger sports, we cannot weight the data. As a result, the survey results are not representative and should be treated with caution. We have provided the unweighted data below. Although not representative, this data shows similar trends to previously reported evidence. We will also share full reports on our website for the unweighted data we have.

We support wellbeing and resilience in communities through physical activity and sport

- 90%** feel healthier (adults and children)
- 97%** have made friends (children)
- 63%** feel more involved in their community (adults)
- 61%** feel close to other people (adults)

We encourage and enable the active to stay active throughout life

54% of club members have been a member of their club for more than 5 years
45% of under 18s have been member of their club for more than 5 years
63% of members over 55 have been member of their club for more than 5 years

We encourage and enable the inactive to be more active

1% of people taking part in programmes have gone from inactive to active

	Activity levels - Before taking part in our programmes	Activity levels – Currently taking part in our programmes
Active	92%	97%
Some activity	7%	3 %
Inactive	1%	0%

Child physical activity levels:

Active – average 60+ mins per day
 Some activity – average 30 to 59 mins per day
 Inactive – average less than 30 mins per day

Adult physical activity levels:

Active – 150 mins per week
 Some activity – 30 to 159 mins per week
 Inactive – less than 30 mins per week

We develop physical confidence and competence from the earliest age

78% feel they have become better at sport/other activities
57% feel they have learned a new skill
70% feel more confident in sport or physical activity

About the data

This data is from routine, internal monitoring plus participant surveys across our programmes.

Results against the Active Scotland Outcomes Framework and equality, diversity and inclusion (EDI) characteristics for club members were collected through our club ASOF survey. We received over 5,000 responses this year; this is much lower than the previous survey which collected 11,000 responses. Due to lower response rates from some larger sports, we cannot weight the data. The survey results are therefore not representative and should be treated with caution. This applies to the data reported against the ASOF outcomes below:

- We support wellbeing and resilience in communities through physical activity and sport.
- We encourage and enable the active to stay active throughout life.
- We encourage and enable the inactive to be more active.
- We develop physical confidence and competence from the earliest age.

EDI data from Active Schools is now collected through our programme monitoring, data in this report is based on responses from 29 of the 32 local authorities. Data on supported athletes was collected through an EDI survey.

The figure for people accessing training opportunities is not distinct. This means there may be multiple counting of people accessing more than one training opportunity.

Facilities investment includes Sport Facilities Fund and Transforming Indoor Tennis Fund which are funded through National Lottery, and the Cycling Facilities Fund which is funded equally through Scottish Government investment and the National Lottery.

Environment Performance Indicators

We see people taking part in sport and physical activity across three different environments. This section provides trend data for people taking part in each environment as well as a breakdown of EDI characteristics, where available.

Performance

Participation trend data for sportscotland institute of sport (SIS) supported athletes

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total	548	562	586	645	600	672	616	693	628
% Male	54%	N/A	N/A	N/A	N/A	54%	N/A	N/A	55%
% Female	46%	N/A	N/A	N/A	N/A	46%	N/A	N/A	45%

Our commitment to equality underpins everything we do

This data refers to athletes we support as part of the **sportscotland** institute of sport in 2022/23.

Adult and Under 18

Sex: **55%** Male / **45%** Female

Age: **85%** Adult / **15%** Junior or Youth

Areas of Deprivation: **5%** from the **20%** most deprived areas (SIMD 2020)

Disability:

12% of adult athletes have a health problem or disability that limits their day-to-day activities

4% of under 18s have a health problem or disability that limits their day-to-day activities

Ethnicity

98% identified as White Scottish / White other British / White Irish or White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

2% identified as African, Scottish African or British African / Mixed or multiple or other ethnic group.

Adult only (18 and over)

Sexual orientation

6% of adults described themselves as bisexual or lesbian/gay

92% of adults described themselves as heterosexual

2% preferred not to say

Religion and Belief

22% of adults identified as Church of Scotland, Roman Catholic or other Christian.

76% had no religion

3% preferred not to say

About this data

The data shows the number of SIS supported athletes is relatively static. The proportion of SIS athletes who are female is slightly (1%) lower than previous years.

Caveats

The latest census data has not yet been released to provide a comparison. We have not included comparisons with the 2011 census, as this is now significantly out of date. The census results are available at this link for information: [2011 census | Scotland's Census \(scotlandscensus.gov.uk\)](https://scotlandscensus.gov.uk).

We use data for age and sex from our annual monitoring data. There are gaps in male/female split for a few years. The other EDI characteristics were collected through a survey. 194 adults and 50 under 18s responded to the survey.

Schools and Education

Participation trend data for Active Schools

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total participants	270,691	274,432	289,044	293,878	309,118	312,808	N/A	N/A	217,995
% Male	52%	53%	52%	52%	52%	52%	N/A	N/A	54%
% Female	48%	47%	48%	48%	48%	48%	N/A	N/A	46%

Our commitment to equality underpins everything we do

This data refers to children and young people taking part in the Active Schools programme in 2021/22 academic year.

Sex: 54% Male / 46% Female

Areas of Deprivation: 21% from the 20% most deprived areas (SIMD 2020)

Disability:

1.5% of Active Schools participants are assessed disabled

22% of participants have additional support needs

Ethnicity:

90% identified as White Scottish / White other British / White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

10% identified as Asian, Asian Scottish or Asian British / African, Scottish African or British African / Caribbean or Black / Mixed or multiple or other ethnic group)

About this data

The data trend shows a strong recovery after the disruption due to the Covid-19 pandemic. There is a small change in the data with female participants 2% lower than previous years. This is in line with broader research suggesting that female participation in sport is not recovering as quickly.

Compared to the 2021 pupil census, Active Schools participants are broadly reflective of the diversity of school pupils. However, there is underrepresentation of:

- Female pupils (-3%)
- Pupils with additional support needs (-10%)
- Assessed disabled pupils (-1%)
- Pupils who live in 20% most deprived areas (-3%)
- Active Schools has overrepresentation of pupils from diverse ethnic communities (+1%)

Caveats

The Active Schools data relates to the academic year 2021/22 but is reported in 2022/23. This is due to when the academic year and financial year line up.

This was the first full year of activity after the pandemic started. Some restrictions were still in place at the start of that academic year.

Data on sex is based on responses from all 32 local authorities. Other EDI data is based on responses from 29 local authorities. 27 local authorities provided responses for deprivation.

Clubs and Communities

Participation trend data for SGB club members

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total	N/A	757,873	773,714	780,453	788,025	732,120	709,840	733,983	778,903
% Male	N/A	N/A	73%	71%	72%	73%	72%	73%	72%
% Female	N/A	N/A	27%	27%	28%	27%	28%	26%	28%
% Non-binary	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%
% Prefer not to say	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%

Our commitment to equality underpins everything we do

This data refers to club members and participants taking part in the programmes we invest in.

Adult and Junior / Youth

Sex: 72% Male / 28% Female

Age: 64% Adult / 36% Junior or Youth

About this data

The data shows SGB Club Membership has increased since last year. This follows decreases during the year's most impacted by Covid-19. The proportion of SGB Club members who are female is slightly (1%) higher than last year. However, there are still far more male participants than female. This in line with earlier results.

Caveats

We have used the club membership figure submitted by SGBs. This is more comparable over time. We used a different methodology in previous annual reports, so the figures will not match. We have included the full trend data using the current methodology in this report to allow comparison.

We excluded the figures for community clubs/organisations which are not affiliated to SGBs, as there are issues with comparability. This would account for around 30,000 participants.

We use data for age and sex from our annual monitoring data. The latest census data has not yet been released to provide a comparison. We have not included comparisons with the 2011 census, as this is now significantly out of date. The census results are available at this link for information.

Additional EDI data

We collected additional EDI data through a survey. We received over 5,000 responses this year; this is much lower than the previous survey which collected 11,000 responses. Due to lower response rates from some larger sports we cannot weight the data. We have included some of the strongest data below. These are unweighted and should be treated with caution.

Adult and Junior /Youth

Areas of Deprivation: 5% live in the 20% most deprived areas (SIMD 2020)

Disability:

15% of under 18's said they had a physical, mental or health condition.

16% of adults said they had a physical, mental or health condition.

Ethnicity

95% identified as White Scottish / White other British / White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

3% identified as Asian, Asian Scottish or Asian British / African, African Scottish, African British / Caribbean or black / Mixed or multiple or other ethnic group

2% preferred not to say

Adult only

Sexual orientation

4% of adult participants described themselves as bisexual, lesbian/gay or preferred to use another term

91% of adult participants described themselves as heterosexual

5% preferred not to say

Religion and Belief

37% of adult participants identified as Church of Scotland, Roman Catholic or other Christian.

2% of adult participants identified as another religion

57% had no religion

4% preferred not to say

Case studies

Sarah Adlington

Following on from her first Olympic Games in Tokyo, the judoka retained her Commonwealth Games title, winning gold in the women's over 78kg category at Birmingham 2022, becoming the most successful Scottish judoka of all time.

Her success in Birmingham owed itself to painstaking preparation through the year with significant support from the **sportscotland** institute of sport and Judo Scotland. Sarah and her support staff left no stone unturned with significant work on physical preparation, physiotherapy and sports medicine among other areas meaning she was prepared to perform at her best in Birmingham.

Coach Billy Cusack, Greg Valentine (physical preparation) and Andrew Cruickshank (performance psychology) were among the key staff in Sarah's support team. While she also received medical and physio support during the preparation for Birmingham 2022.

Greg Valentine, **sportscotland** senior physical preparation coach, who has worked with Sarah since 2014, said: "For the best judo athletes you need a bit of everything. You need close to the strength of a weightlifter and you need to be conditioned to last a long time, similar to a long distance runner, so there's a lot we need to focus on with Sarah.

"Sarah's got a great attitude towards training and is really easy to work with. I'm a similar age to Sarah, we've worked together for over nine years and been through a lot of ups and downs in that time. So to see her win a gold in Birmingham and feel like I'd played a small role in it was an amazing feeling."

Kit for All

Kit for All initiatives across the country are helping to make sport and physical activity more accessible for thousands of young people, while also making sport in Scotland more sustainable.

Kit for All is about offering recycled and pre-loved sports kit to individuals and families, for free. And from Shetland to North Lanarkshire people working on projects all over Scotland are making sure young people whose families might not be able to afford sports kit are able to see the benefits of sport.

Whether it's pressure to own branded kit, having club-specific clothes, keeping up with new kit for growing children or for adults wishing to venture into a new activity, the cost of having appropriate clothing for activity can be a big financial burden.

A key part of work by the **sportscotland** Young People's Sport Panel (2020-2022) was focused on improving access to sport and physical activity for other young people. With several similar recycled sports kit programmes already operational in Scottish communities, the YPSP decided to create a national initiative called Kit for All.

The idea was to bring existing projects together to share best practice and create a toolkit and information hub which would be promoted across Scotland's sporting system to encourage more schools, clubs, community sport hubs and facilities to start their own Kit for All project.

Aileen Stuart started the Sport Bank in Alness to respond to local needs after hearing about young people who didn't have enough sports kit to take part in regular sport at school.

Aileen said: "I work quite closely with the Active Schools Coordinator at Alness Academy. There's quite a big need at the academy. She would tell me that teachers would take the gym stuff of some pupils home to wash it so they could do P.E the next day. They knew it wouldn't be washed at home and the young people didn't have any extra kit for the following day.

"There are a lot of families who just don't have money for sportswear and that was one of the main reasons we started it."

Making a Difference

A project in Moray is using football to support people with mental health and addiction challenges and help them find employment.

Active Recovery Moray is a partnership between Moray Community Sport Hubs, Elgin Sport and Community Trust, Police Scotland, and Arrows – a Quarriers service providing support for individuals and families affected by drugs and alcohol throughout Moray.

It was started in May 2022 with the aim of providing free sporting opportunities to allow participants to experience the wide range of physical and mental benefits of staying active, as well as being a platform to improve social inclusion, enhance life skills, build confidence and enhance future employment opportunities. Participants are referred to the sessions by social services, Arrows and NHS staff.

Moray Community Sports Hub Development Officer, Dimitris Chrysanthakopoulos said: "Coming out of the COVID-19 Pandemic, mental health awareness was very high and we knew it was going to be a priority for the area. The project we came up with was definitely something that was missing from the area. I approached Arrows and explained my idea, they really embraced it from the beginning. They got feedback from their clients initially to help us shape the project, that's why we chose football as the activity.

"Once everyone saw the outcomes that we were getting it continued to grow, we were getting very good feedback from participants. The participants were going to the job centre and social work appointments saying how good they had been feeling since starting the football sessions.

"It is fantastic to see. I didn't expect this level of impact when we started the project. You can see how happy everyone is during the sessions, not only playing football but being able to meet and make friends with some people who have similar issues to them. It's a very relaxed and welcoming environment. You wouldn't know these people are facing the challenges they are."

Scottish Disability Sport Parasport Festivals

Scottish Disability Sport's Parasport Festivals are helping many young people across Scotland experience sport for the first time.

The Parasport Festivals were started in 2009 but the programme has grown considerably in recent years, with nine festivals taking place last year. Locations have included Orkney,

Shetland, East of Scotland, West of Scotland, Central Scotland, Dumfries and Galloway, Tayside, Grampian and Highland.

The festivals allow young people who are underrepresented in sport to try a range of sports. For many it will be the first time they've had the opportunity to take part in these sports, with specialised support provided where required. The festivals were designed to help young people with disabilities in mainstream education who weren't accessing, or weren't able to access, sport and physical activity. In 2022/23 over 330 young people have participated.

Lynne Glen, Head of Development for Scottish Disability Sport (SDS), the lead agency for disability sport in Scotland, explained: "We'd identified that there was a lack of opportunities for young people with disabilities, particularly young people with physical disabilities, vision impairments and hearing loss.

"Participating in the festival raises the young people's aspirations and self-efficacy in relation to their ability to do sport, through their experience they learn they can do sport and physical activity, it also changes the perceptions of their parents and carers and demonstrates what they can achieve.

"We try to offer sports where there is a local opportunity to participate. That's a critical part of the programme, having somewhere to go to sustain participation.

"After the festival the SDS regional manager will phone the parents or carers and arrange to discuss what the young person enjoyed, what their personal choice of sport would be and ask what support they need to engage. They will then provide tailored support to find appropriate sessions in the area."

Open to All

Aberdeen Sports Village (ASV) Table Tennis Academy is breaking down barriers to sport for young people from low-income areas and people from ethnically diverse communities. Table tennis started at ASV in 2011, initially as a pilot for two night a week, but it quickly blossomed into the thriving academy that runs today.

As well as the academy, which currently has players ranging from age 8-17, there are a number of offshoot table tennis activities running every week which caters to all ages and abilities. Older participants have sessions specifically for them, with people in their 70s and 80s taking part.

The academy is run by Head Coach Max Singer who has been coaching the sport since he stopped playing in 1988. A key part of his work is regular visits to schools local to ASV, primarily in low-income areas, to deliver free taster sessions and encourage young people along.

Parents are also encouraged to come along and help if they are interested, several parents have done so and have since undertaken coaching qualifications. This has led to the creation of an inclusive table tennis community with coaches and participants from countries such as Germany, Nigeria, India, Russia and Poland.

Max Singer said: "Being open and inclusive has without question enhanced the experience for all players and coaches and has created a culture that supports and encourages all those involved to reach the highest level they aspire to within the sport.

“When I visit schools, the aim is to introduce them to the sport, see if they enjoy it and maybe spot some with a natural talent for it. They are offered the chance to come along, the first two sessions they go to are free. We try to help them as much as we can in terms of cost.

“We’ve had a lot of kids come from the schools into the academy. Some progress to a good level, others don’t, but if they’re enjoying the sport that’s fine by me.”

North Ayrshire Active Schools

The North Ayrshire Active Schools team are working with partners to remove barriers for care-experienced young people to access sport and physical activity opportunities, as well as supporting them to build their confidence and in some cases helping to increase the amount of time they spend in school.

Care-experienced young people often face many barriers which would prevent them from taking part in sport. They may be dealing with trauma or a range of challenges in their home life and may not regularly be in the school environment or have access to transport or sports kit.

Gary Moore is an Active Schools & Communities Partnership Officer (ASCPO) in North Ayrshire, a position funded by **sportscotland**. Gary’s role is to work with health and social care partners, schools, communities and third sector organisations who already engage with care-experienced young people in the area others to help increase opportunities for them.

Part of Gary’s work is to offer an experiential opportunity early on in the process. These opportunities not only provides the young people with a positive experience, but allows them to build a positive relationship with staff.

One of these recent residential took place at **sportscotland** national training centre Inverclyde in February 2023. Inverclyde is the first UK residential sports centre of its kind, designed for inclusivity.

Everything about the trip was tailored to ensure the facility, accommodation, activities and eating arrangements made the young people feel as comfortable as possible.

That included training for **sportscotland** staff by the Active Schools team, so they had full understanding of the needs of the young people.

Gary said: “Sport and physical activity are not always at the forefront of their minds. It might be putting food on the table or worrying about where they’re going home to after school if they’re being moved somewhere else.

“The residential is the initial engagement we use to hopefully start supporting these young people on a longer-term basis.”

Future Plans

Our business plan for 2023 onwards describes how we will deliver our commitment to our corporate strategy, [Sport For Life](#). It outlines how we will continue to support the sporting system to respond to the current economic challenges and drive inclusion and recovery. [Business plan \(sportscotland.org.uk\)](https://www.sportscotland.org.uk).

Review of the Financial Results for the Year

The accounts relate to the year ended 31 March 2023. Comparative figures are shown for the year to 31 March 2022 relating to **sportscotland** and the Trust Company. During the year **sportscotland** received grant-in-aid of £33,550k (2021/22 £35,470k). A further £4,655k (2021/22 £3,453k) was generated from its own activities, including through the trading operations of the Trust Company.

Expenditure of £19,202k (2021/22 £19,386k) was released for sports development and capital grants, £22,950k (2021/22 £21,202k) was deployed on revenue expenditure and £1,224k (2021/22 £1,006k) was deployed on capital expenditure. A full summary is shown in the accompanying Notes to the Accounts. Under IAS 19, the accounting standard which stipulates that an entity must show its pension liability or asset, the Group now shows a pension liability of £nil (2021/22 liability of £8,365k). See Note 1.11, Note 15 and the Remuneration Report for full details.

Group pension liability

Please refer to the post-retirement benefits accounting policy in the notes to the accounts.

Auditors - Remuneration for non-audit services

The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2022/23 the appointed auditors were Audit Scotland.

During 2022/23 no non-audit fees were paid to Audit Scotland.

Property, plant and equipment

During the year additions to property, plant and equipment amounted to £1,224k (2021/22 £1,006k).

Research and Development

During the year **sportscotland** invested £28k (2021/22 £12k) on research and development across a range of projects, to support the review and development of its range of investment programmes.

Retained Reserves

Accumulated funds totalling £37,221k (2021/22 £27,589k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

In line with guidance the **sportscotland** Group has a policy to pay all authorised invoices not in dispute within 30 days or the agreed contractual terms if otherwise specified. The **sportscotland** Group aims to pay 100% of authorised invoices, including disputed invoices once the dispute has been settled, on time within these terms.

During the year ended 31 March 2023 the **sportscotland** Group paid 89% (2021/22 90%) of all authorised invoices received within the terms of its payment policy.

The Scottish Government policy of paying 100% of invoices within 10 days of being received by the Finance department continues to be our target.

The **sportscotland** Group observes the principles of the Better Payment Practice Code.

Sustainability

During the year **sportscotland** has led a number of key activities which will seek to reduce our carbon footprint.

A report is produced annually explaining in detail the outcomes of our activities and this can be viewed on the **sportscotland** website www.sportscotland.org.uk.



Forbes Dunlop
Chief Executive & Accountable Officer
26 September 2023

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

The Members of the **sportscotland** Council for the year ended 31 March 2023, are listed below:

M Young (Chair)	
C Bain (Vice Chair)	Resigned 7 th December 2022
A Bain	Joined 21 February 2023
M Campbell (Vice Chair)	
C Grant	
S Lindsay	
Prof C Mahoney	Resigned 7 th December 2022
D McDonald	Joined 27 April 2022
T Mistry	Joined 27 April 2022
H Ousta	Joined 27 April 2022
S Sandilands	
S Sweeney	Joined 21 February 2023
K U'ren	
A Watt	Joined 27 April 2022

M Campbell and S Sandilands are representatives of the **sportscotland** Trust Company. M Campbell took over from F Wood as Chair of the **sportscotland** Trust Company on 1 April 2022.

The Chief Executive and Accountable Officer is Forbes Dunlop. He became interim Chief Executive when Stewart Harris retired as Chief Executive on the 31 October 2022 and was appointed as Chief Executive on 1 January 2023.

Mike Whittingham, Director of High Performance, retired on 31 March 2023.

Mike Roberts, Director of Sport Development, retired on 31 May 2023.

On the 21 June 2023, **sportscotland** announced the recruitment of a Director of Sport and a Director of Operations, who are due to commence their roles in October 2023.

A full list of the company directorships and other significant interests held by the Council members can be found on the **sportscotland** website at www.sportscotland.org.uk.

Personal data related incidents

During 2022/23 **sportscotland** was not required to report any data breaches to the Information Commissioner's Office.

Statement of Accountable Officer's Responsibilities

Under Article 15 of its Royal Charter for **sportscotland**, **sportscotland** is required to prepare a statement of accounts in the form and on the basis determined by Scottish Ministers. The accounts are prepared on an accruals basis and must show a true and fair view of the Group's state of affairs at the year end and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts **sportscotland** is required to:

- Observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that **sportscotland** will continue in operation.

The Accountable Officer for the Population Health Directorate has designated the Chief Executive of **sportscotland** as the Accountable Officer for **sportscotland**. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum.

Statement that accounts are fair, balanced and understandable

So far as the Directors are aware, the annual report and accounts as a whole are fair, balanced and understandable. The Accountable Officer confirms that he takes responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the body's auditors are unaware, and the Accountable Officer confirms that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the body's auditors are aware of that information.

The Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the delivery of **sportscotland's** policies, aims and objectives, as set out by the Scottish Government Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Accordingly, I can confirm that adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and minimising losses of funds were in place throughout 2022/23.

The system of internal control is designed to manage, rather than entirely eliminate the risk of failure to achieve our aims and objectives or adhere to all relevant directions and policies; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of **sportscotland's** policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The procedures have been in place throughout 2022/23 and have been reviewed during the year with a view to ensuring their effectiveness and improving their robustness.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and of the executive managers within **sportscotland** who have responsibility for the development and maintenance of the internal control framework. I receive a certificate of assurance from each executive director as part of this process. In the internal auditors' opinion, **sportscotland** has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, except in relation to health and safety. Issues were identified around health and safety governance forums, policies and training in June 2023, which were immediately addressed through a remedial plan which will be fully implemented by November 2023. I am also informed by comments made by the external auditors, Audit Scotland in its Annual Audit Reports.

Governance Framework

sportscotland's governance framework is based on **sportscotland's** Royal Charter and the Framework Document with the Scottish Government.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the statutory, parliamentary and administrative requirements, emphasises the need for economy efficiency and effectiveness and promotes good practice and high standards of propriety. **Sportscotland** applies relevant sections of the SPFM to its governance framework. **Sportscotland's** governance arrangements comply with generally accepted best practice and relevant guidance.

The key components of the governance framework are detailed below:

sportscotland Council

At the start of the year, the Council had 12 non-executive members, being Ministerial appointments, one of which is appointed as Chair (non-executive).

All 14 non-executive members who held office during the year are considered by **sportscotland** to be independent in character and judgement, having no material relationship with the group. Council members are appointed by the Scottish Minister following a recruitment process managed by the Scottish Government with appointments normally being for an initial period of four years. Re-appointment for a further term (usually four years) is at the discretion of the Scottish Minister based on advice of the Chair of **sportscotland**.

All six meetings in the 2022/23 financial year were held in-person. The attendance of the 14 non-executive members who held office during the year of the six meetings of 2022/23 was:

M Young	(6 of 6) (Chair)
C Bain	(3 of 5) (Vice Chair)
A Bain	(1 of 1)
M Campbell	(5 of 6)
C Grant	(5 of 6)
S Lindsay	(5 of 6)
Prof C Mahoney	(5 of 5)
D McDonald	(5 of 6)
T Mistry	(5 of 6)
H Ousta	(3 of 6)
S Sandilands	(5 of 6)
S Sweeney	(1 of 1)
K U'ren	(5 of 6)
A Watt	(6 of 6)

The Council meets every two months and is responsible for the strategy, performance and the framework of internal control. The Council has a formal schedule of matters specifically reserved to it for decision. These include the approval of the annual business plan, annual financial statements, annual budget and other policies. All members receive an induction on joining the Council. A combination of tailored Council and Committee agenda items and other Council activities assist the members in continually updating their skills, knowledge and familiarity with the business which are required to fulfil their role both on the Council and on Council committees.

Responsibility for the day-to-day operational management of the **sportscotland** Group is delegated to the Chief Executive and his executive directors. To enable the Council to discharge its duties, all Council members receive appropriate and timely information. The Council papers are distributed electronically by the Executive office at least one week before Council meetings.

Council Member Committees

The Council's standing committees have written terms of reference clearly setting out their authority and duties. There are two main Council Member committees – the Audit and Risk Committee and the Group Remuneration and Succession Planning Committee.

Audit and Risk Committee

Membership of the Audit and Risk Committee consists of five non-executive Council members. The membership during the 2022/23 financial year is detailed below with their attendance record for the five meetings which took place during the financial year.

The Audit and Risk Committee receives periodic reports from the Internal Auditors concerning internal control and these are reported to the Council. **sportscotland** utilises a professional firm of accountants, Azets LLP, as its internal auditors, who operate to standards defined in the *Government Internal Audit Public Sector Standards*. Azets LLP submits regular reports, which include an independent opinion on the adequacy and effectiveness of **sportscotland's** systems of internal control, together with recommendations for improvement.

The Committee reviews the corporate risk register on a regular basis and considers the impact of new risks, changes to existing risks and planned mitigation to reduce the impact of the risks identified.

The Committee receives reports from the Data Protection Officer regarding Subject Access Requests and Data Breaches and receives a summary of Freedom of Information Requests.

The Audit and Risk Committee reviews the scope of the external audit and its findings. It also considers the appointment and fees of the internal auditors and discusses the planned timetable of activity and findings, as well as ensuring that any agreed recommendations are followed up by management. The Committee is responsible for monitoring compliance with accounting and governance requirements and for reviewing the annual financial statements. The Committee was chaired by S Lindsay.

S Lindsay	(5 of 5)	(Chair)
A Bain	(1 of 1)	
C Bain	(2 of 4)	
Prof C Mahoney	(1 of 4)	
D McDonald	(1 of 1)	
H Ousta	(3 of 5)	
A Watt	(5 of 5)	

Group Remuneration and Succession Planning Committee

The Group Remuneration and Succession Planning Committee has a role to oversee the annual staff Pay Remit, which is governed by the Scottish Government's Public Sector Pay Policy, and related activities concerning staff development and succession planning.

The Committee is also responsible for considering the application and impact of the Scottish Government's Public Appointments process for Board members and considering how these can be enhanced by **sportscotland** to ensure that a wide-ranging and diverse talent pool is accessed whenever Board appointments are required.

The remuneration for Chair and Board Members is decided by the Scottish Government and thus this committee has no influence over its own pay award.

The Committee met twice during 2022/23. Membership of the Remuneration and Succession Planning Committee during 2022/23 comprised:

C Grant	(2 of 2)	(Chair)
K U'ren	(1 of 2)	
M Campbell	(2 of 2)	
T Mistry	(1 of 2)	
S Sweeney	(1 of 1)	

Information Security

Throughout 2022/23, the **sportscotland** Information and Communication Technology (ICT) Team implemented several new technical controls to mitigate cyber risk and improve information security. These improvements included a new immutable backup solution to ensure that our critical data is secure and always available. New firewalls were deployed to better protect our network. The Wide Area Network was redesigned to support and secure hybrid working.

Staff awareness is critical to our security efforts. Work to increase cyber awareness among our staff included fortnightly emails containing training videos and quiz questions. As well as informing, this content was also intended to generate discussion around the topics covered. "Exercise in a Box" sessions utilising content produced by National Cyber Security Centre were run for staff from across the organisation and used scenarios based on real-world cyber threats. Our ICT Helpdesk has regularly updated colleagues on specific threats and provided information on how to spot phishing and other online scams.

A new escalated cyber risk register was implemented that highlights operational risks to the **sportscotland** Leadership Group and the Audit and Risk Committee.

The Information Governance and Data Protection Officer (DPO) started work to update **sportscotland's** Records Management Plan as required under the Public Records (Scotland) Act 2011.

The DPO conducted an audit to review the organisation's physical records at one site, with plans to expand the audit to all sites throughout the coming year.

Senior operational staff attended quarterly meetings of the Information Governance Steering Group, which is responsible for monitoring and improving information governance and cyber resilience within the organisation. These meetings were chaired by the DPO and attended by representatives from IT, HR, Legal and Finance, and the **sportscotland** Chief Operating Officer (who will be replaced by the Director of Operations once in post).

Internal Control

The Council Members acknowledge that they are responsible for the Group's system of internal controls and for reviewing the effectiveness of these controls. The Council Members have delegated the detailed design of the system of internal control to the

executive directors who review the internal control framework on an ongoing basis.

Monitoring of the system of internal control is included in the Terms of Reference for the Audit and Risk Committee and the committee is supported by the reporting of both the external and internal auditors.

Procedures have been developed to safeguard assets against unauthorised use or disposition and to maintain proper accounting records to provide reliable financial information both for internal use and for publication.

Best Value continues to be a focus in all areas of work within **sportscotland** and the continued communication of this principle supports all staff in its delivery.

More generally, the organisation is committed to a process of continuous development and improvement, including developing systems in response to any relevant reviews and developments in best practice.

Throughout 2022/23, **sportscotland**'s Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

System and process improvements

sportscotland has had an ongoing focus on system and process improvements. Systems and processes have continued to evolve to take account of hybrid working patterns, whilst ensuring that controls and governance were not reduced.

Operation of key systems and processes included:

- the finance system was successfully operated throughout the year, with electronic approvals replacing hard copy approvals. Soft copy documentation is now uploaded directly into the finance system, reducing the need for hard copies;
- the HR and payroll system was fully accessible electronically and no paper records are generated;
- the Chief Executive and Accountable Officer and senior management continue to work closely with the Trust Company and to support the National Centres;
- the authorisation and payment process for all investment payments and documentation of the system operated effectively throughout the year; and
- the ICT team ensured ICT processes were reviewed and adapted where necessary to ensure compliance with Scottish Government cyber resilience requirements and to ensure ongoing compliance with GDPR.

The continued focus on procurement and active contract management ensured that **sportscotland** and its suppliers have continued to operate together as effectively as possible. **sportscotland** continues to make use of the Scottish Government's procurement framework agreements where possible, in order to take advantage of the commercial benefits that they can deliver.

Improving the sportscotland estate

Ownership of the **sportscotland** estates strategy lies with the Estates Group, led by the Chief Operating Officer. Forbes Dunlop has continued to lead this group as interim Chief Executive and as Chief Executive. He will continue to do so until the new Director of Operations is in post. Associated site maintenance and development plans are established each financial year and progress reported in line with Senior Management Team, Trust Company Board and **sportscotland** Board requirements.

The strategy will be delivered through the implementation of a series of site-specific building maintenance plans and individual capital projects which will be established on an annual basis (as part of the organisation-wide business and investment planning process), agreed by the Estates Group and approved by the Senior Management Team. Annual investment plans will form part of the overall budget plans considered by the **sportscotland** Board and the Trust Company Board.

sportscotland commissioned a 5 yearly report by external consultants in 2019 to review the condition of the main sites within the estate and to highlight the maintenance and replacement work required over the next five years. This report provides the key input to the planned maintenance and replacement work and enables **sportscotland** to plan and budget accordingly.

Potential future developments are outlined in the strategy on a site-by-site basis and will be considered annually on an organisation-wide prioritised basis by the Senior Management Team, as proposed by the Estates Group, taking into account funding availability. Additional consideration has been given to the effect of the implementation of hybrid working patterns (partially on-site, partially remote working) on the estate requirements.

The National Centres' Principal and Head of Centre are responsible for the delivery of the actions as appropriate to their sites in line with the strategy. It is recognised that the delivery of the strategy and associated projects will require a range of appropriately skilled and knowledgeable people to be identified on an organisational, site by site and project by project basis.

Progress against future site developments was delayed by the pandemic and a new timetable is being developed to review and propose recommendations.

Social, Community issues and human rights

sportscotland places a high priority on ensuring that it discharges its obligations as a good corporate citizen and takes into account its responsibilities towards serving and meeting the needs of our partners, including safeguarding their human rights. Operational policies and procedures reflect this commitment, including our approach to managing individual grant requests.

Risk Management

We capture risks in our corporate risk register. The corporate risk register is reviewed by the **sportscotland** Board annually, by the Audit and Risk Committee every six months and by the senior management team on an ongoing basis. Specific attention is paid to ensure our corporate risk appetite has not been exceeded.

We categorise risk by five levels: very high; high; medium; low and very low. At the end of 2022/23, there were six significant risks rated high (four) or very high (two) shown in table 1. This did not exceed **sportscotland**'s corporate risk appetite.

Table 1: Significant risks facing sportscotland

Risk	Mitigation
<p>Failure to deliver high priority and high-profile projects (such as community sport hubs, Active Schools, sport facilities projects, workforce development and performance sport) adversely affects the reputation of sportscotland.</p>	<p>Regular monitoring and reporting to Board and key stakeholders including both the National Lottery and Scottish Government (Preventative)</p> <p>Successful performance outcomes at Summer and Winter Olympic/Paralympic Games and Commonwealth Games (Preventative)</p> <p>Progress of key priority / high profile projects reported and managed through operational groups to ensure delivery (Preventative)</p> <p>Enhanced external stakeholder management through Strategic Partnerships manager position (Preventative and remedial)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>The occurrence of a major operational or financial/legal matter at the National Centres which has a significant negative financial impact on National Centres / Trust Company investment requirement from sportscotland.</p>	<p>Management of operational risks, noted in Trust Company risk register. (Preventative)</p> <p>Management and implementation of operational procedures (Preventative and remedial)</p> <p>Scenarios developed and presented to Trust Board for consideration. Contingency included in calculation of required investment (Preventative)</p> <p>Monthly finance meetings with each National Centre to monitor trading, operational activities and significant events (Preventative)</p>

<p>If the Cost-of-Living crisis is sustained for a prolonged period then this will lead to significantly higher staff costs for sportscotland as compared to previous expectations, as well as a potential requirement to provide additional funding to partners where our investment underpins staff posts, leading to difficulty in balancing our Scottish Government side of the budget.</p>	<p>Strategic review meetings with local partners (Preventative)</p> <p>Managing our own staff costs through timing of recruitment. (Preventative)</p> <p>Managing our own non-staff cost base as effectively as possible (Preventative)</p> <p>Working with our partners to manage their staff cost requirements (Preventative)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>Change in external policies or reduced funding by key national stakeholders in sport adversely effects the ability to deliver sportscotland's corporate strategy</p>	<p>Continue regular dialogue with Government regarding the most appropriate policy for Scottish sport. (Preventative)</p> <p>Continue to gather evidence with partners regarding potential changes to allow appropriate responses to be developed. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>sportscotland's contribution to Active Scotland Outcomes reported through corporate strategy indicators and wider evaluation work (Preventative)</p> <p>Sport for Life corporate strategy closely aligned with Scottish Government's Active Scotland Outcomes (Preventative)</p> <p>Continue regular dialogue with Scottish Government regarding potential opportunities to develop sport (Preventative)</p> <p>Recommendations from strategic forum for sport and physical activity to help inform and influence decision making at national government level, as well as the strategic planning of organisations within the sector. (Preventative and remedial)</p>
<p>Reduced funding challenges local authorities' ability to deliver their plans / outcomes for sport, which may impact on sportscotland's ability to</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community planning activities at local level (Preventative)</p>

<p>deliver its corporate strategy outcomes.</p>	<p>Partnership managers working with local authorities to produce fully integrated sports development plans. (Preventative)</p> <p>Research undertaken on local authority partners' expenditure in sport to understand impact of reduced funding in sport. (Preventative)</p> <p>Recommendations from strategic forum for sport and physical activity to help inform and influence decision making at local government level, as well as the strategic planning of organisations within the sector. (Preventative and remedial)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>Reduced National Lottery income negatively impacts sportscotland's ability to deliver its corporate strategy</p>	<p>Confirmation from Scottish Government of continuation of National Lottery underpin (Preventative and remedial)</p> <p>Maintenance of National Lottery balance to mitigate against reduced income (Remedial)</p> <p>Continue to ensure that National Lottery funding and use of balance is profiled as appropriate (Preventative)</p> <p>Continue to monitor weekly and monthly National Lottery income (Preventative)</p> <p>Continue to monitor process for awarding new National Lottery licence (Preventative)</p>

Table 2: Risk appetite levels and descriptions

Risk category	Risk appetite	In practice	Current risk level
Strategic	Low – We have minimal appetite for external risks which may negatively impact our ability to achieve our corporate strategy outcomes or constrain the way we operate.	We accept no more than three strategic risks rated high / very high.	We have two strategic risks rated high or very high. This is one below our risk appetite.
Reputational	Moderate – We rely on our reputation to influence our partners and stakeholders in the sporting system. Our ability to do this effectively is crucial to achieving our corporate strategy outcomes. As such, we are cautious about risks which would impact negatively on our reputation or lead to a loss of confidence by our stakeholders and partners.	We accept no more than six reputational risks rated high or very high.	We have one reputational risk rated high or very high. This is five below our risk appetite.
Financial	Moderate – We are cautious about risks which might impact on our budgetary controls or our financial sustainability.	We accept no more than six financial risks rated high / very high.	We have three financial risks rated high or very high. This is three below our risk appetite.
	None – We have no appetite for risks that would leave us open to fraud or breaches of financial regulations.	We accept no financial risks rated high or very high.	We have no financial risks rated high or very high.
Operational	High – We have an open appetite where there are opportunities to develop and enhance our operational processes, systems, and controls, provided they improve our ability to achieve our corporate strategy outcomes. We want to minimise our focus on transactions and maximise our focus on where we can add value.	We accept no more than nine operational risks rated high or very high.	We have one operational risk rated high or very high. This is eight below risk our appetite.
	Low – We have a minimal appetite for risks which result in non-compliance with legislation or disclosure of sensitive information, which has the potential to negatively impact our integrity.	We accept no more than three operational risks rated high / very high.	We have one operational risk rated high or very high. This is two below our risk appetite.

Please note, some risks may be jointly categorised.

Remuneration and Staff Report

The tables on pages 46-49, together with the Fair Pay Disclosure note in the Remuneration and Staff Report have been subject to audit by the **sportscotland** External Auditor. The other sections in the Remuneration and Staff Report are reviewed by the External Auditor to ensure they are consistent with the financial statements.

Remuneration policy

sportscotland's staff pay award (up to and including Director level) is in line with Scottish Government's annual Pay Policy. All pay awards continue to require ministerial approval.

The Chief Executive pay award is in line with Scottish Government's Senior Pay Policy (Chief Executive Framework) and continues to require ministerial approval.

All executive directors' employment contracts are open ended and have three-month notice periods.

Salaries and Allowances (Audited)

The salary and pension entitlements of the most senior members of the **sportscotland** Group are as follows:

Name		Salary	All pension related benefits	Total
		£000	£000	£000
EXECUTIVE DIRECTORS				
S Harris*	2023	65-70	10.0-12.5	77.5-80.0
(CEO to 31/10/22)	2022	110-115	2.5-5.0	117.5-120.0
F Dunlop*	2023	95-100	10.0-12.5	107.5-110.0
(COO to 31/10/22, interim CEO from 1/10/22, CEO from 1/1/23)	2022	85-90	42.5-45.0	130.0-132.5
M Roberts*	2023	95-100	(2.5-5.0)	90.0-92.5
(Director of Sport Development to 31/05/23)	2022	90-95	20.0-22.5	112.5-115.0
M Whittingham*	2023	140-145	*	*
(Director of High Performance to 31/3/23)	2022	90-95	*	*
BOARD MEMBERS				
M Young (Chair)	2023	15-20	-	15-20
	2022	15-20	-	15-20
A Bain	2023	0-5	-	0-5
	2022	-	-	-
C Bain	2023	0-5	-	0-5
	2022	0-5	-	0-5
M Campbell	2023	0-5	-	0-5
	2022	0-5	-	0-5
C Grant	2023	0-5	-	0-5
	2022	0-5	-	0-5
S Lindsay	2023	0-5	-	0-5
	2022	0-5	-	0-5
C Mahoney	2023	0-5	-	0-5
	2022	0-5	-	0-5
D McDonald	2023	0-5	-	0-5
	2022	-	-	-
T Mistry	2023	0-5	-	0-5
	2022	-	-	-
H Ousta	2023	0-5	-	0-5
	2022	-	-	-
S Sandilands	2023	0-5	-	0-5
	2022	0-5	-	0-5
S Sweeney	2023	0-5	-	0-5
	2022	-	-	-
K U'ren	2023	0-5	-	0-5
	2022	0-5	-	0-5
A Watt	2023	0-5	-	0-5
	2022	-	-	-

The only benefits normally received by Executive Directors are: salary; and employer contributions to the pension fund. The only benefits received by Board members are: Board member fees. There was no performance pay nor bonuses payable across the organisation.

Directors' Pension Entitlements (Audited)

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension	Total Accrued Lump sum	Cash equivalent transfer value 2023	Cash equivalent transfer value 2022	Real Increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
F Dunlop	0-2.5	n/a	5-10	n/a	84	67	17
M Roberts	0-2.5	(0-2.5)	25-30	10-15	402	357	45
S Harris	(0-2.5)	10.0-12.5	60-65	120-125	1,295	1,254	51

* Note: M Whittingham is not in a final salary scheme and company contributions of £14k (2021/22, £18k) were made to a defined contribution scheme.

Directors' full year equivalent salaries for the year are: S Harris £115-120k (£110-115k 2021/22), F Dunlop £100-105k (£85-90k 2021/22), M Roberts £95-100k (£90-95k 2021/22) and M Whittingham £95-100k (£90-95k 2021/22).

Fair Pay Disclosure (Audited)

	2023	2022	Change
Range of staff remuneration	£21,142-£117,500	£18,885-£112,500	£2,257-£5,000
Staff average (salary and allowances)	£41,001	£39,755	£1,246
Highest earning director's total remuneration	£140-145k	£110-115k	£30k
Explanation of change: The 12.0% increase of the lowest pay grade is due to the transition of intern positions to salary pay scales. In general, any increases in salary were in line with Scottish Government guidance on pay awards, which was around 5% on average. The increase in highest earning director's total remuneration relates to a one-off exit package.			
Median (total pay and benefits)	£38,376	£36,900	£1,476
Median (salary only)	£38,376	£36,900	£1,476
Ratio between highest earning director's total remuneration and the median	3.71	3.05	0.66
Explanation of change: The 4% increase in median pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and median relates to a one-off exit package.			
25 th percentile (total pay and benefits)	£31,365	£29,871	£1,494
25 th percentile (salary only)	£31,365	£29,871	£1,494
Ratio between highest earning director's total remuneration and the 25 th percentile	4.54	3.77	0.77
Explanation of change: The 5% increase in 25 th percentile pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and 25 th percentile pay relates to a one-off exit package.			
75 th percentile (total pay and benefits)	£45,999	£44,230	£1,769
75 th percentile (salary only)	£45,999	£44,230	£1,769

Ratio between highest earning director's total remuneration and the 75 th percentile	3.10	2.54	0.56
<p>Explanation of change: The 4% increase in 75th percentile pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and 75th percentile pay relates to a one-off exit package.</p>			

Total pay and benefits:

There was no performance pay nor bonuses payable across the organisation.

The highest paid director earned £140k-£145k (£110k-£115k for 2021/22), an increase of 27.0% from the previous financial year. The percentage change is higher than usual as it includes an exit package as well as salary. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the highest paid director is zero, as there was no performance pay nor bonuses payable.

The percentage change in average salary and allowances from the previous financial year in respect of the employees of **sportscotland** taken as a whole is 3.1%. This calculation is based on employees in post as at 31 March, so is less than the average of 5% pay award. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the employees of **sportscotland** taken as a whole is zero, as there was no performance pay nor bonuses payable.

All salaries shown are the gross salaries paid by the **sportscotland** group. All salaries are split between the **sportscotland** Lottery Fund and **sportscotland** through a process that assesses every employee and their split of work between the two companies.

The Chair, Mel Young is remunerated through **sportscotland** and no recharges to the **sportscotland** Lottery Fund take place therein.

Remuneration is paid to council members at the rate of £180.51 for each meeting attended, along with an £90.26 payment for preparation for a board meeting. Attendance at Committee meetings is paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2022/23 were £328k (2021/22 £299k).

sportscotland made payments of £40k to consultants during 2022/23 (2021/22 £15k).

Staff report

A breakdown of the number of persons by gender who were part of the Boards at **sportscotland**, its Directors, Senior Managers and employees (including internships) as at the reporting period end date is as follows:

	Male		Female	
	Permanent	Temporary	Permanent	Temporary
Board members	8	n/a	4	n/a
Directors	3	0	0	0
Senior Managers	13	0	6	0
Employees	168	24	144	28

Total staff costs comprise (Audited)

	Group		sportscotland	
	2023 £000	2022 £000	2023 £000	2022 £000
Wages and salaries	10,281	9,362	7,062	6,425
Social security costs	1,132	1,068	800	800
Pension costs	1,891	1,754	1,350	1,338
IAS19 Adjustment	3,313	3,841	2,538	2,975
Aggregate staff costs	16,617	16,025	11,750	11,538

All employment contracts are within **sportscotland** and relevant amounts have been recharged to the Trust Company and Lottery accounts.

Reporting of Civil Service and other compensation schemes – exit packages (Audited)

Exit package band	2023 Number of compulsory redundancies	2023 Number of other departures agreed	2023 Total number of exit packages by cost band	2022 Total number of exit packages by cost band
<£10,000	-	1	1	-
£10,000 - £25,000	-	-	-	1
£25,000 - £50,000	-	1	1	1
>£50,000	-	-	-	1
Total number of exit packages	-	2	2	3
Total resource cost (£000)	-	42	42	113

Exit costs are accounted for in full in the year of departure.

Sickness absence rate

Sickness absence rate during the year was 1.4% (2021/22 1.2%).

People

Our people are our most valued asset at **sportscotland** and they are critical to the successful delivery of our corporate strategy, Sport for Life, and are supported through our people strategy. The vision of our people strategy is to be a high-performing organisation with strong, inspirational leadership and an engaged, motivated, kind, healthy and supportive workforce with the knowledge and skills to achieve our organisational objectives, within an environment and culture where everyone can thrive.

Equality, Diversity and Inclusion

sportscotland actively promotes policies for equal opportunities and to ensure non-discrimination on the grounds of any protected characteristic in accordance with the Equality Act 2010. Our commitment to inclusion underpins everything we do. We embed EDI principles in the recruitment, support and development of our people. We continue to learn more about our people's culture and experiences. We will continue to support our staff to learn more about how to make inclusive decisions.

Employee Involvement

sportscotland recognises one trade union for the purpose of collective bargaining, Public and Commercial Services Union (PCS).

We recognise the benefits of a positive and open relationship with our recognised trade union. As part of our commitment to working in partnership we offer paid facility time to our work place representatives to enable them to carry out union activities and duties. As an organisation, we derive benefits from allowing paid facility time.

The figures below are based on reported and known facility time.

- Relevant Union Officials – total number of employees who were relevant union officials during the relevant period – 3 employees (3.0 FTE).
- Percentage of working hours spent on facility time – number of employees who were relevant union officials employed during the relevant period spent:

Percentage of working hours	Number of Union Officials
0%	1
1 – 50%	2
51 – 99%	0
100%	0

- Percentage of pay bill spent on facility time – 0.01%
- Paid trade union activities - Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 42%

Staff policies applied during the year

sportscotland is committed to developing excellent management and leadership to ensure the organisation has clarity of purpose, is able to promote and accommodate change, ensure its resources are deployed in the most effective manner and shows a strong commitment to empowering managers and staff, achieving efficient operational delivery, promoting continuous improvement and achieving meaningful impact.

People Management is a critical element of this, and we have worked in partnership with ACAS on the design and delivery of workshops on all employee relations policies to help empower our line managers to effectively manage people. We are in process of designing an immersive core skills programme for new and aspiring line managers along a leader/manager as coach element for existing people managers. Cohorts continue to be supported through our Scottish Sporting Leaders Programme (SSLP), with delivery planned for two future tranches in 2023/24.

Parliamentary Accountability and Audit Report

Regularity of expenditure

sportscotland is principally funded by the Scottish Government and by the National Lottery.

Scottish Government funding for 2022/23 was confirmed in the Grant-in-Aid allocation and monitoring letter from the Population Health Improvement Directorate of the Scottish Government. The letter confirms that use of resources must be in accordance with Ministerial priorities as set out in the Strategic Guidance letter (2018/21), the agreed corporate and business plans, **sportscotland**'s framework document (which deals with corporate management matters and the application of non-lottery funds) and relevant guidance issued by the Scottish Ministers, in particular the Scottish Public Finance Manual.

Ministerial priorities for sport and physical activity for 2018/21, as rolled forward into 21/22 and 22/23 and as set out in the Strategic Guidance Letter, include:

- Impact against the 6 outcomes contained within the Active Scotland Outcome Framework;
- Steps planned or in place to:
 - provide support to disadvantaged groups and communities;
 - expand the reach to the inactive and underrepresented in sport, including teenage girls and older people through more innovative and creative community based approaches; and
 - empower communities to address inequality.
- An update on delivery of the specific manifesto commitments:
 - Community involvement in decisions about community facilities;
 - 200 Community Sports Hubs by 2020;
 - Supporting sport governing bodies efforts to end LGBTI discrimination;
 - Delivering a network of regional sports centres around the country;
 - Increase the participation, engagement, and promotion of women in sport;
 - support the delivery of two hours of quality PE for children at school;
 - supporting the "Daily Mile" beyond the school setting;
 - promoting the benefits of sport and physical activity on mental health; and
 - helping to make sure major sporting events are successful.

National Lottery funding for 2022/23 is administered in accordance with directions received from Scottish Government, in compliance with the National Lottery etc. Act 1993, as amended by the National Lottery Act 1998.

- Policy Directions issued to **sportscotland** under Section 26A(1)(A) of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

This sets out what **sportscotland** must consider in terms of the need to ensure that money is distributed under section 25(1) for projects that promote the public good and which are not intended primarily for private gain, and the need to ensure that money is distributed under section 25(1) to projects that make real and sustainable improvements to the quality of life of the people of Scotland. It also confirms the

need to promote access to sport and physical recreation for people from all sections of society, the need to promote health benefits, knowledge of, and interest in, sport by children, young people and adults, and the need to continue increasing participation and performance in Scottish sport and physical recreation.

- Financial Directions issued to **sportscotland** under Sections 26(3), (3A) and (4) as read with section 26(1)(a) of the National Lottery etc. Act 1993

sportscotland has to comply with the Statement of Financial Requirements set out in this document. **sportscotland** must operate within the principles of administrative law and must operate a system of internal controls to manage risk to a reasonable level to the achievement of policies, aims and objectives. It must also follow the guidance on applications, payments of grants and monitoring and evaluating projects.

The Chief Executive of **sportscotland** is designated as the Accountable Officer for the Lottery funds under **sportscotland**'s control and for signing the accounts for **sportscotland**'s Lottery distribution activities.

- Accounts Directions issued to **sportscotland** under Sections 35(3) of the National Lottery etc. Act 1993 direct that **sportscotland** shall prepare accounts in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual.

Fees and charges

The Scottish Sports Council Trust Company (a subsidiary of the Scottish Sports Council and part of the consolidated Group) receives revenue for the following income streams, split by centre, as follows:

	Inverclyde	Glenmore Lodge	2023 Total
	£000	£000	£000
Course Fees	1,065	1,082	2,147
Hires, Sales & Hospitality	774	370	1,144

Course fees represent income from a wide selection of courses, ranging from beginners courses in paddle sports and mountain skills to key "train the trainer" courses for industry expert qualifications. As a result, the course range and frequency are driven by a number of considerations, including commercial demand and the requirement to ensure that certain key industry qualifications are always available.

Hire, sales and hospitality income principally refers to hire of sporting facilities at Inverclyde and income from food, drink and accommodation at the national centres.

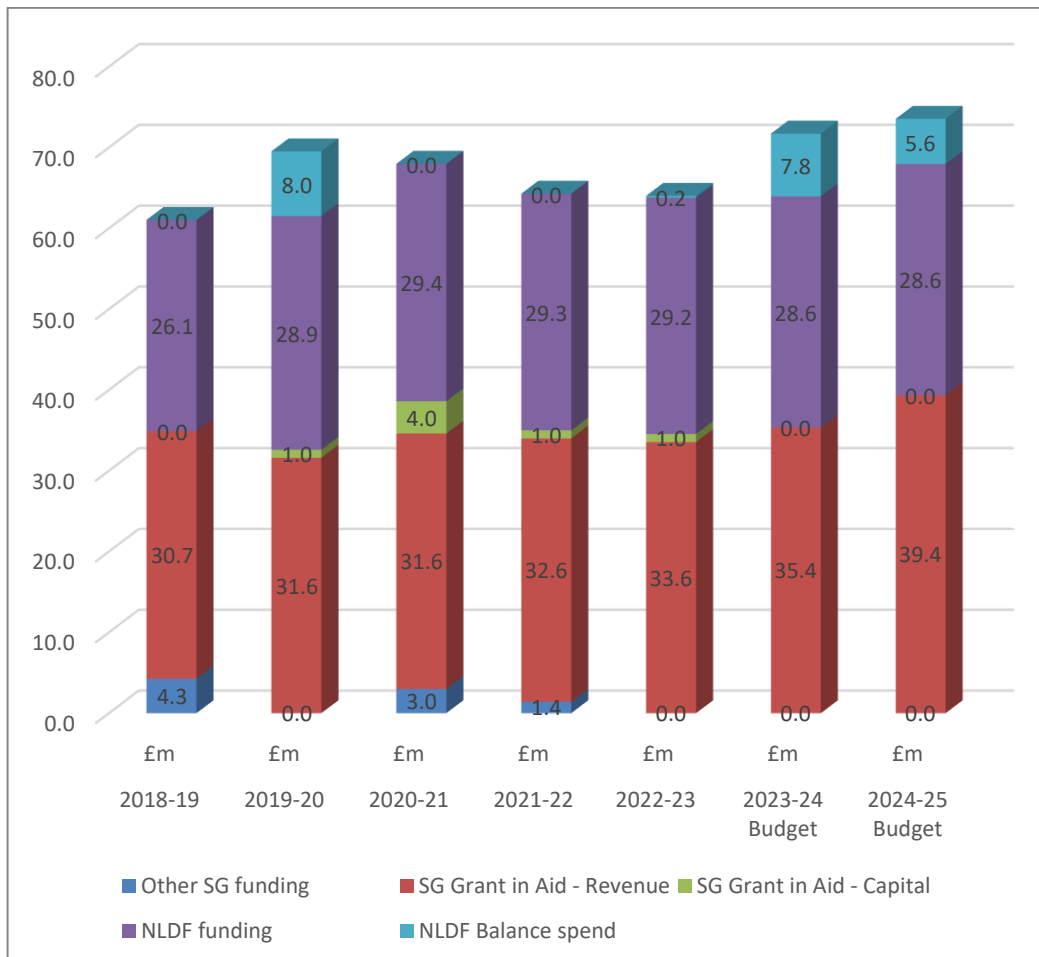
Contingent Liabilities

The company has three outstanding litigation claims at 31 March 2023, relating to three incidents that occurred during trading activities. Two of these claims were disclosed as contingent liabilities at 31 March 2022.

It is not possible to identify the likely timing of the conclusion of these matters, nor is it possible to reliably estimate the likely financial effect, if any, of these claims. The maximum value relating to these three claims is estimated at £2.15m (2022: £1.35m).

Long-term expenditure trends

sportscotland’s expenditure is driven by the funding provided by the Scottish Government (SG) through grant-in-aid and by the National Lottery distribution fund (NLDF). We set out below the funding received from these two entities over the last 5 years, together with the budget for 2023/24 and 2024/25:



Note: SG Funding for 2023/24 is based on a current Grant in Aid letter. SG Funding for 2024/25 has been estimated as it will not be known until later in 2023/24. NLDF Funding for 2023/24 and 2024/25 is based on Gambling Commission forecast revenue in those years. NLDF Balance spend represents planned capital spend and use of balance to support planned investment.

Forbes Dunlop

Forbes Dunlop
Chief Executive & Accountable Officer
 26 September 2023

Independent auditor's report to the members of sportscotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of sportscotland and its group for the year ended 31 March 2023 under Article 15 of the Royal Charter of the Scottish Sports Council (the Royal Charter). The financial statements comprise the Group Statement of Comprehensive Net Expenditure, the Group Statement of Changes in Taxpayers' Equity, the Group Statement of Financial Position, the Group Statement of Cash Flows and notes to the accounts, including the statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the affairs of the body and its group as at 31 March 2023 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 16 March 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the body and its group to continue to adopt the going concern basis of

accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the body and its group. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines 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 Accountable Officer is responsible for assessing the ability of the body and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that Article 15 of the Royal Charter of the Scottish Sports Council and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability

Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

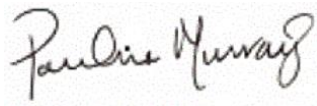
I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

A handwritten signature in black ink that reads "Pauline Murray". The signature is written in a cursive style with a large initial 'P'.

Pauline Murray CPFA
Senior Audit Manager

Audit Scotland
102 Westport
Edinburgh
EH3 9DN

26 September 2023

**Group Statement of Comprehensive Net Expenditure
for the year ended 31 March 2023**

	Notes	Group		sportscotland	
		2023 £000	2022 £000	2023 £000	2022 £000
Income					
Income from Activities	2	3,447	2,378	-	-
Other operating income	2	1,208	1,075	1,026	1,123
		4,655	3,453	1,026	1,123
Expenditure					
Trust Company Funding	3	-	-	(5,367)	(4,802)
Sports development and capital grants	3	(19,202)	(19,386)	(19,202)	(19,386)
Staff costs	4	(16,617)	(16,025)	(11,750)	(11,538)
Other operating charges	5	(6,333)	(5,177)	(2,122)	(1,653)
		(42,152)	(40,588)	(38,441)	(37,379)
Net Expenditure		(37,497)	(37,135)	(37,415)	(36,256)
Interest receivable		266	6	266	6
IAS 19 interest	15	(276)	(474)	(217)	(388)
IFRS 16 financing charge	7	(13)	-	(13)	-
Gain on disposal of assets		-	-	-	-
Net Expenditure after interest		(37,520)	(37,603)	(37,379)	(36,638)
Corporation tax	20	(56)	(1)	(56)	(1)
Net Expenditure after taxation		(37,576)	(37,604)	(37,435)	(36,639)
Other Comprehensive Income / Expenditure					
Gain/(Loss) on revaluation of assets	8	1,704	(200)	(180)	(200)
Actuarial gain/(loss)	15	44,613	17,182	36,546	14,216
Adjustment to show £nil net asset value	15	(32,659)	-	(27,182)	-
Total Comprehensive Net Expenditure		(23,918)	(20,622)	(28,251)	(22,623)

The notes to the accounts form part of these financial statements.

Group Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

2023

Group	General Fund	Pension Reserve	Total
	£000	£000	£000
Opening Balance	35,954	(8,365)	27,589
Net expenditure after taxation	(37,576)	-	(37,576)
Net gain/(loss) on asset revaluation	1,704	-	1,704
Remeasurement of Pensions	3,589	8,365	11,954
Grant in Aid	33,550	-	33,550
Closing Balance	37,221	-	37,221

2022

Group	General Fund	Pension Reserve	Total
	£000	£000	£000
Opening Balance	33,973	(21,232)	12,741
Net expenditure after taxation	(37,604)	-	(37,604)
Net gain/(loss) on asset revaluation	(200)	-	(200)
Remeasurement of Pensions	4,315	12,867	17,182
Grant in Aid	35,470	-	35,470
Closing Balance	35,954	(8,365)	27,589

sportscotland

2023

sportscotland	General Fund	Pension Reserve	Total
	£000	£000	£000
Opening Balance	11,585	(6,609)	4,976
Net expenditure after taxation	(37,435)	-	(37,435)
Net gain/(loss) on asset revaluation	(180)	-	(180)
Remeasurement of Pensions	2,755	6,609	9,364
Grant in Aid	33,550	-	33,550
Closing Balance	10,275	-	10,275

2022

sportscotland	General Fund	Pension Reserve	Total
	£000	£000	£000
Opening Balance	9,591	(17,462)	(7,871)
Net expenditure after taxation	(36,639)	-	(36,639)
Net gain/(loss) on asset revaluation	(200)	-	(200)
Remeasurement of Pensions	3,363	10,853	14,216
Grant in Aid	35,470	-	35,470
Closing Balance	11,585	(6,609)	4,976

The notes to the accounts form part of these financial statements.

Group Statement of Financial Position at 31 March 2023

	Notes	Group		sportscotland	
		2023 £000	2022 £000	2023 £000	2022 £000
Non-current assets					
Property, plant and equipment	6	29,754	27,431	1,110	1,137
Right of use assets	7	2,022	-	2,022	-
Investment property	8	1,620	1,800	1,620	1,800
Intangible Assets	9	33	-	-	-
Total non-current assets		33,429	29,231	4,752	2,937
Current assets					
Inventories	10	17	16	-	-
Trade and other receivables	11	1,485	1,208	1,348	1,124
Cash and cash equivalents	16	8,106	8,759	7,850	8,596
Total current assets		9,608	9,983	9,198	9,720
Total assets		43,037	39,214	13,950	12,657
Current Liabilities					
Trade and other payables	12	(2,743)	(2,041)	(1,511)	(944)
Lease Liabilities	7	(668)	-	(668)	-
Total current Liabilities		(3,411)	(2,041)	(2,179)	(944)
Total assets less net current liabilities		39,626	37,173	11,771	11,713
Non-current liabilities					
Lease Liabilities over 1 year	7	(1,354)	-	(1,354)	-
Creditors over 1 year	12	(909)	(1,091)	-	-
Pension liability	15	-	(8,365)	-	(6,609)
Provisions	13	(142)	(128)	(142)	(128)
Total non-current liabilities		(2,405)	(9,584)	(1,496)	(6,737)
Assets less liabilities		37,221	27,589	10,275	4,976
Taxpayers' equity					
General fund excluding pension reserve	14	37,221	35,954	10,275	11,585
Pension reserve	15	-	(8,365)	-	(6,609)
		37,221	27,589	10,275	4,976

The Accountable Officer authorised these financial statements for issue on

Forbes Dunlop

Mel Young

Forbes Dunlop
Chief Executive & Accountable Officer
 26 September 2023

Mel Young
Chair
 26 September 2023

The notes to the accounts form part of these financial statements.

Group Statement of Cash Flows for the year ended 31 March 2023

		Group		sportscotland	
	Notes	2023 £000	2022 £000	2023 £000	2022 £000
Cash flows from operating activities					
Net operating cost before Scottish Government funding		(37,576)	(37,604)	(37,435)	(36,639)
Adjustment for non-cash items					
IAS 19 adjustments	15	3,589	4,315	2,755	3,363
Depreciation of property, plant and equipment	6	782	660	97	42
Depreciation of right of use assets	7	673	-	673	-
Amortisation of intangible fixed assets	9	-	6	-	6
Net loss/(gain) on transfer of tangible fixed assets	6	-	-	-	(230)
(Increase) / decrease in inventories	10	(1)	(5)	-	-
(Increase) / decrease in trade and other receivables	11	(277)	(90)	(224)	(57)
Increase / (decrease) in trade payables	12	520	71	567	74
Increase/ (decrease) in provisions	13	14	6	14	6
Financing Charge	7	13	-	13	-
Net cash outflow from operating activities		<u>(32,263)</u>	<u>(32,641)</u>	<u>(33,540)</u>	<u>(33,435)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(1,224)	(1,006)	(73)	(209)
Proceeds from sale of tangible assets	6	3	-	3	-
Purchase of intangible assets	9	(33)	-	-	-
Net cash outflow from investing activities		<u>(1,254)</u>	<u>(1,006)</u>	<u>(70)</u>	<u>(209)</u>
Cash flows from financing activities					
Payment of finance lease liabilities	7	(686)	-	(686)	-
Net cash outflow from financing activities		<u>(686)</u>	<u>-</u>	<u>(686)</u>	<u>-</u>
Scottish Government funding for year		<u>33,550</u>	<u>35,470</u>	<u>33,550</u>	<u>35,470</u>
Net increase /(decrease) in cash and cash equivalents	16	(653)	1,823	(746)	1,826
Cash and cash equivalents as at 1 April		<u>8,759</u>	<u>6,936</u>	<u>8,596</u>	<u>6,770</u>
Cash and cash equivalents as at 31 March	16	<u>8,106</u>	<u>8,759</u>	<u>7,850</u>	<u>8,596</u>

The notes to the accounts form part of these financial statements

Notes to the Accounts

1 Statement of accounting policies

1.1 Basis of preparation

sportscotland holds controlling voting rights in the Trust Company, a charity, and it exercises financial control over the affairs of the Trust Company. The Group accounts combine the accounts of **sportscotland** and the Trust Company.

1.2 Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain non-current assets. The financial statements have been prepared in accordance with International Financial Reporting Standards, the financial memorandum of **sportscotland**, the requirements of the Accounts Direction issued by Scottish Ministers and the Government Financial Reporting Manual. A copy of the accounts direction is attached to these accounts.

The financial statements are prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements except as noted below.

Comparative figures shown relate to the year to 31 March 2022.

The format of the financial statements has been amended to ensure compliance with the FReM.

1.3 Key sources of judgement and estimation uncertainty

Estimations and judgements are regularly reviewed and evaluated based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a risk of adjustment to the carrying amount of assets and liabilities within the financial statements are:

Going concern – In common with similar public bodies, the future financing of **sportscotland**'s liabilities will be met by future grants in aid approved by the Scottish Parliament. The approval for amounts for 2023/24 has already been given and there is no reason to believe that future approvals will not be forthcoming. We have accordingly considered it appropriate to adopt a going concern basis for the preparation of these financial statements.

Pensions – The valuation carried out for the pension scheme is based on a number of complex judgements including the discount rate, salary increase rate, retirement ages, mortality rates and expected returns on pension fund assets. The continued uncertain market and financial conditions mean that this valuation carries a higher degree of subjectivity. Note 15 provides further information on the net pension liability.

Notes to the accounts (continued)

Property Valuations – Under International Accounting Standard 40: *Investment Property*, elements of Caledonia House in Edinburgh are classified as an investment property. At 31 March 2023 the Investment Property (Note 8) was valued by the District Valuer Service (DVS).

Land and Buildings are professionally revalued, normally every 5 years. The next valuation will be due on 31 March 2025. Between valuations **sportscotland** will use indexation data to assess whether there is a material impact on cost and adjust where necessary.

1.4 Revenue recognition

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.5 Property, plant and equipment depreciation, revaluation and impairment

Land and buildings together with related equipment at the National Centres are provided by **sportscotland**. These assets are capitalised in these financial statements at the original cost to **sportscotland**. Land and Buildings are adjusted for subsequent revaluations, carried out by the District Valuer Service (DVS), normally every 5 years. The next valuation will be due on 31 March 2025. Between valuations **sportscotland** will use indexation data to assess whether there is a material impact on cost and adjust where necessary.

Assets bought using funds generated by the operations of the Trust Company are treated as owned by the Trust Company. Long leasehold land and buildings are shown at their most recent valuation plus any additions at cost. Other fixed assets are valued each year by reference to their cost less straight line depreciation. Revaluation movements on Land and Buildings provided by **sportscotland** are accounted for in the Capital Contribution Reserve of the Trust.

In accordance with International Accounting Standard 36, *Impairment of Assets*, assets are reviewed at the end of each accounting period for impairment. Decreases in asset values and impairments that are the result of a loss of economic value or service potential are taken to the Statement of Comprehensive Net Expenditure.

Assets with a value of less than £2,000 are not capitalised.

Other than for land and property, we elected to adopt a depreciated historical cost basis as a proxy for current value in existing use for fair value of assets.

Depreciation is provided on all tangible fixed assets, other than land, on a straight-line basis, as follows:

Buildings	50 years
Fixtures and fittings	5 years
Equipment	4 years
Motor Vehicles	4 years

Depreciation is only provided for in the year of acquisition if the asset is purchased prior to 30 September. No depreciation is provided in the year of disposal.

Notes to the accounts (continued)

The finance team is advised of any assets that have been disposed during the year and this is backed up by the annual asset audit check which entails visiting the Group estate and checking the accuracy of the fixed asset register by verifying the location and condition of assets.

Where an asset is held under a finance lease, depreciation is provided over the shorter of the lease term and the policy for the class of assets concerned.

Depreciation is charged to the Statement of Comprehensive Net Expenditure on the revalued amount of the relevant assets. An element of the depreciation arises from the increase in valuation and is in excess of the depreciation that would be charged on the historic cost of the relevant assets.

1.6 Intangible Assets

Intangible assets are valued at cost less straight-line amortisation, the cost being amortised over four years.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as 'revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity'.

1.7 Other income

All other income is determined net of trade discounts, VAT and other similar taxes.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value which is based on estimated selling price.

1.9 Taxation, including deferred taxation

sportscotland is assessed to corporation tax, annually, based on bank interest and rental incomes received. The corporate tax rate of 19% applies to the taxable profits.

1.10 Grants

Financial assistance by way of grants may be given by **sportscotland** to any person or organisation in furtherance of the objects of **sportscotland**. Grants are charged to the Statement of Comprehensive Net Expenditure based on actual payments made.

1.11 Post-retirement benefits

All members of staff have the option of joining the Strathclyde Pension Fund (SPF). Existing employees are entitled to maintain their membership of the Scottish Teachers Superannuation Scheme (STSS).

Notes to the accounts (continued)

STSS

sportscotland participates in the STSS pension scheme providing benefits based on career average earnings. The assets of the scheme are held separately from those of **sportscotland**. **sportscotland** is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by IAS 19 “Employee Benefits”, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the contributions payable to the scheme in respect of the accounting period.

SPF

The SPF is a pension scheme providing benefits based on career average earnings. The assets and liabilities of the scheme are held separately from those of **sportscotland**. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of changes in taxpayers’ equity, actuarial gains and losses.

Whilst the staff who operate the national centres for the Trust Company are **sportscotland** employees, their costs of employment, including pension costs, are included in the Statement of Financial Activities in the Trust Company accounts and the associated pension liability for these staff is included in the Balance Sheet in the Trust Company accounts.

1.12 Research and development

Research costs are written off as incurred and not carried forward as an asset.

1.13 Leases

Rentals paid under operating leases which do not meet the requirements of IFRS16 are accounted for under IAS 17 and IFRIC 4 and are charged to the Statement of Comprehensive Net Expenditure in the year to which the invoice relates.

1.14 Lottery salary recharges

All employment contracts are within **sportscotland** and the relevant amounts are charged to the **sportscotland** Lottery Fund. All salary costs, except relocation and redundancy costs, are split between the **sportscotland** Lottery Fund and **sportscotland** through an annual budgeting process that assesses every employee and their split of work between the two companies.

Notes to the accounts (continued)

1.15 Government grants

The Government Financial Reporting manual requires non-departmental public bodies to treat grant-in-aid received for revenue purposes as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence to account for them as financing, i.e. by crediting them to the General Fund.

Grant-in-aid received to purchase specific fixed assets is credited to a Government Grant Reserve and released to the Statement of Comprehensive Net Expenditure over the expected useful life of the relevant assets. Grant-in-aid received to purchase general fixed assets is credited to the General Fund.

1.16 Investments

Investment properties are revalued annually and included in the Statement of Financial Position at fair value represented by market value.

1.17 Accounting Standards that have been issued but have not yet been adopted

All applicable accounting standards have been applied in the current year.

1.18 Accounting Standards adopted in the current year

IFRS 16 Lease accounting has been implemented in the current year using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

Policy applicable from 1 April 2022

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified assets – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Group has the right to make use of the asset.

This policy is applied to all contracts in place on 1 April 2022 and contracts entered into thereafter that are greater than 12 months.

Notes to the accounts (continued)

Policy applicable before 1 April 2022

For contracts entered into before 1 April 2022, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of specific asset or assets; and
- The arrangement had conveyed a right to use the asset.

As a lessee

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial measure of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the single HM Treasury nominal discount rate for leases, applicable at the commencement date.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase price option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is

Notes to the accounts (continued)

recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property on 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

Short term leases and leases of low value assets

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases of property, equipment and motor vehicles that have a lease term of 12 months or less and leases of low value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS17

In the comparative period, as a lessee the Group would have classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. Such assets would have been accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Notes to the accounts (continued)

2 Income

2.1 Income from activities

Income from the normal activities of the national sports centres:

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Course fees	2,147	1,340	-	-
Hires, sales and hospitality	962	521	-	-
HMRC Furlough income	-	288	-	-
Other income	338	229	-	-
	<u>3,447</u>	<u>2,378</u>	<u>-</u>	<u>-</u>

2.2 Other operating income comprises:

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Rental income	175	193	175	193
High performance income	585	647	585	647
Donations	182	182	-	-
Grants Repaid	-	33	-	33
Gain from transfer of Land and Buildings	-	-	-	230
Miscellaneous income	266	20	266	20
	<u>1,208</u>	<u>1,075</u>	<u>1,026</u>	<u>1,123</u>

2.3 Discontinued operations

Following on from an extensive, detailed business review, the Board took the difficult decision to discontinue operations at Cumbrae Watersports Centre from 30 September 2020 and close the centre. It remained closed for the duration of 2021/22 and 2022/23 with only essential maintenance taking place.

This has been treated as a discontinued operation in the Trust Company annual statements. The Statement of Financial Activities from those statements is shown below:

Notes to the accounts (continued)

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	<u>Continuing Operations</u>			<u>Discontinuing Operations</u>			Total 2023 £000	Total 2022 £000
	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000		
Income from								
Donations and legacies	4,314	1,184	5,498	-	-	-	5,498	4,802
Income from other trading activities	207	-	207	-	-	-	207	517
Charitable activities	3,291	-	3,291	-	-	-	3,291	2,043
Total income	7,812	1,184	8,996	-	-	-	8,996	7,362
Expenditure on								
Expenditure on raising funds	(455)	-	(455)	(2)	-	(2)	(457)	(416)
Charitable activities	(8,642)	-	(8,642)	(38)	-	(38)	(8,680)	(7,911)
Total expenditure	(9,097)	-	(9,097)	(40)	-	(40)	(9,137)	(8,327)
Net (expenditure)/income	(1,285)	1,184	(101)	(40)	-	(40)	(141)	(965)
Transfers between funds	1,184	(1,184)	-	-	-	-	-	-
Net expenditure before other recognised gains and losses	(101)	-	(101)	(40)	-	(40)	(141)	(965)
Other recognised Gains/(losses)								
Actuarial gain/(loss) on defined benefit pension schemes	2,590	-	2,590	-	-	-	2,590	2,966
Net movement in funds	2,489	-	2,489	(40)	-	(40)	2,449	2,001
Total funds at 1 April 2022	22,613	-	22,613	-	-	-	22,613	20,612
Total funds at 31 March 2023	25,102	-	25,102	(40)	-	(40)	25,062	22,613

3 Grants paid

3.1 Sports development

	Group		sportscotland	
	2023	2022	2023	2022
Revenue grants	£000	£000	£000	£000
Schools & Education	12,272	13,228	12,272	13,228
Clubs & Communities	4,300	3,880	4,300	3,880
Performance	1,996	2,176	1,996	2,176
Total revenue grants	18,568	19,284	18,568	19,284

This expenditure excludes any staff salary costs and administration costs which are disclosed separately under notes 4.1 and 5.1 respectively.

3.2 Grants for capital facilities

	Group		sportscotland	
	2023	2022	2023	2022
Capital grants	£000	£000	£000	£000
National, including competition and training	634	102	634	102
Total capital grants	634	102	634	102
Total revenue and capital grants	19,202	19,386	19,202	19,386

Notes to the accounts (continued)

3.3 Trust Company Funding

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Revenue	-	-	4,183	4,266
Capital	-	-	1,184	536
Total	-	-	5,367	4,802

4 Staff costs

4.1 Total staff costs comprise

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Wages and salaries	10,281	9,362	7,062	6,425
Social security costs	1,132	1,068	800	800
Pension costs	1,891	1,754	1,350	1,338
IAS19 Adjustment	3,313	3,841	2,538	2,975
Aggregate staff costs	16,617	16,025	11,750	11,538

All employment contracts are within **sportscotland** and relevant amounts have been recharged to the Trust Company and Lottery accounts.

The aggregate staff costs are split between operational areas as follows:

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Sports Development	1,571	1,531	1,571	1,531
High Performance	5,250	4,956	5,250	4,956
Corporate Services	2,391	2,076	2,391	2,076
Trust Company	4,092	3,621	-	-
IAS19 Adjustment	3,313	3,841	2,538	2,975
	16,617	16,025	11,750	11,538

Notes to the accounts (continued)

4.2 Average staff numbers

The average staff numbers, including part-time and full-time employees, was made up as follows:

	Group	
	2023 Numbers	2022 Numbers
sportscotland	170	170
Trust Company	112	103
	<u>282</u>	<u>273</u>

Additional information can be found in the Remuneration and Staff Report.

5 Other operating charges

	Group		sportscotland	
	2023 £000	2022 £000	2023 £000	2022 £000
Operating result after charging:				
General operating costs	3,741	2,957	870	712
Travel and subsistence:				
Members of Council	4	1	4	1
Staff	42	8	42	8
Research	28	12	28	12
Accommodation costs	1,110	973	533	392
Auditors' remuneration – External	47	39	35	28
Auditors' remuneration – Internal	27	24	27	24
Operating lease rentals:				
Land & Buildings	1	234	1	234
Vehicles	120	230	63	187
Other Equipment	19	33	10	7
IFRS 16 Depreciation Property	441	-	441	-
IFRS 16 Depreciation Non-Property	232	-	232	-
Lease charges recharged to sportscotland	(264)	-	(264)	-
National Lottery Distribution Fund				
Depreciation of property, plant and equipment	782	660	97	42
Amortisation of intangible assets	-	6	-	6
Loss on Disposal	3	-	3	-
	<u>6,333</u>	<u>5,177</u>	<u>2,122</u>	<u>1,653</u>

Notes to the accounts (continued)

6 Property, Plant & Equipment

6.1 Group

2023	Land and Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	Equipment £000	Motor Vehicles £000	Assets Held For Sale £000	Total £000
Cost/valuation at 1 April 2022	27,069	448	58	1,964	190	230	29,959
Additions in the year	933	-	-	268	23	-	1,224
Derecognition	448	(448)	-	-	-	-	-
Disposals in the year	-	-	-	(110)	-	-	(110)
Revaluations in the year	1,884	-	-	-	-	-	1,884
Cost/valuation at 31 March 2023	30,334	-	58	2,122	213	230	32,957
Aggregate depreciation at 1 April 2022	997	-	58	1,364	109	-	2,528
Charge for the year	523	-	-	218	41	-	782
Derecognition	-	-	-	-	-	-	-
Disposals in the year	-	-	-	(108)	-	-	(108)
Aggregate depreciation at 31 March 2023	1,521	-	58	1,474	150	-	3,203
Net Book Value at 31 March 2023	28,813	-	-	648	63	230	29,754
Net Book Value at 31 March 2022	26,072	448	-	600	81	230	27,431

The Group Land and Buildings includes Inverclyde Sports Centre and Glenmore Lodge Winter Sports Centre, which are leased from **sportscotland** to the Scottish Sports Council Trust Company on a 60 year lease, starting in 1992, for a nominal rent of £10 per annum. The Cumbrae Water Sports Centre was transferred from Surplus Assets to Assets Held for Sale in **sportscotland** and **sportscotland** Group during the financial year.

Notes to the accounts (continued)

2022	Land and Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	Equipment £000	Motor Vehicles £000	Surplus Assets £000	Total £000
Cost/valuation at 1 April 2021	27,150	-	80	1,783	240	-	29,253
Additions in the year	154	448	-	404	-	-	1,006
Transfers	(230)	-	-	-	-	230	-
Derecognition	-	-	-	(190)	-	-	(190)
Disposals in the year	(5)	-	(22)	(33)	(50)	-	(110)
Cost/valuation at 31 March 2022	<u>27,069</u>	<u>448</u>	<u>58</u>	<u>1,964</u>	<u>190</u>	<u>230</u>	<u>29,959</u>
Aggregate depreciation at 1 April 2021	499	-	80	1,472	117	-	2,168
Charge for the year	503	-	-	115	42	-	660
Derecognition	-	-	-	(190)	-	-	(190)
Disposals in the year	(5)	-	(22)	(33)	(50)	-	(110)
Aggregate depreciation at 31 March 2022	<u>997</u>	<u>-</u>	<u>58</u>	<u>1,364</u>	<u>109</u>	<u>-</u>	<u>2,528</u>
Net Book Value at 31 March 2022	<u>26,072</u>	<u>448</u>	<u>-</u>	<u>600</u>	<u>81</u>	<u>230</u>	<u>27,431</u>
Net Book Value at 31 March 2021	<u>26,651</u>	<u>-</u>	<u>-</u>	<u>311</u>	<u>123</u>	<u>-</u>	<u>27,085</u>

Notes to the accounts (continued)

6.2 sportscotland

2023

	Land and Buildings	Fixtures & Fittings	Equipment	Assets Held For Sale	Total
	£000	£000	£000	£000	£000
Cost/Valuation at 1 April 2022	700	13	1,203	230	2,146
Additions in the year	-	-	73	-	73
Derecognition	-	-	-	-	-
Disposals in the year	-	-	(106)	-	(106)
Cost at 31 March 2023	<u>700</u>	<u>13</u>	<u>1,170</u>	<u>230</u>	<u>2,113</u>
Aggregate Depreciation at 1 April 2022	22	13	974	-	1,009
Charge for period to 31 March 2023	11	-	86	-	97
Derecognition	-	-	-	-	-
Disposals	-	-	(103)	-	(103)
Aggregate Depreciation at 31 March 2023	<u>33</u>	<u>13</u>	<u>957</u>	<u>-</u>	<u>1,003</u>
Net Book Value at 31 March 2023	<u>667</u>	<u>-</u>	<u>213</u>	<u>230</u>	<u>1,110</u>
Net Book Value at 31 March 2022	<u>678</u>	<u>-</u>	<u>229</u>	<u>230</u>	<u>1,137</u>

Notes to the accounts (continued)

2022	Land and Buildings	Fixtures & Fittings	Equipment	Surplus Assets	Total
	£000	£000	£000	£000	£000
Cost/Valuation at 1 April 2021	700	13	1,184	-	1,897
Additions in the year	-	-	209	230	439
Derecognition	-	-	(190)	-	(190)
Disposals in the year	-	-	-	-	-
Cost at 31 March 2022	700	13	1,203	230	2,146
Aggregate Depreciation at 1 April 2021	11	13	1,133	-	1,157
Charge for period to 31 March 2022	11	-	31	-	42
Derecognition	-	-	(190)	-	(190)
Disposals	-	-	-	-	-
Aggregate Depreciation at 31 March 2022	22	13	974	-	1,009
Net Book Value at 31 March 2022	678	-	229	230	1,137
Net Book Value at 31 March 2021	689	-	51	-	740

Under International Accounting Standard 40: *Investment Property*, elements of Caledonia House in Edinburgh are classified as an investment property.

Notes to the accounts (continued)

7 Right of Use Assets

Under International Financial Reporting Standards 16, leases are classified as right of use assets from the date of initial application, 1 April 2022. The Group has applied the modified retrospective approach and therefore the comparative information has not been restated.

Right of Use Assets

sportscotland

2023	Property £000	Vehicles £000	Total £000
Cost/Valuation at 1 April 2022	-	-	-
Recognition of right of use assets	6,397	510	6,907
Additions in the year	114	100	214
Cost at 31 March 2023	<u>6,511</u>	<u>610</u>	<u>7,121</u>
			-
Aggregate Depreciation at 1 April 2022	-	-	-
Adjusted opening depreciation	4,426	-	4,426
Charge for period to 31 March 2023	441	232	673
Aggregate Depreciation at 31 March 2023	<u>4,867</u>	<u>232</u>	<u>5,099</u>
Net Book Value at 31 March 2023	<u>1,644</u>	<u>378</u>	<u>2,022</u>
Net Book Value at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

Group

2023	Property £000	Vehicles £000	Total £000
Cost/Valuation at 1 April 2022	-	-	-
Recognition of right of use assets	6,397	510	6,907
Additions in the year	114	100	214
Cost at 31 March 2023	<u>6,511</u>	<u>610</u>	<u>7,121</u>
			-
Aggregate Depreciation at 1 April 2022	-	-	-
Adjusted opening depreciation	4,426	-	4,426
Charge for period to 31 March 2023	441	232	673
Aggregate Depreciation at 31 March 2023	<u>4,867</u>	<u>232</u>	<u>5,099</u>
Net Book Value at 31 March 2023	<u>1,644</u>	<u>378</u>	<u>2,022</u>
Net Book Value at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the accounts (continued)

Lease Liabilities

Lease Liabilities	Group		sportscotland	
	2023 £000	2022 £000	2023 £000	2022 £000
Maturity Analysis				
Less than one year	676	-	676	-
One to five years	1,402	-	1,402	-
More than five years	21	-	21	-
Total undiscounted lease liabilities as at 31 March	2,098	-	2,098	-
	2023 £000	2022 £000	2023 £000	2022 £000
Lease liabilities included in the Group Statement of Financial Position				
Current	668	-	668	-
Non-current	1,354	-	1,354	-
	2,022	-	2,022	-
	2023 £000	2022 £000	2023 £000	2022 £000
Amounts recognised in Statement of Comprehensive Net Expenditure				
Interest on lease liabilities	(13)	-	(13)	-
Right of Use depreciation charge	(673)	-	(673)	-
	(686)	-	(686)	-
Expenses relating to short term leases	(140)	(497)	(74)	(428)
	2023 £000	2022 £000	2023 £000	2022 £000
Amounts recognised in Statement of Cash Flows				
Payment of finance lease liabilities	(686)	-	(686)	-

Notes to the accounts (continued)

8 Investment Property

Under International Accounting Standard 40: Investment Property, elements of Caledonia House in Edinburgh are classified as an investment property. On 31 March 2023 **sportscotland** obtained from the District Valuer Service (DVS), a market value of the elements of Caledonia House considered investment property. Investment property held relates to the leased out parts of Caledonia House.

		Group	sportscotland
		£000	£000
2023	Market value as at 1 April 2022	1,800	1,800
	Revaluation	(180)	(180)
	Market value as at 31 March 2023	<u>1,620</u>	<u>1,620</u>
2022	Market value as at 1 April 2021	2,000	2,000
	Revaluation	(200)	(200)
	Market value as at 31 March 2022	<u>1,800</u>	<u>1,800</u>

8.1 Revaluation Summary

		Group	sportscotland
		£000	£000
2023	Land & Buildings	1,884	-
	Investment Property	(180)	(180)
	Total	<u>1,704</u>	<u>(180)</u>
2022	Land & Buildings	-	-
	Investment Property	(200)	(200)
	Total	<u>(200)</u>	<u>(200)</u>

An assessment of the value of land and buildings was carried out using indexation. The calculation showed an increased value of Inverclyde main building of £1,884k compared to 2021/22, which has been adjusted.

Notes to the accounts (continued)

9 Intangible Assets

Computer software	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Cost				
Opening balance (1 April)	166	509	93	436
Additions during year	33	-	-	-
Derecognition	(21)	(343)	(21)	(343)
Closing balance (31 March)	178	166	72	93
Accumulated amortisation				
Opening balance (1 April)	166	503	93	430
Charge for year	-	6	-	6
Derecognition	(21)	(343)	(21)	(343)
Closing balance (31 March)	145	166	72	93
Net book value at 31 March	33	-	-	-

10 Inventories

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods held for resale	13	7	-	-
Consumable stores	4	9	-	-
	17	16	-	-

11 Trade and Other Receivables

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	209	181	123	112
sportscotland Lottery Fund	693	522	693	522
Other debtors	40	112	40	154
Prepayments and accrued income	543	393	492	336
	1,485	1,208	1,348	1,124
Breakdown by Category				
	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Other Central Government Bodies	-	-	-	-
Local Authorities	-	-	-	-
Other External Bodies	1,485	1,208	1,348	1,124
Total	1,485	1,208	1,348	1,124

Notes to the accounts (continued)

12 Trade and Other Payables

Less than one year	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	423	486	87	251
Other taxation and social security	404	-	404	-
Other creditors	2	9	92	9
Accruals	1,914	1,546	928	684
Total	2,743	2,041	1,511	944

Breakdown by Category	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Other Central Government Bodies	51	45	51	45
Local Authorities	182	182	-	-
Other External Bodies	2,510	1,814	1,460	899
Total	2,743	2,041	1,511	944

Greater than one year	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Other creditors	909	1,091	-	-
	909	1,091	-	-

Breakdown by Category	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Local Authorities	909	1,091	-	-
Total	909	1,091	-	-

12.1 Financial Instruments (under IFRS)

As the cash requirements of **sportscotland** are met through Grant-in-Aid provided by Scottish Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with **sportscotland's** expected purchase and usage requirements and **sportscotland** is therefore exposed to little credit, liquidity or market risk.

12.2 Creditors over 1 year

Amount shown as due from more than one year relates to an advance payment for facility use at the National Centre at Inverclyde. These funds are being released over the 11 year period of the agreement with the local authority, to cover the period April 2018 to March 2029.

Notes to the accounts (continued)

13 Provisions for Liabilities and Charges

The movement during the year in the provision for liabilities and charges was:

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Balance at 1 April	128	122	128	122
Amount provided for during year	14	6	14	6
Balance at 31 March	142	128	142	128

The provision is for dilapidation on rental property and represents the costs to reinstate property to the conditions at the time of executing the lease.

14 General Fund

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Balance at 1 April	27,589	12,741	4,976	(7,871)
Net operating cost	(37,576)	(37,604)	(37,435)	(36,639)
Gain/(Loss) on revaluation of assets	1,704	(200)	(180)	(200)
Actuarial (Loss) /Gain on Defined benefit pension Scheme	11,954	17,182	9,364	14,216
Funding: Grant-in-Aid - Capital	1,000	-	-	-
- Revenue	32,550	35,470	33,550	35,470
Funding: Other grants from Scottish Government	-	-	-	-
Transfer from (to) other Reserves	-	-	-	-
Balance at 31 March	37,221	27,589	10,275	4,976
Pension reserve balance	-	8,365	-	6,609
General fund balance	37,221	35,954	10,275	11,585

Notes to the accounts (continued)

15 Pension and Similar Obligations

All members of staff have the option of joining the Strathclyde Pension Fund (SPF). Existing employees are entitled to maintain their membership of the Scottish Teachers Superannuation Scheme (STSS). Both schemes are defined benefit schemes and **sportscotland** contributes 19.3% and 23.0% (2021/22 19.3% and 23.0%) of employee pensionable salaries to the respective schemes. The charge in the financial statements reflects the costs incurred by **sportscotland** during the year for the STSS £16k (2021/22 £22k) and SPF £2,048k (2021/22 £1,885k), which includes £722k apportioned to **sportscotland** Lottery Fund.

All employees of the former Scottish Institute of Sport were, and continue to be, eligible to join an employer sponsored money purchase scheme. The scheme operates on a defined contribution basis with the employer contribution equivalent to 19.3% of gross basic salary for eligible employees. The scheme is fully insured with Aviva. The cost of contributions during the year was £98k (2021/22 £95k).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The latest full actuarial valuation of the employer contributions to the SPF scheme was at 31 March 2020. The STSS was last valued during 2021/22.

The valuation carried out for the pension scheme is based on a number of complex judgements including the discount rate, salary increase rate, retirement ages, mortality rates and expected returns on pension fund assets.

All employment contracts are within **sportscotland** thus the pension obligations relating to employees is included within **sportscotland**. However, the pension contributions in the year are split between the **sportscotland** Lottery Fund and **sportscotland** through a process that assesses every employee and their split of work between the two companies.

The split for **sportscotland** pension contributions during 2022/23 was 65% (2021/22: 65%) with the balance, 35%, (2021/22: 35%) allocated to the **sportscotland** National Lottery Distribution Fund.

15.1 The Scottish Teachers Superannuation Scheme

sportscotland participates in the Scottish Teachers' Pension Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations.

The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last valuation was undertaken during 2021/22 based on data as at 31 March 2016. This valuation informed an employer contribution rate of 23.0% of pensionable pay to March 2023 and an anticipated yield of 9.4% employees' contributions.

sportscotland has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

Notes to the accounts (continued)

15.2 The Strathclyde Pension Fund

The **sportscotland** group, which includes the Scottish Sports Council Trust Company participates in a defined benefit scheme in the UK, the Strathclyde Pension Fund. The defined benefit is based on earnings in each year of employment and length of employment with **sportscotland**.

The Strathclyde Pension Fund is part of the Local Government Pension Scheme (LGPS) in Scotland, a national pension scheme for people working in local government or working for other employers that participate in the scheme.

The pension fund sets out its approach to investment in its investment strategy statement. The statement includes the pension fund's policy on social and environmental considerations. The portfolio of investments is detailed in note 15.7. The scheme rules can only be changed with the approval of Scottish Parliament.

A cost management process ensures the long-term sustainability of the LGPS. The cost of the Scheme is monitored to make sure it stays within limits agreed by HM Treasury. Changes to the Scheme design may be required if the cost of the LGPS becomes higher or lower than those limits.

The value of assets held with the fund relating to the **sportscotland** group represents 0.39% of the total fund (£110,116k of £27.9bn).

An actuarial valuation for the **sportscotland** group pension assets and liabilities was carried out at 31 March 2023 by an independent qualified actuary. The actuarial valuation for 31 March 2023 has calculated a net pension asset for **sportscotland**, principally driven by the year on year change in assumption of the discount rate used in the valuation. As a result, **sportscotland** needed to consider the technical guidance in IFRIC14 on the IAS19 treatment of the pension valuation.

Entity	Net asset (liability) at 31/3/23 £000	Net asset (liability) at 31/3/22 £000	Variance £000
sportscotland	27,182	(6,609)	33,791
sportscotland Trust Company	5,477	(1,756)	7,233
	<hr/> 32,659	<hr/> (8,365)	<hr/> 41,024

Notes to the accounts (continued)

sportscotland has taken the following steps to help ascertain the appropriate valuation of the potential pension asset in the Group accounts in line with the technical guidance:

- **sportscotland** requested the following additional calculations from the actuary for both **sportscotland** and the Trust Company to support the net asset valuation assessment by management:
 - The surplus in the defined benefit plan; and
 - The asset ceiling (the present value of future benefits relating to a cash refund or reduction of future contributions)

	sportscotland as at 31/3/23	Trust Company as at 31/3/23	Group as at 31/3/23
	£000	£000	£000
Original actuarial valuation	27,182	5,477	32,659
Net present value of future service costs as at 31 March 2023	28,047	8,724	36,771
Net present value of future service costs less net present value of future contributions as at 31 March 2023	Nil	165	165

- **sportscotland** considered if these additional calculations should lead to a reduction in the initial net asset position and discussed its approach to the valuation of the net asset position with external auditors of **sportscotland** and the Trust Company
- **sportscotland** formed an opinion on the net asset value for disclosure in the **sportscotland** and Trust Company accounts

Management Opinion

It is management's expectation that **sportscotland** will not be able to reduce its contributions to the scheme nor will it be able to obtain a refund in respect of the contributions that have given rise to the surplus as calculated by the actuary. We cannot timeously withdraw the asset from the fund and there is uncertainty around future events that would impact the key drivers of the value of the asset.

Management has also considered the asset ceiling valuations prepared by the actuary, as noted above. Management would therefore consider it prudent to value the net pension asset at £nil in the Group accounts.

Notes to the accounts (continued)

15.3 Financial Assumptions

The financial assumptions, as described in the actuarial report, are summarised below:

	2023	2022	2021
Rate of increase in salaries	3.65%	3.85%	3.5%
Rate of increase in pensions in payment and deferred pensions (CPI)	2.95%	3.15%	2.8%
Discount rate applied to scheme liabilities	4.75%	2.75%	2.05%

15.4 Sensitivity Analysis

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used.

The sensitivities regarding the principal assumptions used to measure the scheme obligations are set out below:

Change in assumptions at 31 March 2023	Approx. % increase to Defined Benefit Obligation	Approx. monetary amount (£000)	
		Group	sportscotland
0.1% decrease in Real Discount Rate	2%	1,860	1,528
1 year increase in member life expectancy	4%	3,098	2,559
0.1% increase in the Salary Increase Rate	0%	193	156
0.1% increase in the Pension Increase Rate (CPI)	2%	1,694	1,394

In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31 March 2023 on varying bases.

The approach taken is consistent with that adopted to derive the IAS19 figures provided in this report.

The principle demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Please note the above figures have been derived based on the membership profile of **sportscotland** as at the date of the most recent actuarial valuation.

The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

Notes to the accounts (continued)

15.5 Demographic Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below (rates apply for both **sportscotland** group and Scottish Sports Council Trust Company):

	Males	Females
Current pensioners	19.3 years	22.2 years
Future pensioners	20.5 years	24.2 years

15.6 Fair value of employer assets

The below asset values are at bid value as required under IAS19:

Group	31 March 2023				31 March 2022			
	Quoted prices in Active Markets	Quoted prices not in Active Markets	Total	%	Quoted prices in Active Markets	Quoted prices not in Active Markets	Total	%
Asset Category	£000	£000	£000	%	£000	£000	£000	%
Equity Securities:								
Consumer	4,926	14	4,940	4%	5,193	5	5,198	5%
Manufacturing	5,982	158	6,140	6%	4,873	17	4,890	4%
Energy & Utilities	551	-	551	1%	1,146	9	1,155	1%
Financial Institutions	2,336	8	2,344	2%	3,045	11	3,056	3%
Health & Care	3,911	6	3,917	4%	3,697	12	3,709	3%
Information Technology	3,797	11	3,808	3%	6,444	-	6,444	6%
Private Equity:								
All	-	27,065	27,065	25%	-	21,723	21,723	20%
Real Estate:								
UK Property	-	9,079	9,079	8%	-	9,358	9,358	8%
Investment funds and unit trusts:								
Equities	474	36,018	36,492	33%	616	40,473	41,089	37%
Bonds	-	12,699	12,699	12%	-	11,207	11,207	10%
Commodities	-	43	43	0%	-	38	38	0%
Infrastructure	-	707	707	0%	-	97	97	0%
Other	-	245	245	0%	-	179	179	0%
Derivatives:								
Other	-	-	-	-	-	-	-	-
Cash and cash equivalents:								
All	1,523	563	2,086	2%	2,786	37	2,823	3%
Total	23,500	86,616	110,116	100%	27,800	83,166	110,966	100%

Notes to the accounts (continued)

sportscotland Asset Category	31 March 2023				31 March 2022			
	Quoted prices in Active Markets £000	Quoted prices not in Active Markets £000	Total £000	%	Quoted prices in Active Markets £000	Quoted prices not in Active Markets £000	Total £000	%
Equity Securities:								
Consumer	4,078	11	4,090	4%	4,312	4	4,316	5%
Manufacturing	4,952	131	5,083	6%	4,046	14	4,060	4%
Energy & Utilities	456	-	456	1%	952	7	959	1%
Financial Institutions	1,934	7	1,941	2%	2,529	9	2,538	3%
Health & Care	3,237	5	3,243	4%	3,069	10	3,079	3%
Information Technology	3,144	9	3,152	3%	5,350	-	5,350	6%
Private Equity:								
All	-	22,406	22,406	25%	-	18,038	18,038	20%
Real Estate:								
UK Property	-	7,516	7,516	8%	-	7,770	7,770	8%
Investment funds and unit trusts:								
Equities	393	29,817	30,210	33%	511	33,607	34,118	37%
Bonds	-	10,513	10,513	12%	-	9,306	9,306	10%
Commodities	-	36	36	0%	-	32	32	0%
Infrastructure	-	585	585	0%	-	81	81	0%
Other	-	202	202	0%	-	148	148	0%
Derivatives:								
Other	-	-	-	-	-	-	-	-
Cash and cash equivalents:								
All	1,261	466	1,727	2%	2,313	31	2,345	3%
Total	19,455	71,704	91,159	100%	23,082	69,057	92,140	100%

Notes to the accounts (continued)

15.7 Changes in fair value of plan

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability

Period ended 31 March 2023

	Assets	Group Obligations	Net Asset/ (Liability)
	£000	£000	£000
Fair value of plan assets	110,966	-	110,966
Present value of funded obligations	-	119,083	(119,083)
Present value of unfunded obligations	-	248	(248)
Opening Position as at 31 March 2022	110,966	119,331	(8,365)
Service cost			
Current service cost*	-	5,819	(5,819)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total Service Cost	-	5,819	(5,819)
Net interest			
Interest income on plan assets	3,072	-	3,072
Interest cost on defined benefit obligation	-	3,348	(3,348)
Total net interest	3,072	3,348	(276)
Total defined benefit cost recognised in Profit or (Loss)	3,072	9,167	(6,095)
Cashflows			
Participants' contributions	871	871	-
Employer contributions	2,481	-	2,481
Benefits paid	(1,665)	(1,665)	-
Unfunded benefits paid	(25)	(25)	-
Contributions in respect of unfunded benefits paid	25	-	25
Effect of business combinations and disposals	-	-	-
Expected closing position	115,725	127,679	(11,954)
Remeasurements			
Changes in financial assumptions	-	(56,166)	56,166
Changes in demographic assumptions	-	(814)	814
Other experience	-	6,758	(6,758)
Return on assets excluding amounts included in net interest	(5,609)	-	(5,609)
Total remeasurements recognised in Other Comprehensive Income	(5,609)	(50,222)	44,613
Fair value of plan assets	110,116	-	110,116
Present value of funded obligations	-	77,239	(77,239)
Present value of unfunded obligations	-	218	(218)
Closing position as at 31 March 2023	110,116	77,457	32,659

Notes to the accounts (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability

Period ended 31 March 2023

	sportscotland		
	Assets	Obligations	Net Asset/ (Liability)
	£000	£000	£000
Fair value of plan assets	92,139	-	92,139
Present value of funded obligations	-	98,500	(98,500)
Present value of unfunded obligations	-	248	(248)
Opening Position as at 31 March 2022	92,139	98,748	(6,609)
Service cost			
Current service cost*	-	4,473	(4,473)
Past service cost (including curtailments)	-	-	-
Effect of settlements	-	-	-
Total Service Cost	-	4,473	(4,473)
Net interest			
Interest income on plan assets	2,547	-	2,547
Interest cost on defined benefit obligation	-	2,764	(2,764)
Total net interest	2,547	2,764	(217)
Total defined benefit cost recognised in Profit or (Loss)	2,547	7,237	(4,690)
Cashflows			
Participants' contributions	671	671	-
Employer contributions	1,910	-	1,910
Benefits paid	(1,458)	(1,458)	-
Unfunded benefits paid	(25)	(25)	-
Contributions in respect of unfunded benefits paid	25	-	25
Effect of business combinations and disposals	-	-	-
Expected closing position	95,809	105,173	(9,364)
Remeasurements			
Changes in financial assumptions	-	(46,135)	46,135
Changes in demographic assumptions	-	(664)	664
Other experience	-	5,603	(5,603)
Return on assets excluding amounts included in net interest	(4,650)	-	(4,650)
Total remeasurements recognised in Other Comprehensive Income	(4,650)	(41,196)	36,546
Fair value of plan assets	91,159	-	91,159
Present value of funded obligations	-	63,759	(63,759)
Present value of unfunded obligations	-	218	(218)
Closing position as at 31 March 2023	91,159	63,977	27,182

Notes to the accounts (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability

Period ended 31 March 2022

	Assets	Group Obligations	Net Asset/ (Liability)
	£000	£000	£000
Fair value of plan assets	101,258	-	101,258
Present value of obligations	-	122,490	(122,490)
Opening Position as at 31 March 2021	101,258	122,490	(21,232)
Service cost			
Current service cost*	-	6,197	(6,197)
Past service cost (including curtailments)	-	73	(73)
Effect of settlements	-	-	-
Total Service Cost	-	6,270	(6,270)
Net interest			
Interest income on plan assets	2,094	-	2,094
Interest cost on defined benefit obligation	-	2,568	(2,568)
Total net interest	2,094	2,568	(474)
Total defined benefit cost recognised in Profit or (Loss)	2,094	8,838	(6,744)
Cashflows			
Participants' contributions	813	813	-
Employer contributions	2,405	-	2,405
Benefits paid	(1,364)	(1,364)	-
Unfunded benefits paid	(24)	(24)	-
Contributions in respect of unfunded benefits paid	24	-	24
Effect of business combinations and disposals	-	-	-
Expected closing position	105,206	130,753	(25,547)
Remeasurements			
Changes in financial assumptions	-	(10,860)	10,860
Changes in demographic assumptions	-	(841)	841
Other experience	-	279	(279)
Return on assets excluding amounts included in net interest	5,760	-	5,760
Total remeasurements recognised in Other Comprehensive Income	5,760	(11,422)	17,182
Fair value of plan assets	110,966	-	110,966
Present value of funded obligations	-	119,083	(119,083)
Present value of unfunded obligations	-	248	(248)
Closing position as at 31 March 2022	110,966	119,331	(8,365)

Notes to the accounts (continued)

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability

Period ended 31 March 2022

	sportsotland		
	Assets	Obligations	Net Asset/ (Liability)
	£000	£000	£000
Fair value of plan assets	84,324	-	84,324
Present value of obligations	-	101,786	(101,786)
Opening Position as at 31 March 2021	84,324	101,786	(17,462)
Service cost			
Current service cost*	-	4,778	(4,778)
Past service cost (including curtailments)	-	73	(73)
Effect of settlements	-	-	-
Total Service Cost	-	4,851	(4,851)
Net interest			
Interest income on plan assets	1,741	-	1,741
Interest cost on defined benefit obligation	-	2,129	(2,129)
Total net interest	1,741	2,129	(388)
Total defined benefit cost recognised in Profit or (Loss)	1,741	6,980	(5,239)
Cashflows			
Participants' contributions	626	626	-
Employer contributions	1,852	-	1,852
Benefits paid	(1,193)	(1,193)	-
Unfunded benefits paid	(24)	(24)	-
Contributions in respect of unfunded benefits paid	24	-	24
Effect of business combinations and disposals	-	-	-
Expected closing position	87,350	108,175	(20,825)
Remeasurements			
Changes in financial assumptions	-	(8,961)	8,961
Changes in demographic assumptions	-	(696)	696
Other experience	-	230	(230)
Return on assets excluding amounts included in net interest	4,789	-	4,789
Total remeasurements recognised in Other Comprehensive Income	4,789	(9,427)	14,216
Fair value of plan assets	92,139	-	92,139
Present value of funded obligations	-	98,500	(98,500)
Present value of unfunded obligations	-	248	(248)
Closing position as at 31 March 2022	92,139	98,748	(6,609)

Notes to the accounts (continued)

15.8 Reconciliation of fair value of employer assets

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Opening Fair Value of Employer Assets	110,966	101,258	92,139	84,324
Expected Return on Assets	3,072	2,094	2,547	1,741
Contributions by Members	871	813	671	626
Contributions by the Employer	2,481	2,405	1,910	1,852
Contributions in respect of Unfunded Benefits	25	24	25	24
Actuarial Gains/(Losses)	(5,609)	5,760	(4,650)	4,789
Estimated Unfunded Benefits Paid	(25)	(24)	(25)	(24)
Estimated Benefits Paid	(1,665)	(1,364)	(1,458)	(1,193)
Closing Fair Value of Employer Assets	110,116	110,966	91,159	92,139

15.9 Reconciliation of defined benefit obligation

	2023	2022	2023	2022
	£000	£000	£000	£000
Opening Defined Benefit Obligation	119,331	122,490	98,748	101,786
Current Service Cost	5,819	6,197	4,473	4,778
Past Service Cost	-	73	-	73
Interest Cost	3,348	2,568	2,764	2,129
Contributions by Members	871	813	671	626
Actuarial Losses / (Gains)	(50,222)	(11,422)	(41,196)	(9,427)
Estimated Unfunded Benefits Paid	(25)	(24)	(25)	(24)
Estimated Benefits Paid	(1,665)	(1,364)	(1,458)	(1,193)
Closing Defined Benefit Obligation	77,457	119,331	63,977	98,748

15.10 Fund History

Group	2019	2020	2021	2022	2023
	£000	£000	£000	£000	£000
Present value of liabilities	(96,027)	(88,511)	(122,490)	(119,331)	(77,457)
Fair Value of Assets	82,507	80,939	101,258	110,966	110,116
Surplus/(Deficit) in the Fund	(13,520)	(7,572)	(21,232)	(8,365)	32,659

Unfunded liabilities included in the figure for the Present value of liabilities

Unfunded liabilities for Pension Fund	(336)	(286)	(285)	(248)	(218)
---------------------------------------	-------	-------	-------	-------	-------

The liabilities show the underlying commitments that **sportscotland** has in the long run to pay post-employment (retirement) benefit. The assets represent the value of the investments held which will be used to settle those obligations.

Notes to the accounts (continued)

15.11 Analysis of amounts included in Statement of Comprehensive Net Expenditure

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Expected return on pension scheme assets	3,072	2,094	2,547	1,741
Interest on pension scheme liabilities	(3,348)	(2,568)	(2,764)	(2,129)
Total Net Interest	(276)	(474)	(217)	(388)

15.12 Analysis of amount charged to staff costs in Statement of Comprehensive Net Expenditure

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Current service cost	5,819	6,197	4,473	4,778
Past service cost	-	73	-	73
Contribution by employers	(2,481)	(2,405)	(1,910)	(1,852)
Contributions in respect of unfunded benefits	(25)	(24)	(25)	(24)
	3,313	3,841	2,538	2,975
Interest charged to Statement of Comprehensive Net Expenditure	276	474	217	388
Net Change in Cash Flows	3,589	4,315	2,755	3,363

15.13 Analysis of amount recognised in Statement of Changes in Taxpayers' Equity

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Actual return less expected return on scheme assets	(5,609)	5,760	(4,650)	4,789
Experience gains and losses arising on scheme liabilities	(6,758)	(279)	(5,603)	(230)
Changes in financial assumptions	56,166	10,860	46,135	8,961
Changes in demographic assumptions	814	841	664	696
Actuarial (Loss) /Gain on Defined benefit pension Scheme	44,613	17,182	36,546	14,216
Adjust actuarial gain to show £nil asset value	(32,659)	-	(27,182)	-
Actuarial (loss)/gain recognised in statement of changes in taxpayers' equity	11,954	17,182	9,364	14,216

Notes to the accounts (continued)

15.14 History of Experience Gains and Losses

	2019	2020	2021	2022	2023
	%	%	%	%	%
Experience gains/(losses) on assets	3.0	(7.0)	16.3	5.2	(5.1)
Experience gains/(losses) on liabilities	0.0	(0.5)	(0.9)	0.2	8.7

15.15 Movement in surplus/deficit during the year

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Deficit in scheme at beginning of year	(8,365)	(21,232)	(6,609)	(17,462)
Current service cost	(5,819)	(6,197)	(4,473)	(4,778)
Past service cost	-	(73)	-	(73)
Contributions paid	2,481	2,405	1,910	1,852
Contributions in Respect of Unfunded Benefits	25	24	25	24
Net Return on Assets	(276)	(474)	(217)	(388)
Actuarial (loss)/ gain	44,613	17,182	36,546	14,216
Surplus/(Deficit) in the scheme at end of year	32,659	(8,365)	27,182	(6,609)
Adjust actuarial gain to show £nil asset value	(32,659)	-	(27,182)	-
Net surplus/(deficit)	-	(8,365)	-	(6,609)
The surplus/(deficit) is made up as follows				
sportscotland	27,182	(6,609)		
sportscotland Trust Company	5,477	(1,756)		
	32,659	(8,365)		

It is estimated that employer's contributions required for the year to 31 March 2024 will be £2,481k (£1,910k for **sportscotland** and £571k for Trust Company) compared to actual costs of £2,481k this financial year (£1,910k & £571k respectively).

16 Analysis of Changes in Cash during the Year

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash and bank balance at 1 April	8,759	6,936	8,596	6,770
Net cash inflow/(outflow)	(653)	1,823	(746)	1,826
Cash and bank balance at 31 March	8,106	8,759	7,850	8,596

The bank balance held in the Group accounts is made up of the following:

	Group	
	2023	2022
	£000	£000
sportscotland	7,850	8,596
Scottish Sports Council Trust Company	256	163
	8,106	8,759

Notes to the accounts (continued)

17 Capital and Grant Commitments

Capital

There are capital commitments of £nil (2021/22 £929k) contracted or authorised as at 31 March 2023.

Grants

Conditional on funds being made available by the Scottish Government Health and Wellbeing Department there were commitments to pay grants to various bodies and organisations of £68,415k (2021/22 £22,737k).

18 Related Party Transactions

sportscotland was established by Royal Charter in 1972 and is sponsored by the Scottish Government Health and Wellbeing Directorate.

The Scottish Government is regarded as a related party. During the year **sportscotland** had various material transactions with the Scottish Government and with other entities for which the Scottish Government is regarded as the Sponsor Department.

During the year **sportscotland** had a number of material transactions with The Scottish Sports Council Trust Company which is controlled by **sportscotland**. **sportscotland** provided Capital funding of £1,184k (2021/22 £536k), revenue funding of £3,776k (2021/22 £3,865k), and support from corporate services of £407k (2021/22 £401k).

The **sportscotland** National Lottery Distribution Fund is administered by **sportscotland** and all **sportscotland** members are Members of the Council of the **sportscotland** National Lottery Distribution Fund. **sportscotland** National Lottery Distribution Fund is thus regarded as a related party of **sportscotland**.

During the year the **sportscotland** National Lottery Distribution Fund had a number of material transactions with **sportscotland**. At the year end, within debtors there is an amount of £693k (2021/22 £523k) owed by **sportscotland** National Lottery Distribution Fund. During the year **sportscotland** recharged salaries of £4,924k (2021/22: £4,477k).

The Chair and Chief Executive of **sportscotland** are trustees of the Commonwealth Games (Scotland) Endowment Fund. This trust fund was established during the year to 31 March 2003 and funded from grant-in-aid monies ring fenced by Government for this purpose. The inaugural trustees are drawn two from **sportscotland**, two from the Commonwealth Games Council for Scotland, with one independent chairperson. As a result, **sportscotland** does not exercise control and, accordingly, the Commonwealth Games (Scotland) Endowment Fund is not a part of the **sportscotland** Group and not consolidated within the Group results. All related party transactions have been undertaken on arm's length terms.

There were no related party transactions with members within the year.

A list of individual awards made to external bodies and amounts paid to individual sports is shown on the **sportscotland** website at <https://sportscotland.org.uk/about-us/investment-reporting/>.

Notes to the accounts (continued)

19 Financial Commitments

At 31 March 2023 the Group had annual commitments under non-cancellable operating leases as follows:

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Operating leases which expire				
Within one year	31	690	23	663
Two to five years	-	811	-	803
Over five years	-	-	-	-
Total	31	1,501	23	1,466

20 Taxation

sportscotland is assessed to corporation tax, annually, based on bank interest and rental incomes received. The corporate tax rate of 19% applies to the taxable profits.

	Group		sportscotland	
	2023	2022	2023	2022
	£000	£000	£000	£000
Corporation Tax	56	1	56	1

21 Losses

sportscotland had no write-offs during the year (2022 £nil).

22 Events Since the Statement of Financial Position Date

There are no events since the Statement of Financial Position date that need to be noted. (2022 one).

Accounts Direction

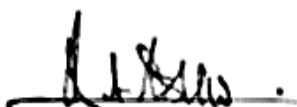
In accordance with Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000



SPORTSCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Article 15 of The Royal Charter of the Scottish Sports Council (now trading as sportscotland), hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 12 March 2001 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated 31 March 2006