

sportscotland
National Lottery
Distribution Fund

Annual Report and Accounts
for the year ended 31st March 2017

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for the year ended 31st March 2017

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Minister's Foreword

At the midway point of **sportscotland's** 2015-2019 Corporate Plan, we have the opportunity to reflect on the contribution made by our national agency for sport in advancing the shared vision set out in the Active Scotland Outcomes Framework. During the course of the year I have had the opportunity to travel the length and breadth of the country, witnessing the power of sport, and the positive impact it can have on people's lives.

sportscotland has and continues to play an important role in facilitating and setting the strategic context for how sport can enrich our lives, but also in enhancing the system wide approach that is the envy of many throughout the world and helps Scotland to compete and win on the world stage. I recognise that this can't happen without the countless dedicated volunteers, clubs, coaches and athletes but the strength of our world class sporting system is that there is a clear and coherent approach to delivering an Active Scotland. I am delighted that **sportscotland** has continued to prioritise inequality through its investment and within its leadership role to ensure everyone has the opportunity to enjoy sport. But I am also really pleased that communities throughout the length and breadth of Scotland are being empowered to ensure they are at the heart of decision making as to how and where sport is delivered.

Community Sports Hubs in particular are providing more and better opportunities for people of all ages and abilities to be active. Crucially, these are designed and delivered by the local communities they serve and are continually evolving with many becoming far more than a place to be active but rather delivering a wide range of activity to meet the needs of their local community. This is community empowerment in action. I am pleased that we are well on our way to achieve our target of 200 Community Sport Hubs by 2020.

Beyond all the local facility development throughout Scotland, we've also recently seen the unveiling of our two magnificent performance centres at Oriam and the UK's first fully accessible facility for disability sport users at Inverclyde. These facilities aren't just for high performance athletes, but in line with our approach they are tangible community assets for the people of Scotland.

I am also delighted that Active Schools continues to grow and is delivering encouraging results with over 6.5 million participant sessions in academic year 2015/16. Active Schools is well embedded within all Local Authority areas and has proven its value by delivering a wide range of sport and physical activity opportunities for children and young people to get involved, and stay involved, in sport. This provides an excellent foundation to ensure future generations have the skills, confidence and aptitude to be active throughout their lifetime which we know will lead to being healthier.

It is right that we celebrate these achievements, but also recognise there is more work to be done. It is vital that **sportscotland** builds on this positive momentum and we continue to work together to achieve our vision to create a Scotland where participating in sport is a way of life, and at the heart of Scottish society, positively impacting on individuals and communities, getting more people more active more often with true equality of opportunity for all.

Aileen Campbell MSP, Minister for Public Health and Sport

sportscotland

Lottery Fund

Statement of Account Prepared Pursuant to Section 35 of the National Lottery etc Act 1993

Report of the Council

Foreword

The Scottish Sports Council 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 therefor". On 1 July 1999 the Scottish Sports Council adopted the trading name of **sportscotland**.

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

Under the directions given by the Scottish Ministers all distributing bodies must prepare separate statements of accounts relating to the disbursement of Lottery monies.

Format of Accounts

These accounts have been prepared in accordance with the accounts direction issued by Scottish Ministers.

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

This document sets out our Annual Accounts for the period from 1 April 2016 to 31 March 2017 describing our performance and use of resources over the second year of our 2015-19 corporate plan.

The half-time interval gives sports teams the opportunity to pause for thought and review their performance against predetermined goals. This year's **sportscotland** annual report, *Playing Our Part*, allows us to do the same. The national agency for sport is two years into the delivery of its 2015-19 corporate plan: *Raising The Bar*. This halfway point is the perfect time to assess and reflect on our progress and to ensure we continue to deliver a world class sporting system for everyone in Scotland.

So how did we play our part in 2016-17?

In participation terms, I am proud to report that we have a strong network of 179 community sport hubs across Scotland and are well on course to achieve our fixed target of 200 by 2020. We continued to empower local people to support the development of hubs in their community and provide additional support for hubs within the lowest 5% of Scottish Index for Multiple Deprivation (SIMD) areas.

School sport in Scotland goes from strength to strength – thanks, in large part, to our investment in Active Schools where we saw a 5% increase in both the number of activity sessions and the number of distinct participants in the 2015-16 academic year. Pupils made more than 6.5 million visits to Active Schools sessions encompassing over 100 sports and activities, and more than 87% of the people delivering these sessions were volunteers.

Effective partnerships were central to this success. Active School Coordinators continued to work closely with schools staff to develop these opportunities and empower young people as leaders in sport, while partnerships with clubs strengthened the connection between school and community environments.

This year we made considerable advances in our digital communications, enabling us to tell our stories to a wider audience and delivering added value for our funders, the Scottish Government and The National Lottery.

It was wonderful to see the culmination of two very special facilities projects in 2016 and 2017. The rebuilt **sportscotland** Inverclyde national sports training centre and the brand new Oriam, Scotland's Sports Performance Centre, are much more than bricks and mortar – they are places that will inspire people to be involved in sport. Inverclyde, designed for inclusivity, has the distinction of being the first residential sports centre of its kind in the UK. The centre is fully accessible and, like Oriam, will be available to everyone in Scotland – from schools and local communities to sports clubs, sports governing bodies and high-performance athletes.

In the summer of 2016 we witnessed and applauded the extraordinary success of Britain's National Lottery-funded athletes in Team GB and ParalympicsGB, who set a

new aggregate record of 214 medals for an away Games. Every medal won by a Scot in Rio was testament to the hundreds of people who apply their professional expertise in our high-performance network and we were delighted to host a homecoming event at Oriam that gave our Olympians and Paralympians an opportunity to meet and mix with school children and community representatives.

Two of the outcomes we identify as a priority in Raising The Bar are participation and progression. In 2016-17 **sportscotland** achieved demonstrable success in both and thanks are due to everyone who contributed to this accomplishment, especially our valued partners in the Scottish Governing Bodies of sport (SGBs) and Scotland's 32 local authorities and their Trusts.

Stewart Harris, Chief Executive Officer, **sportscotland**

Chair Overview

In my first year as Chair of **sportscotland** it has been a privilege to travel the country meeting some of the many people who underpin Scotland's world class sporting system. There is a rich tapestry of dedicated people out there who inspire and motivate others in their community to get involved and stay involved in sport and create an environment that allows them to participate and progress.

At **sportscotland** we are playing our part in the Scottish Government's Active Scotland Outcomes Framework by developing a culture where it is natural to take part in sport, reducing the number of barriers to participation. Equalities and inclusion are a big priority for the organisation and I am proud to say we now have an even split of women and men on the **sportscotland** Board, meeting the Scottish Government's 50/50 by 2020 pledge.

Outstanding work is being done in communities throughout Scotland, much of it funded by The National Lottery, to make sure our system is fully integrated with strong links between schools, clubs and performance sport. I would like to think that everyone involved in the system felt a degree of pride when witnessing the record-breaking heroics of our Olympians and Paralympians in Rio last summer.

In November, I visited Shetland and saw some of the great facilities on the islands before taking part in the Shetland Sports Awards which encapsulated the breadth and depth of sport at all levels. There was a great atmosphere and smiles all round, particularly amongst young people.

In April, I was guest at Boxing Scotland 2017 Elite Championship Finals in Ravenscraig and it was fabulous to see the range of talent from across many communities in Scotland. Boxing is a sport that demonstrates how significant impact can be made at a grassroots level at the same time as developing high performance athletes who can win medals.

I love all sport and often enjoy watching from the side-lines. I managed to catch a shinty match involving Kyles Athletic in Tighnabruaich where a tiny crowd of enthusiasts from the village watched an enthralling game which was played in a great spirit and to a high standard by local people. In many ways, for me, it summed up what sport is all about.

It is very important that we continue to tell the stories of Scottish sport and raise the profile of the work being done and I hope you will be informed and inspired by the contents of Playing Our Part. Each of the impact measures analysed in this document tells its own story, as does each of the human experiences featured in our videos.

One project completed in early 2017 embodies the work of our agency at a national level. The £12million redevelopment of **sportscotland** Inverclyde national sports training centre has been an exemplary case of project management and partnership working, resulting in a state-of-the-art facility being delivered on time and on budget. Inverclyde is a remarkable and truly inclusive sports centre, offering some of the best facilities for disabled athletes in Europe at the same time as embracing community use.

There are a number of world class places that underpin Scotland's sporting system but they would be nothing without dedicated people. There are thousands of volunteers out there who seek no reward for the hours they give to sport, who believe in the power of sport to change lives and who never forget the most important thing about sport – that it should be fun.

It has been fun meeting them.

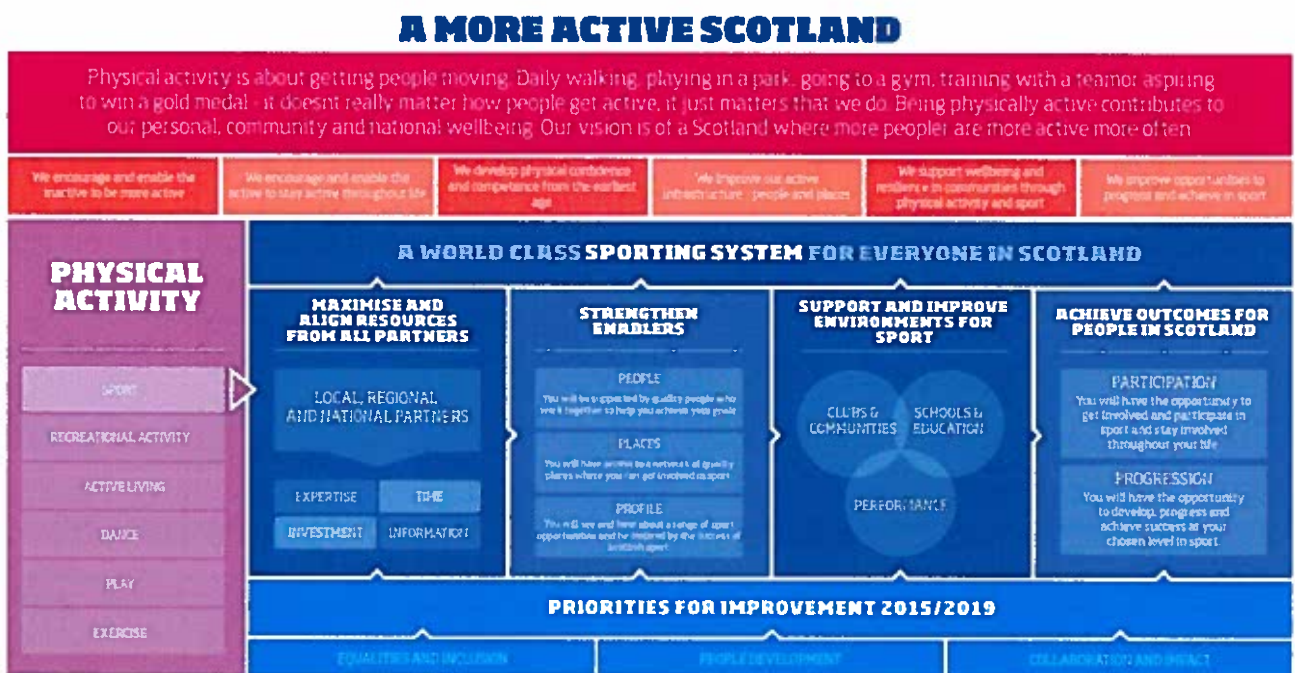
Mel Young, Chair **sportscotland**

Purpose and activities of the organisation

sportscotland is the national agency for sport. We believe passionately that sport makes a positive and valuable contribution to personal, community and national wellbeing in Scotland. Our vision is a Scotland where sport is a way of life, where sport is at the heart of Scottish society and has a positive impact on people and communities.

The power of sport means it contributes to the five strategic objectives outlined in Scotland Performs, which unite all public organisations in Scotland: wealthier and fairer, smarter, healthier, safer and stronger, and greener. Within this context sport contributes directly to the Scottish Government's vision of a Scotland where more people are more active more often, and the Active Scotland Outcomes Framework, as shown in Figure 1.

Figure 1: Sport's contribution to Active Scotland Outcomes Framework



We are a non-departmental public body, responsible through Scottish Ministers to the Scottish Parliament. We are also a National Lottery Fund distributor and we are governed by The National Lottery distribution rules. We invest Scottish Government and National Lottery resources to build a world class sporting system for everyone in Scotland.

This report applies to the sportscotland group, which is sportscotland and the sportscotland Trust Company. sportscotland has three directorates: sports development, high performance and corporate services. We deliver from bases across Scotland, including our headquarters in Glasgow, the sportscotland institute of sport in Stirling and our regional bases in Aberdeen, Dundee, Edinburgh, Inverness and Stirling. The sportscotland Trust Company operates three national centres; Glenmore Lodge, Cumbrae and Inverclyde.

We have a range of functions and services including:

- providing a range of sports expertise to Scottish Government to support policy development and policy delivery through our key activities and partnerships.
- leading, supporting and coordinating the key deliverers of sport, and strengthening and extending the relationships and interactions across the sporting system.
- investing National Lottery and Scottish Government funding.
- adding value to Scottish sport on the back of major events and our partners' investments.
- delivering high-quality performance programmes and providing expert support services to Scottish athletes on the world stage through the sportscotland institute of sport.
- offering high-quality courses and training opportunities for a wide range of sports participants and people working in sport.
- collaborating with UK and international sporting systems to ensure Scotland's ambitions for sport are well represented and well integrated at a UK and international level.
- understanding and promoting the contribution of sport to wider social and economic outcomes.

Risk Management

We achieve our risk management objectives by applying our risk management framework and process, which is designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed. We review the risk management framework and process regularly. It was most recently updated in late 2015-16 using evidence from internal audit, internal consultation, and the Audit and Risk Committee.

During 2016-17 our risk management framework and process maintained internal controls through seven risk registers aligned to the portfolios in our 2015-17 business plan. Portfolio groups reviewed these quarterly and relevant risks were escalated to the corporate risk register. The portfolio and corporate risk registers are held in Covalent, our corporate performance management system.

The corporate risk register is reviewed by the **sportscotland** Board annually, and the Audit and Risk Committee every six months. The outcomes of these meetings provide control strategies and mitigation for risks rated high. Significant risks are those that are still rated high after mitigating actions have been put in place and these risks are monitored by the Senior Management Team and Board. At the end of 2016-17 there was one significant risk, shown in Table 1.

Table 1: Significant risk as at the end of 2016-17

Risk	Mitigation
<p>Reduced political and financial support for sport adversely impacts sportscotland's ability to deliver its corporate plan</p>	<p>Continue to work with the Scottish Government and main political parties nationally to ensure value of sport is recognised (Preventative)</p> <p>Continue to ensure that National Lottery funding is profiled as appropriate (Preventative)</p> <p>Aligning our outcomes against the priorities outlined in the Scottish Government's strategic guidance. (Preventative)</p>

Performance summary

Our 2015-19 corporate plan sets out our mission to build a world class sporting system for everyone in Scotland. World class expresses our aspiration and ambition to be the best we can be at all levels in sport. We drive this ambition by focusing on continuous improvement and developing systems and processes to measure progress as we develop and support the system. We have put people and local communities at the heart of our thinking as we have evolved the sporting system, working closely with our key partners to ensure it represents our collective efforts.

During 2016-17 we continued to refine our measurement of the impact our work is having. We report on our annual performance by highlighting our work across the sporting system, with a particular focus on the 16 impact measures in our corporate plan, which describe our contribution to the outcomes and enablers in the sporting system.

This section provides a summary of our work across the world class sporting system, which is not covered by the impact measures:

- Maximising and aligning resources from all partners
- Strengthening enablers
- Supporting and improving environments for sport

The performance analysis section provides qualitative and quantitative indicators against the 16 impact measures, including trend analysis where this is possible. As we continue to develop this approach, future reports will provide more in-depth indicators and trend analysis.

MAXIMISING AND ALIGNING RESOURCES FROM ALL PARTNERS

Partnerships

A wide range of local, regional and national partners contribute their time, expertise, investment and information into Scotland's sporting system. These partnerships are critical to the success and development of the system. We work with, and provide leadership to, these partners focussing on aligning our shared resources to deliver the best outcomes for people in Scotland.

We helped enhance the focus of partner strategies and their delivery against outcomes by improving relationships, taking a more integrated approach to planning, and aligning plans to more tailored investment. We supported strategic national partners, all Scottish governing bodies of sport (SGBs) and 32 local authorities, to develop effective leadership, policies and processes, specifically inputting and influencing their strategies for sport.

Gender diversity within SGB leadership roles, including board members, chief executives and chairs, continues to improve, with women now making up 27% of positions.¹ This is an increase from 25% last year ². SGB development audits have

¹ Data is collected from SGB application form (section 5.2) 2017-18.

² Data is collected from SGB application form (section 5.2) 2016-17.

shown governance is improving, with a 12.8% increase in the number of SGBs achieving satisfactory with comments or better, from 39 in 2015-16 to 44 in 2016-17.

We worked with Children 1st to improve and support invested SGBs in safeguarding children and protected adults, with 96% of all SGBs compliant with the current Minimum Operating Requirements in child protection. In addition we strengthened our developing relationship with Disclosure Scotland and Volunteer Scotland. This will result in further improvements to the welfare and safety of children and protected adults in Scotland, through additional training, support and the piloting of new standards across the sporting system in the future.

Through our regional infrastructure we continued to develop strong partnerships which connect national and local planning and delivery. Further improvement to the data collected through MySport across clubs, community sport hubs (CSHs) and Active Schools is resulting in better use of data for planning and improvement purposes.

We continued to engage with local and national political organisations to increase their awareness and understanding of sport. In a 2016 survey MSPs rated **sportscotland** at 68% for familiarity, and 75% for favourability, these reflected minor changes since the previous survey in 2015. This continues to be one of the highest ratings of a public body in Scotland. We also provided high quality support to Scottish Government Ministers through our Policy Enquiries service and delivered more staff expertise at Ministerial engagements and appearances. The number of Policy Enquiries increased to 1,691 in 2016-17, compared to 660 in 2014-15.

Through the **sportscotland** Trust Company, we promoted and strengthened collaboration and development around outdoor and adventure sport. Throughout this year the national centres engaged directly with over 30 SGBs and associations. Part of this work has at times involved leading the development of SGB qualifications. The centres have managed several sporting events and conferences and accommodated a number of national squad camps. All the centres remain directly accessible by participants, athletes and clubs.

Our organisation

The our organisation portfolio drives the core services underpinning delivery across all operational areas and encourages improvements, through better intelligence from investment in new systems and processes, which help make the organisation become more efficient and smarter, and remain trusted.

We always strive for efficiency, and we made several achievements over the last year. We invested in new servers to provide a better service for staff, reduce energy use and take up less office space. We reduced costs through a new mobile contract and car lease scheme. We rolled out our new financial system, helping to produce more effective management information alongside improved financial planning and budget management. We also invested in and rolled out a new booking system to the National Centre: Inverclyde and Cumbrae.

We invested in a new HR information system, to be rolled out over two years, to help managers and facilitate self service. We also completed a full review of our HR policies to help people managers use their staffing resources as effectively as possible.

It is critical that **sportscotland** is trusted by its stakeholders, staff and partners. In effect this means we need to work in an open and transparent manner, operating within the

parameters set out in legislation and take account of Scottish Government guidance while managing risks and ensuring opportunities are taken to improve and innovate. Following the publication of the Equality and Sport research, we developed new equality outcomes for 2017 to 2021.

Our strategic and corporate approach to procurement was recognised externally by achieving a Silver Award through the Scottish Government's Procurement and Commercial Improvement Programme. Connected to this through the Inverclyde Project we were able to contract with two supported businesses, a key aim of the Scottish Government's Procurement strategy.

We submitted our updated Records Management Plan to the Scottish Commissioner leading to the development of an agreed action plan. We supported the Scottish Government's Public Appointments Unit recruitment process for new Board members, generating 134 applications for the five vacant places, the highest number of any past round. As a result we achieved a 50/50 gender balance on the Board three years ahead of the Scottish Government's 2020 target.

STRENGTHENING ENABLERS

People

People development is a key priority underpinning the sporting system and our people portfolio drives our work in this area. It includes programmes that focus on the development of coaches and coaching, as well as young people as leaders and leadership development for professional staff across the sporting sector.

Our work with young people continues to grow and develop, engaging their views about the sporting system and how it can be improved. Our third young people's sport panel is made up of 15 young people who are representative of a wide range of ages, life experiences and geographic locations. We received 185 applications because we strengthened the recruitment process to reach a wider spectrum of individuals and organisations. We continued to draw on the panel's views about the sporting system and how it can be improved. During its first year, the panel was involved in responding to national consultations; supporting decision making on national programmes; and, presenting at and supporting regional and national events. The panel has identified three key areas which it aims to lead and influence over the next two years: LGBT; disability; and, girls and young women.

We continued to invest in 35 SGBs to support coaching network posts and coaching programme delivery. In a busy year of change we supported the recruitment of coaching network staff in eight sports. We also supported coaching network staff by delivering a two-day development seminar in February, which focused on: creating a diverse workforce; a digital approach to coach development; and, how to collectively deliver the most significant coaching impact.

We undertook a review of Coaching Scotland, the strategic framework for the development of coaches and coaching in Scotland, which included consultation with our key partners. A refreshed Coaching Scotland will be established in 2017-18.

Working closely with SGBs, we continued to support coach education and development opportunities, with over 3,300 people receiving offers of financial support to complete UKCC qualifications across 26 different sports. This is the largest investment in coach education grants we have ever made in any one year. We had almost 12,000

attendances by coaches accessing a range of learning and development opportunities, delivered by SGBs and directly by sportscotland.

Our refreshed delivery model for competition organiser training offers greater reach, flexibility and control for local partners, enabling them to deliver training to their own young people, to suit local needs, and local leadership opportunities and pathways. So far 27 local authorities have engaged in this revised approach.

The sportscotland Trust Company continues to support and develop sporting leaders as a primary focus. SGB research indicates that a leader's individual reach is an average of 150 to 249 participants per year. With 1,315 leaders trained through national centres Glenmore Lodge and Cumbrae, the minimum reach is 200,000 participants. In addition Cumbrae and Glenmore Lodge directly supported 7,218 students.

Places

We are committed to ensuring that sports facilities are well planned, and are affordable, accessible and inclusive to people who want to get involved and stay involved in sport and physical activity. We offer our time and our expertise in the planning, design and operation of sports facilities, as well as investment in them, to help achieve this objective.

Through our role as a statutory planning consultee we supported an increase in annual pitch capacity of over 10,000 playing hours. We did this through our responses to 55 planning applications. We also engaged with 24 plans or programmes from local authorities, influencing spatial policy to ensure the needs of sport are protected and promoted.

Our time and expertise is a valuable resource, and we continuously strive to enhance this to ensure we add value to stakeholders. To share our expertise as widely as possible we published guidance notes and case studies designed to help clubs and community groups develop places for sport. This included guidance on Community Asset Transfer, accessible design and case studies on different project types. We continued to engage with key organisations in the sports construction industry and sport generally to ensure we remain close to new developments or emerging priorities

We managed the implementation of projects funded from the Sport Facilities Fund and National and Regional Project Fund, and successfully completed the delivery of projects funded from the Legacy 2014 Active Places Fund and the CashBack for Sports Facilities Fund. During 2016-17, across all funds, we invested £7.58m into 33 projects, with a total investment by others of £18.5m. This investment has moved progressively towards prioritising projects that will provide opportunities for people to get involved in sport and physical activity who share protected characteristics that are under-represented in sport or are located in or serve SIMD areas. This focus will continue in 2017-18, driven by a refreshed Sport Facilities Fund that will require applicants to evidence how their projects will contribute towards addressing inequality and exclusion.

We played a key role in managing the design and delivery of major capital projects, including Oriam: Scotland's National Performance Centre for Sport, which was completed and opened in September 2016. We also invested £1.5m into the construction of a National Curling Centre at the Peak in Stirling. The project is now well underway and due for completion in August 2017. We continued to work with Scottish Target Shooting on the development of proposals for a National Training Centre for Shooting.

Our capital investment in the redevelopment of sportscotland Inverclyde national sports training centre has supported the delivery of an inspirational and inclusive facility. The team at Inverclyde was fully engaged with the project team while successfully managing the operational challenge of being open for business. During the redevelopment project, the centre was able to accommodate over 5,000 visits to fitness classes and 73,413 hours of facility use. More broadly the sportscotland Trust Company's continued support for a broad range of sports; clubs and communities led to over 55,000 day visits to our national centres.

Profile

Our communications approach is to explain the contribution of sport, to celebrate Scottish sport, and to highlight the opportunities for all to get involved, progress and achieve across the sporting system. We do this through strategic relationship management and multi-channel message dissemination. During 2016-17 we made a significant shift in our communications strategy towards a more digital way of working.

Our primary target audience is those within the sporting system and include our local authority and SGB partners and the media. We profile all areas of the sporting system from schools and education, clubs and communities and high performance environments to the people and places that enable the nation to participate and progress in sport.

Throughout 2016-17 we have made a number of improvements to drive smarter communications, including:

- converting Sport First, our flagship publication, into a digital content hub where we tell the stories behind the world class sporting system to new as well as existing audiences. All Sport First stories are uploaded in real time and promoted via social media and email marketing.
- redeveloping the sportscotland website to improve the experience for people accessing it on mobile devices. Our website now meets AA accessibility standards. We also refreshed and re-launched the Inverclyde national sports training centre website prior to the new facility opening in March 2017.
- supporting young people and partners to enhance their digital and other communication capabilities, through our strategic partnership with the BBC.
- relaunching our internal digital communications in the form of Inside Track, a new-look monthly newsletter, to keep staff up to date with developments, successes and challenges.

As part of the strategic relationship we have developed with the BBC, we have had an opportunity to create more impact by reaching new audiences. In conjunction with the BBC Radio Sportsound programme we organised football and rugby coaching sessions at four schools across the country attended by around 200 children. In the evening the children returned with their parents for the Sportsound show live broadcast from their school. The sessions generated 14 pieces of national and regional media coverage with a reach of 2.9 million and brought sportscotland to the attention of the show's 10,000 midweek listeners.

SUPPORTING AND IMPROVING ENVIRONMENTS FOR SPORT

Schools and education

Our schools and education portfolio is about working closely with local and national partners to improve physical education, physical activity and sport for children and young people across Scotland.

We increased the number, range and quality of opportunities for school pupils across Scotland to participate in sport through our investment in Active Schools. We also increased the number of people delivering opportunities. The number of activity sessions increased by 5%, from 332,910 in the 2014-15 academic year to 350,664 in the 2015-16 academic year, with 87% of the people delivering activities being volunteers. Active Schools provided over 100 sports and activities and pupils made over 6.5 million visits to these sessions. This success is a result of strong local partnerships between Active Schools coordinators, school staff, physical education lead officers, sports development teams and sports clubs.

We continued to work in partnership with 24 local authorities who agreed to contribute financially on a 50:50 match funding basis to employ a PE lead officer. They provided training and support for teachers and strengthened the connections across PE, physical activity and sport. The 2016 Healthy Living Survey showed 99 per cent of primary schools were meeting the target of providing at least 120 minutes of PE to all pupils. In the secondary sector, 95 per cent of schools met the target of providing at least 100 minutes of PE to all pupils in S1 to S4.

During this year we invested in 23 local authorities to build a sustainable infrastructure for school sport competition and strengthen the connection to SGB staff and school competition programmes. This investment has supported local staff to improve the collaborative approach to the planning and delivery of competition and to improve the number of secondary pupils participating in competitive school sport.

We continued to invest in Active Girls projects to engage girls and young women to participate in PE, sport and physical activity and have been supporting partners to consider the long-term sustainability of their projects. Partners have now initiated the transition from direct intervention to a sustainable model for the future which will see the projects integrated into the sporting system. This approach uses the lessons learned during programme delivery to enhance ways of working and inform the work of their partners and networks in the future.

In November 2016, we delivered a workshop with a theme of 'Raising Attainment and Achievement through Sport' at the School Leaders Conference. The workshop was co-delivered by sportscotland's Chief Executive with the Head Teacher, Depute Head Teacher and pupils from Holycross Secondary School. This conference presented an opportunity to provide an overview of the world class sporting system and the significant contribution of sport and physical activity to the lives of children and young people.

Clubs and communities

The clubs and communities environment is a critical part of the sporting pathway, offering opportunities that support local people to participate in, and progress to their chosen level in sport. Through this portfolio we provide leadership for clubs and community sport organisations.

Community sport hubs (CSHs) continue to bring together sports clubs and local partners to develop and grow sport in communities across Scotland. The focus on sustainable, community-led approaches is ensuring hubs engage with the local sporting and non-sporting infrastructures to ensure hubs meet the needs of local communities. Working with partners we have delivered 179 active CSHs against the new target of 200 hubs by 2020. We continued to work with five local authority partners to provide additional support to identified hubs within the lowest 5% of Scottish Index for Multiple Deprivation (SIMD) areas.

We worked closely with the professional workforce in the club and community sport environment to better connect the work of local clubs, CSHs and schools. This included delivering two sets of regional meetings for SGB regional managers and CSH officers, designed to help them to better integrate their work locally and develop close working relationships.

We provided training to officers and managers to access, better understand and more effectively use the range of data available to them. We also maintained our focus on continuous improvement, supporting SGB regional managers and CSH officers to critically reflect on their own work across the year and identify challenges and learning, through our impact and interventions tool. These structured reflections have facilitated effective conversations between people in supported posts, their managers and **sportscotland** staff. This has helped staff to better identify learning and respond to challenges, and enabled sharing across the network.

Through direct club investment (DCI), we supported sports clubs to hire paid professional staff in both coaching and administration posts, and forge stronger connections and better relationships with local schools. During 2016-17 we approved awards totalling £139,954 for seven clubs. This investment has leveraged an additional £239,126 from the clubs and local partners.

The expert instructors and bespoke facilities at our national centres have enabled participation and progression for a wide of people involved in a wide range of sport. Our focus on life long participation continues to inform how we engage with people, design facilities and create opportunities to get involved and stay involved. During 2016-17 our national centres provided 34,000 participation days facilitated across all sites.

Performance sport

This year our major priority was delivering our headline goals for the 2016 Rio Olympics and Paralympics. With 81 Scottish athletes selected for Team GB and ParalympicsGB, and Scottish athletes winning 30 medals at the Rio 2016 Olympics and Paralympics, Scotland and the **sportscotland** institute of sport made a significant contribution to Team GB and ParalympicsGB finishing second in the medal tables. We achieved a series of best ever results for an Away Games, including:

- Record numbers of Scottish medallists at an Away Summer Olympics and Paralympics
- Record numbers of Scots on Team GB and ParalympicsGB at an Away Summer Olympics and Paralympics
- Record Numbers of Scots on World Class Programmes
- Specialist staff selected onto key roles for Rio 2016 including the Head of Sports Medicine for Team GB.

The success of Scottish athletes at the Rio Olympics and Paralympics demonstrates that the system we are building is leading to good investment decisions, delivering world class supporting infrastructure and specialist services; and, providing expertise to consistently support and nurture our athletes to be the best they can be on the world stage.

We continued to develop areas that enhance our high performance system, rolling out new ways of working and delivering targeted initiatives, including:

- **Para education project:** Aims to empower practitioners to deliver integrated practices for Para athletes, increase the capability and capacity of practitioners to work with Para athletes and enhance the level of understanding of practitioners who are potentially working with Para athletes.
- **High performance environments:** Aims to develop a set of guiding principles which will ensure SGB performance programmes have sufficient access to world class training and competition facilities, a good working relationship with the operator and other users of the facilities, and that performance staff have suitable working environments for the range of tasks they must perform.

Our Mission Control processes continued to support the long-term development of SGB performance systems by analysing the key components of performance programmes, identifying actions for improvement and tracking progress against these actions. The main focus for improvement actions is medal success at major Games and the delivery of our shared performance outcomes.

We are on track to meet our headline goals of further best ever results at the PyeongChang 2018 Winter Olympics and Paralympics, and the Gold Coast 2018 Commonwealth Games. To support this, we progressed part two of our investment decisions for SGBs, which involved the allocation of services for all 2018 and 2020 sports. We also targeted our performance solutions special projects to add additional value to major games. In November 2016 we launched the new high performance coaching programme, designed for Scottish coaches.

Going concern

The statement of financial position at 31 March 2017 shows net assets of £38.4 million. Funding for sportscotland in 2017-18 continues to be provided by the National Lottery Distribution Fund 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.

A handwritten signature in black ink, appearing to read 'Stewart Harris', with a long horizontal flourish extending to the right.

Stewart Harris

Chief Executive & Accountable Officer

23 August 2017

Performance analysis

PROGRESS AGAINST OUR OUTCOMES

There are two key outcomes that people in Scotland will notice as we work together to improve sport for them and their communities: participation and progression. We have outlined our contribution to participation and progression through impact measures and performance indicators, which evidence the difference we are making.

Participation

You will have the opportunity to get involved and participate in sport, and stay involved throughout your life.

Case study – Holy Cross High School

Bethan Goodwin, 17, is a senior international netball player who attends Holy Cross High School, a **sportscotland** School Sport Award Gold School in South Lanarkshire, and is a member of the school's sports council.

Bethan has progressed through the South Lanarkshire Leisure and Culture and Netball Scotland pathways, which incorporate school and club activity, national development squads, district squads, Under 17 / 21 squads and the senior international side, the Scottish Thistles. In February 2017 Bethan made her debut for the Sirens, Scotland's first professional netball team, in the Vitality Netball Superleague.

As a supported athlete who is preparing to represent Team Scotland at the 2018 Commonwealth Games in the Gold Coast, Bethan receives support services from a number of expert practitioners at the **sportscotland** institute of sport, including physical preparation, physiotherapy, exercise physiology, performance nutrition and performance lifestyle.

Holy Cross High School has 1,140 pupils and is one of six cluster schools supported by Active Schools coordinator Laura Somerville in South Lanarkshire. Along with School Captains the school's sports council, on which Bethan Goodwin sits, includes two members per year group. Holy Cross also promotes Young Leaders, Young Ambassadors and Active Girls Leaders.

Laura started out as an Active Schools volunteer and volunteered for five years before becoming an Active Schools coordinator. She has worked diligently in the area to develop a culture for sport in schools and encourage young people in South Lanarkshire to get involved in sport.

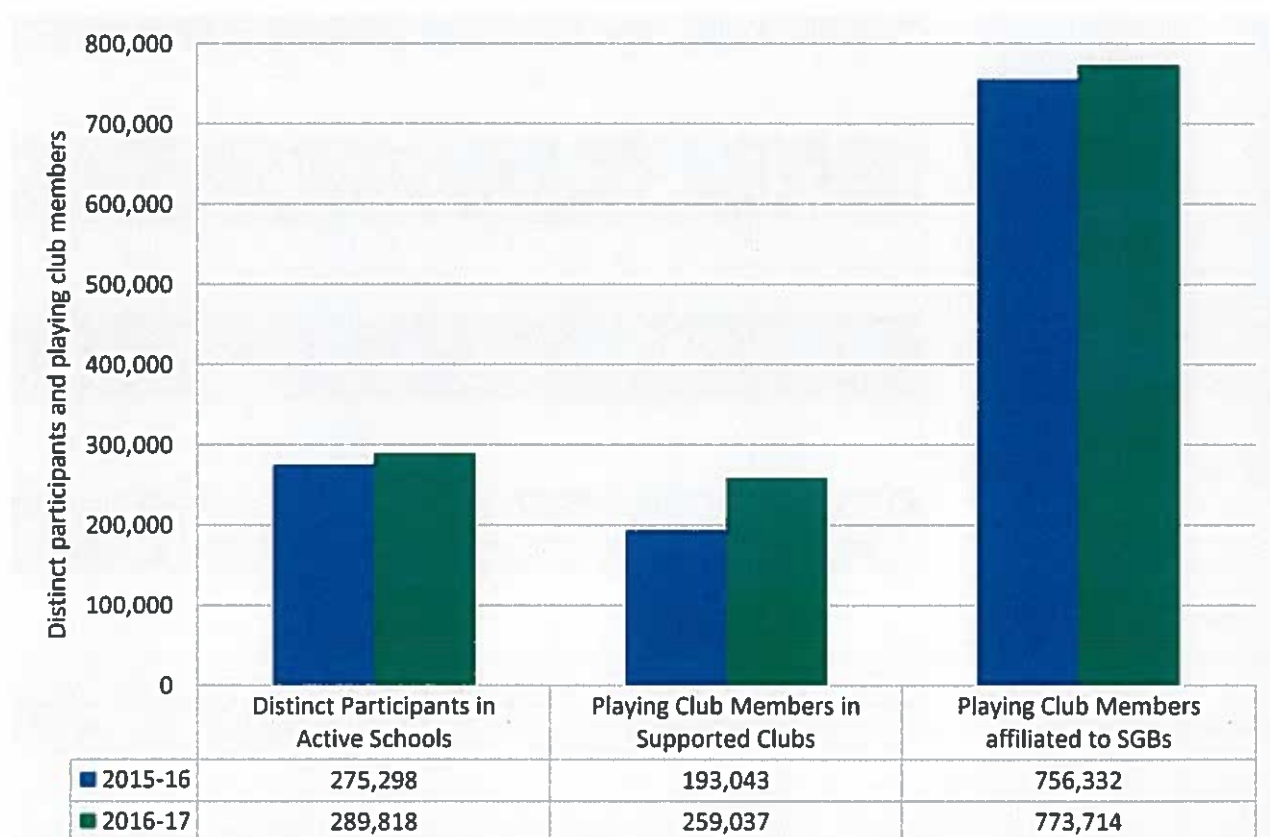
She provides more and higher-quality opportunities for young people to take part in sport and physical activity and develops effective pathways between schools and sports clubs in the local community. Holy Cross has particularly strong links with Cadzow Netball Club, Hamilton Academical Ladies Football Club and Uddingston Hockey Club, which is a recipient of **sportscotland** Direct Club Investment and is part of a community sports hub.

Bethan Goodwin says: "As a national netball player, I have linked with our Active Schools coordinator, Laura, to go out to the local primary schools to motivate and inspire other pupils. Laura really is the driving force behind the Holy Cross sports council, always making sure that the pupils' voice is heard when it comes to sport in the school."

In 2016-17 Holy Cross High School participated in the School Leaders Scotland Event and was selected as a School Sport Award case study in the submission process sent out to aspiring schools. The school also hosted an episode of BBC Sportsound's "On the Road" in March 2017.

Impact measure 1 - We will have increased the number and diversity of people playing sport in schools and sports clubs.

Distinct participants and playing club members *



* Active Schools data for 2015-16 refers to the 2014-15 academic year and 2016-17 data refers to the 2015-16 academic year.

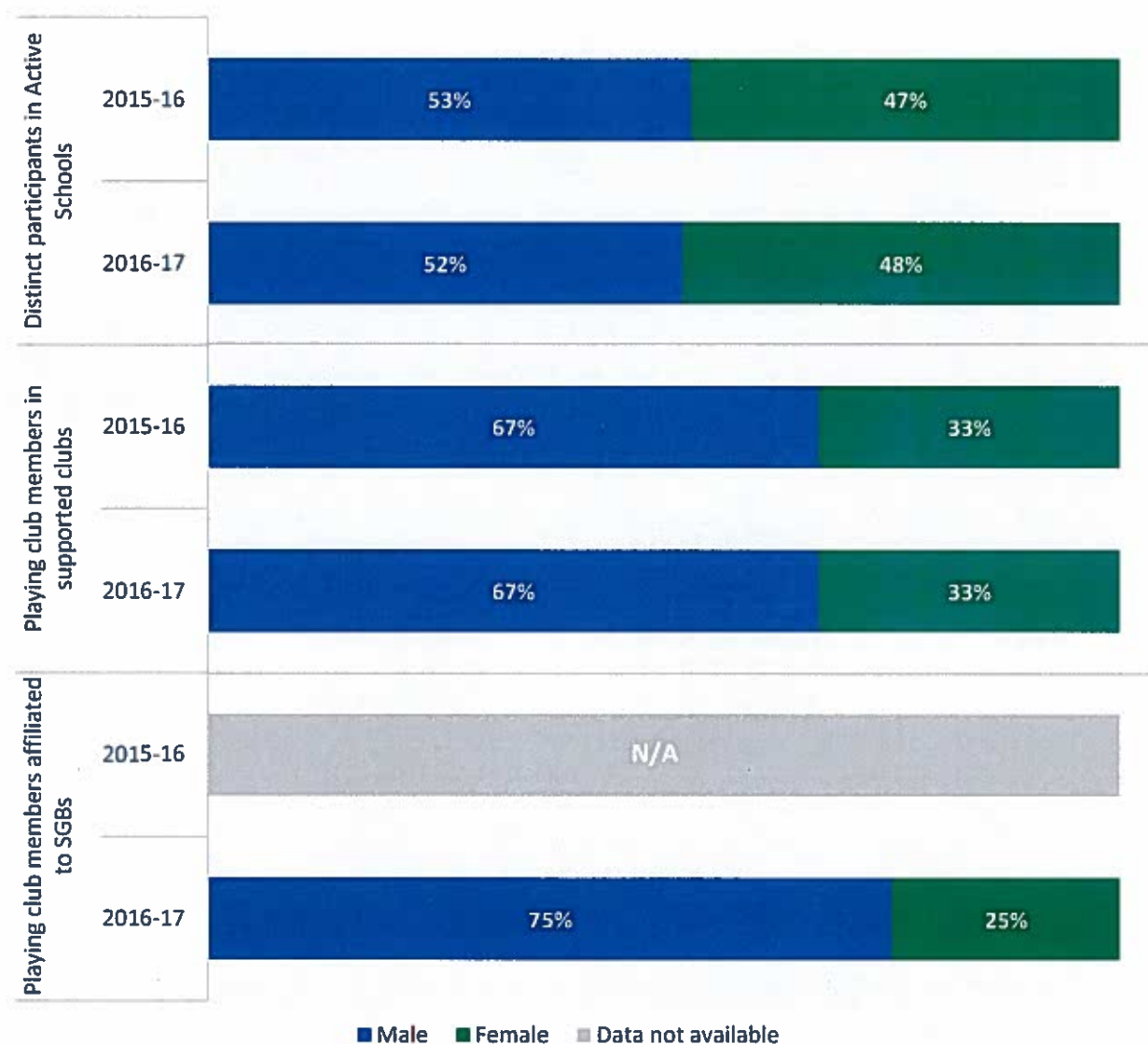
In 2015-16 we had identified potential anomalies with 12% of clubs around the definition of membership and a further ten clubs that had not returned data. Consequently we revised the total playing club members figure from 213,445 to 193,043.

The 2016-17 total playing club members for supported clubs figure is based on returns from 1,918 clubs. This does not include clubs only supported by regional posts for football, gymnastics or golf. The 2015-16 figure is based on returns from 1,526 clubs and does not include clubs only supported by the regional posts for gymnastics, football, golf, Scottish Disability Sport (SDS), swimming and rugby. Although there have been increases in the number of playing club members within supported clubs that returned data in 2015-16, the majority of the 65,994 increase in 2016-17 is due to an additional

392 clubs returning data, including clubs only supported by the regional posts for rugby, swimming and SDS, as well as new clubs affiliated to community sport hubs.

The 2016-17 playing club members affiliated to SGBs figure excludes data from the following SGBs: modern pentathlon, surfing, target shooting and volleyball as no data is available. The 2015-16 figure excludes data from the following SGBs: fencing, modern pentathlon, SDS, surfing, target shooting and volleyball as no data is available. Both 2016-17 and 2015-16 figures include data from Scottish Student Sport (SSS).

Gender breakdown of distinct participants and playing club members**



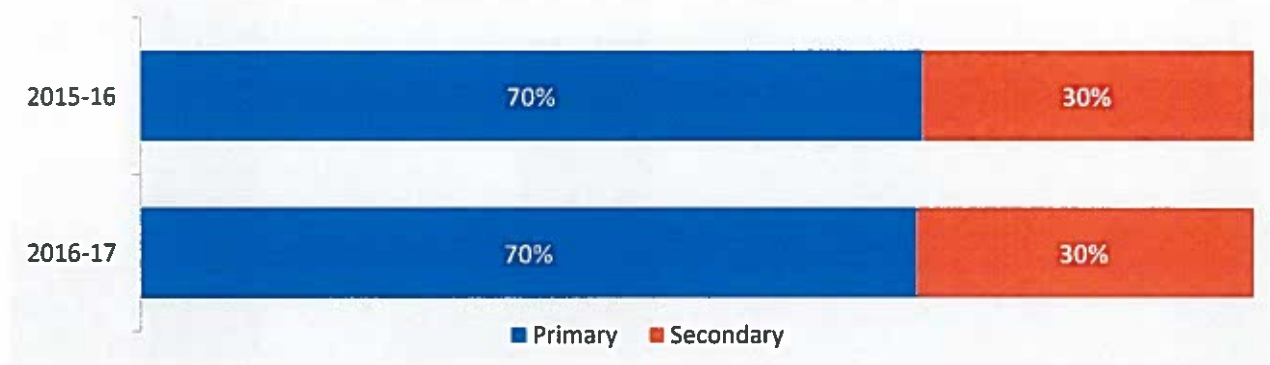
** Active Schools data for 2015-16 refers to the 2014-15 academic year and 2016-17 data refers to the 2015-16 academic year. Gender and age breakdown data for playing club members affiliated to SGBs was not available for 2015-16. 2016-17 data is collected from SGB Application Form (section 5.8) 2017-18.

As a result of anomalies with 12% of clubs around the definition of playing club membership, and a further ten clubs that had not returned data in 2015-16, the gender breakdown reported in 2015-16 has been amended from 66% male / 34% female to 67% male / 33% female.

The gender breakdown of playing club members affiliated to SGBs is based on a revised total figure of 710,107. This is due to the following three SGBs being able to provide total playing club members but not being able to provide this data broken down by male/female: motorsports, rugby league and tennis.

Age breakdown of distinct participants and playing club members

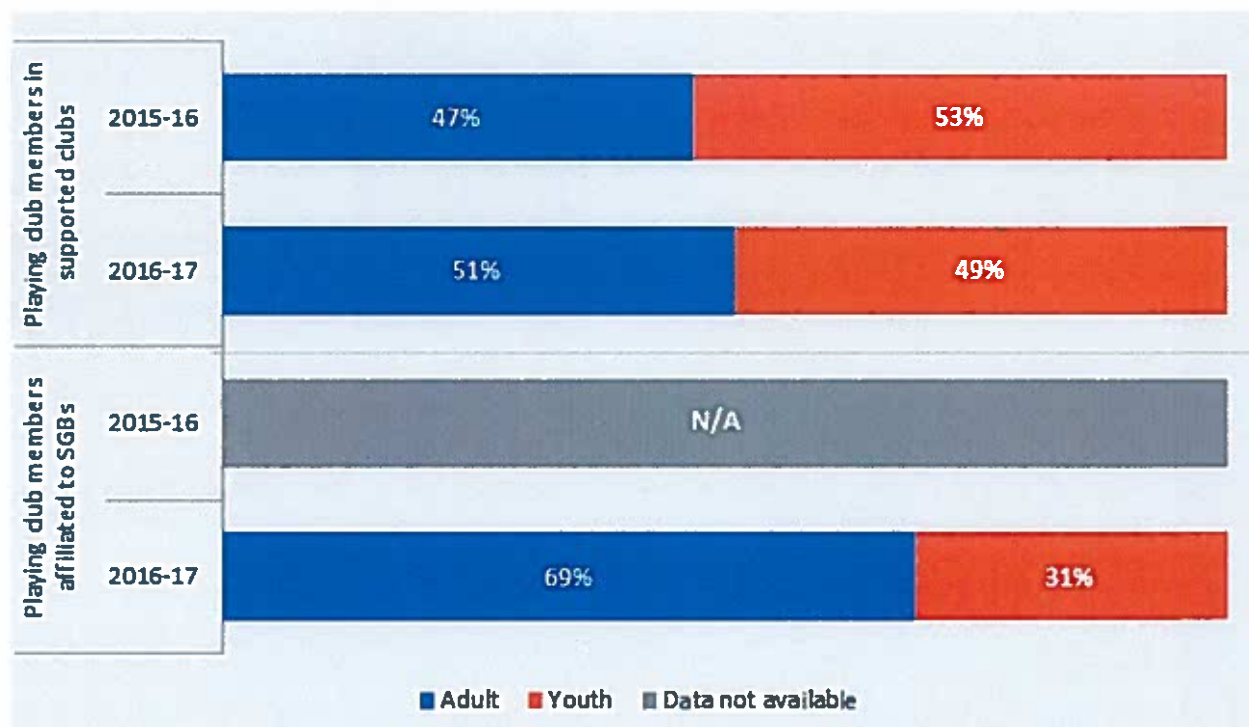
Active Schools distinct participants***



*** Active Schools data for 2015-16 refers to the 2014-15 academic year and 2016-17 data refers to the 2015-16 academic year.

The age breakdown of Active Schools distinct participants is based on a revised total figure of 272,556 for 2015-16, and 287,132 for 2016-17. This is because we collect distinct participant data at whole school level and there are three school types; Primary, Secondary and Additional Support Needs (ASN). We cannot break ASN distinct participants down to primary/secondary age groups so have removed these from the totals.

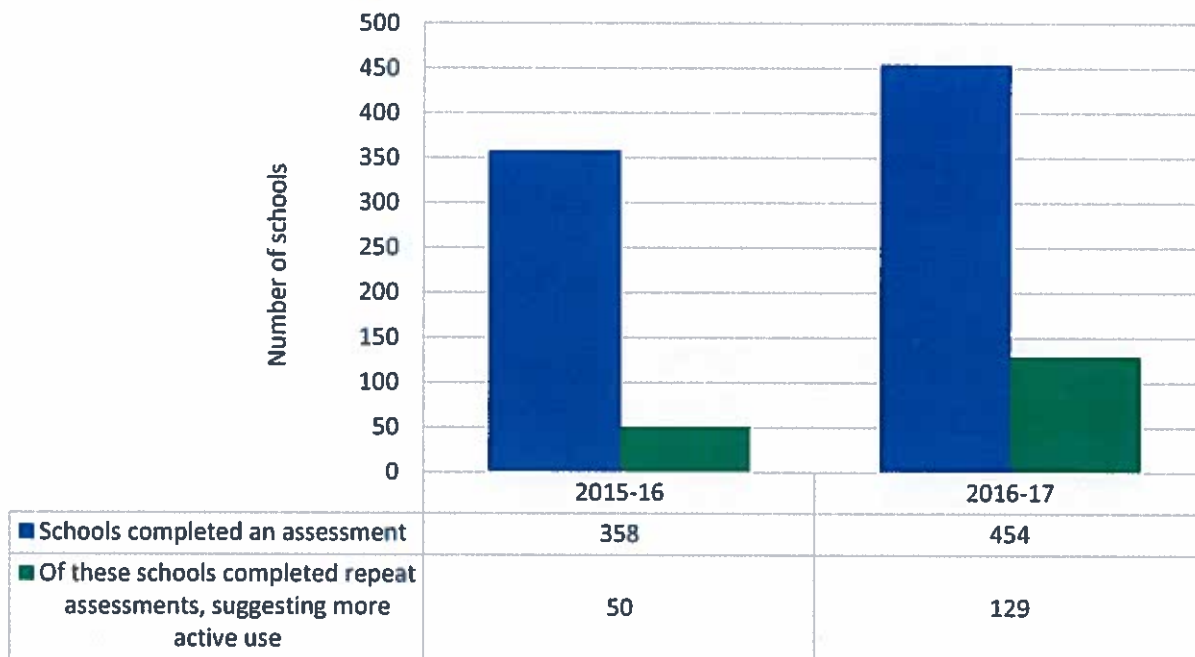
Playing clubs members in supported clubs and affiliated to SGBs****



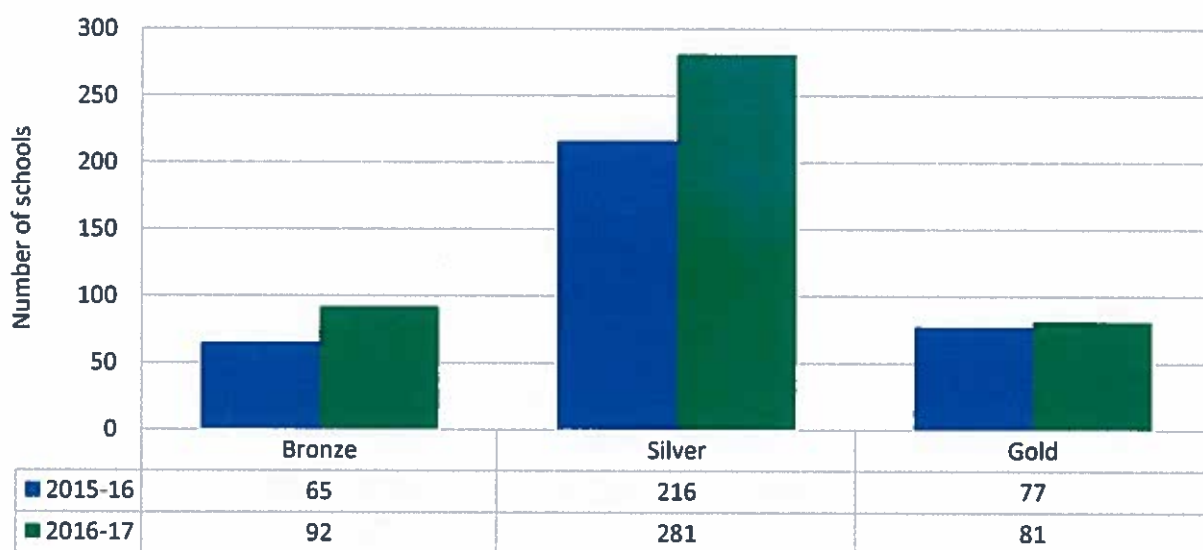
**** Gender and age breakdown data was not available for 2015-16. 2016-17 data is collected from SGB Application Form (section 5.8) 2017-18.

Impact measure 2 - We will have used the sportscotland School Sport Awards to strengthen the quality of sport within schools, driving strategic quality improvement and impact.

Number of schools completing assessments and repeat assessments



Number of schools achieving awards at each level



** Please note School Sport Award data for 2015-16 refers to the 2014-15 academic year and 2016-17 data refers to the 2015-16 academic year.*

Impact measure 3 - We will have taken a planned approach to increasing the number, quality and diversity of coaches working in schools and education, and clubs and communities.

(This measure is about our strategic approach to coaching, and how our work affects the total coaches in Scotland.)

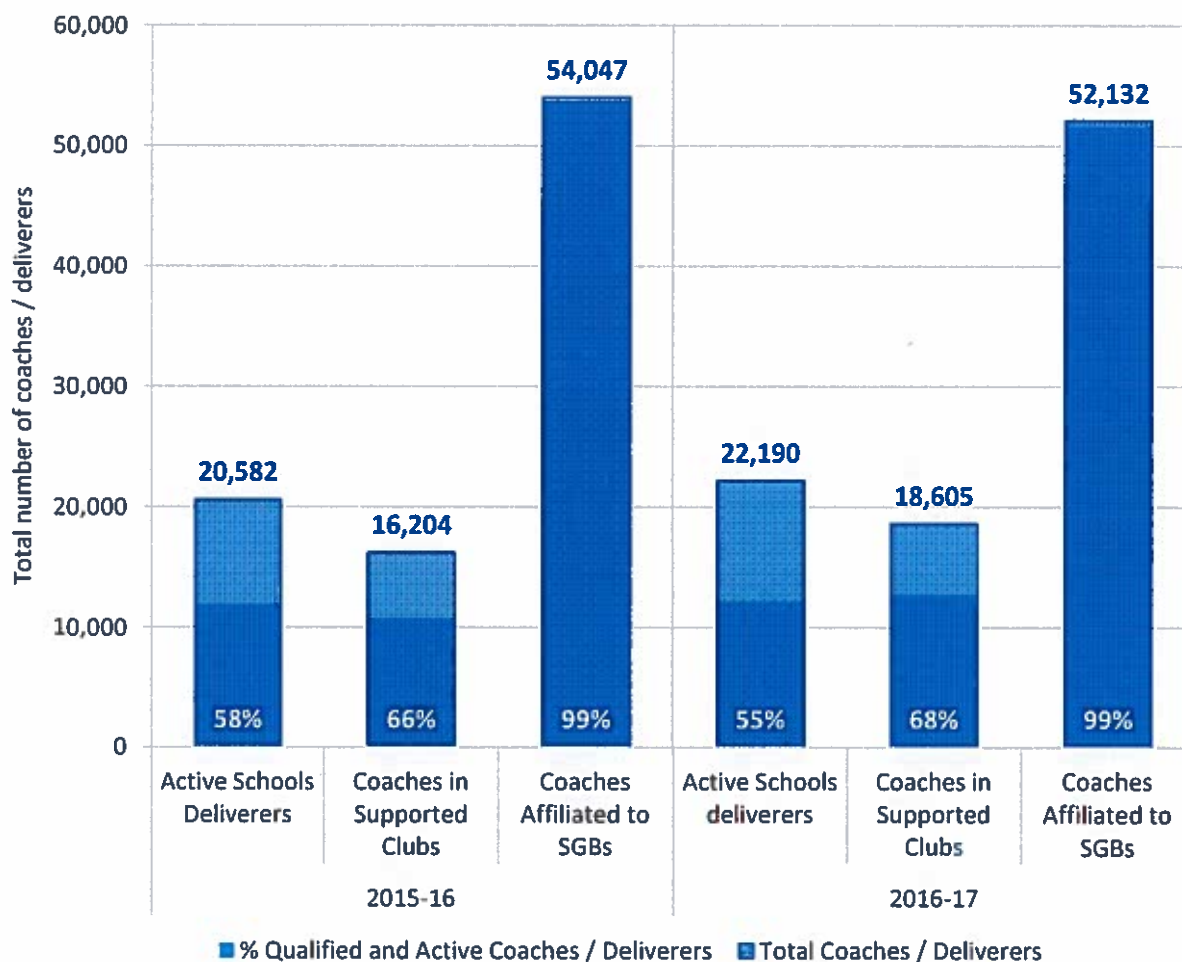
People development is one of the priorities for improvement underpinning the sporting system. Coaching Scotland, the strategic framework for the development of coaches and coaching in Scotland, supports the sport sector to plan and deliver key elements of this. This includes providing high quality learning and development opportunities that meet the needs of coaches as well as the needs of all participants and athletes.

This year we worked with the SGB coaching network to review Coaching Scotland. We then held an open consultation so sports development staff from SGBs and local authorities, and sportscotland staff could feedback on the framework. Based on consultation, the new framework has three shared priorities:

- **Coaching infrastructure:** Build systems and processes for coach education and development, for coaches to coach, to learn from their experiences and contribute to a world class sporting system
- **Coach education:** Support, develop and deliver accessible coaching qualifications which lead to a knowledgeable, skilled and highly effective coaching workforce throughout Scotland
- **Coach development:** Support, develop and deliver opportunities for continuous improvement – inspiring and supporting coaches to work towards world class coaching

The priorities are broken down into 16 shared actions to be delivered by sportscotland and our partners. In delivering these actions we are committed to helping a more diverse range of coaches display the skills, knowledge, attitudes and behaviours required to deliver high quality sporting experiences for all across the sporting system. The new Coaching Scotland will be launched in 2017-18.

Qualified and active coaches and deliverers*



* For Active Schools deliverers "qualified" primarily includes UKCC awards as well as physical education and leadership. For coaches in supported clubs and coaches affiliated to SGBs "qualified" includes UKCC awards level 1-4 as well as pre-UKCC level 1 awards.

The 2016-17 coaches in supported clubs figure is based on returns from 1,724 clubs. This does not include data from SSS or clubs supported by regional posts for football, golf, gymnastics and rugby. The 2015-16 figure is based on returns from 1,490 clubs and does not include data from SSS or clubs supported by regional posts for football, golf, SDS, swimming and rugby. Due to identified anomalies in 2015-16 (see impact measure 1) we revised the total coaches in supported clubs figure from 16,624 to 16,204. This had no impact on the proportion of coaches who are qualified and active.

The 2016-17 coaches affiliated to SGBs figure excludes data from the following SGBs: dance sport, hang gliding and paragliding, and tug of war, as no data is available. The 2015-16 figure excludes data from the following SGBs: dance sport, hang gliding and paragliding, motorsports, surfing and tug of war as no data is available. The decrease in the number of qualified and active coaches affiliated to SGBs is a result of a number of sports establishing more robust and accurate data collection methods. This has resulted in a number of inactive coaches being cleansed from sports' databases.

Gender breakdown of qualified and active coaches and deliverers

We do not currently collect the gender of Active Schools deliverers.

Coaches in supported clubs and affiliated to SGBs**



** 2015-16 data is collected from SGB Application Form (section 5.8) 2016-17 and 2016-17 data is collected from SGB Application form (section 5.8) 2017-2018.

In cleansing inactive coaches from their databases, two sports in particular reduced the number of affiliated qualified and active female coaches significantly, netball by 2,340 coaches and football, by 2,737 coaches. The 2016-17 figure now provides a more accurate picture of the number of female qualified and active coaches affiliated to SGBs.

Progression

You will have the opportunity to develop, progress and achieve success at your chosen level in sport.

Case study – Martin Perry

Martin Perry is a 22-year-old table tennis player who is ranked in the world's top 20 for his class and is progressing towards a debut Paralympic Games in Tokyo in 2020. He was born prematurely weighing 2lb 2oz and with only one fully formed limb, his right leg. The youngest of four brothers, he grew up playing football in the common areas of a high-rise tenement, on the streets and in the playground at Williamsburgh Primary School in Paisley, where his brothers lifted him over the wall during evenings and weekends.

As a pupil at Gleniffer High School, Martin took advantage of a strong Active Schools structure to participate and compete in teams with able-bodied pupils of the same age. His athletic potential was spotted by Scottish Disability Sport through local press coverage of his rugby team's success.

Martin recalls: "Scottish Disability Sport came to the house, along with an Active Schools Coordinator who I knew, and they told me about the fantastic summer camp that they ran every year, and I immediately said no. I didn't like being pigeon-holed as disabled

and having to play sport with other disabled people. They told me they could find me a pathway to have a future in sport but I wasn't interested because I thought I was good enough to play able-bodied sport.

"For the next couple of weeks the Active Schools Coordinator kept encouraging me to try it, and my family did the same, and eventually I decided to go. It was on the final day of the summer camp that I was introduced to table tennis, and that was where I met Terry McLernon and some players from the Drumchapel Table Tennis Club."

The Scottish Disability Sport summer camp was held at the sportscotland Inverclyde National Sports Training Centre, and it proved to be a real catalyst in the life of Martin Perry as it offered him a pathway towards a career in performance sport.

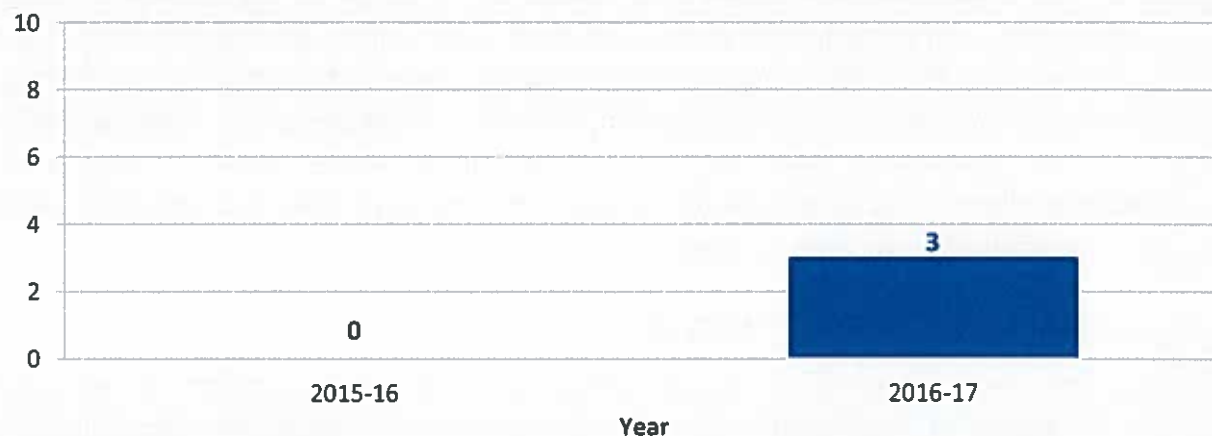
Scottish Disability Sport supported Martin on that pathway, from providing transport to his first sessions at Drumchapel Table Tennis Club to liaising with hospital prosthetics who designed bespoke leg and arm extensions that enabled Martin to develop his game. Drumchapel Table Tennis Club, one of the best-performing clubs in British table tennis, forms part of the Drumchapel community sports hub and both are chaired by Terry McLernon MBE, who is also President of Table Tennis Scotland.

Having become fully immersed in the British Para Table Tennis Team, Martin was promoted to the Performance Squad in early 2017. Apart from becoming Scottish and British champion his other achievements in 2016-17 included a gold medal at US Open in December 2016 and bronze in the Lignano Masters Italian Open in March 2017. Martin claimed his first major medal at the 2017 ITTF Para World Championships where he won team bronze. He is now targeting good singles results at the 2017 European Championships and 2018 World Championships and a top-14 ranking to advance his chances of qualifying for Tokyo 2020.

Impact measure 4 - We will have supported up to 10 Scottish governing body partners to understand and describe sport specific pathways, with each sport providing evidence of the difference these pathways have made in terms of athlete quantity and quality.

The aim of this project is to work with up to ten SGB partners by March 2019 to develop a tool to support SGBs through the process of understanding and describing the athlete pathway for their sport. An internal working group agreed an initial approach to this work in February 2017 with partner SGBs identified to run a pilot programme. The pilot is expected to run during the first six months of 2017-18, with a decision to be made on the next phase of the programme by 31 December 2017. This will include an assessment of resources required to deliver an appropriate SGB pathway tool.

SGBs supported to understand their pathway



Impact measure 5 - We will have supported more coaches to become better at coaching, in order to support athletes to improve, at all stages of the pathway.

(This impact measure is about our support to coaches and therefore it is concerned with supported coaches rather than all coaches in Scotland.)

We deliver and support the education and development of coaches at each stage of the coach pathway who in turn encourage new participants and retain current players and athletes in their chosen sport.

We invest in the development and delivery of CPD opportunities for coaches, officials and volunteers. Our investment and strategic support to SGBs supports the delivery of sport-specific CPD.

During 2016-17 we continued to promote coach CPD opportunities and support coaches in their personal learning by developing the functionality and content of our coaching app. This included creating new video resources, audio podcasts, and digital communications to support learning for coaches. Last year 1,013 users completed over 5,000 sessions on the app, accessing a range of learning materials.

We also ensured greater geographical coverage and accessibility of our learning opportunities through a new web ex system for remote learning. We established new and successful relationships with Abertay University and the Open University to create learning content and opportunities for coaches. These range from free online learning, to short courses and degree opportunities.

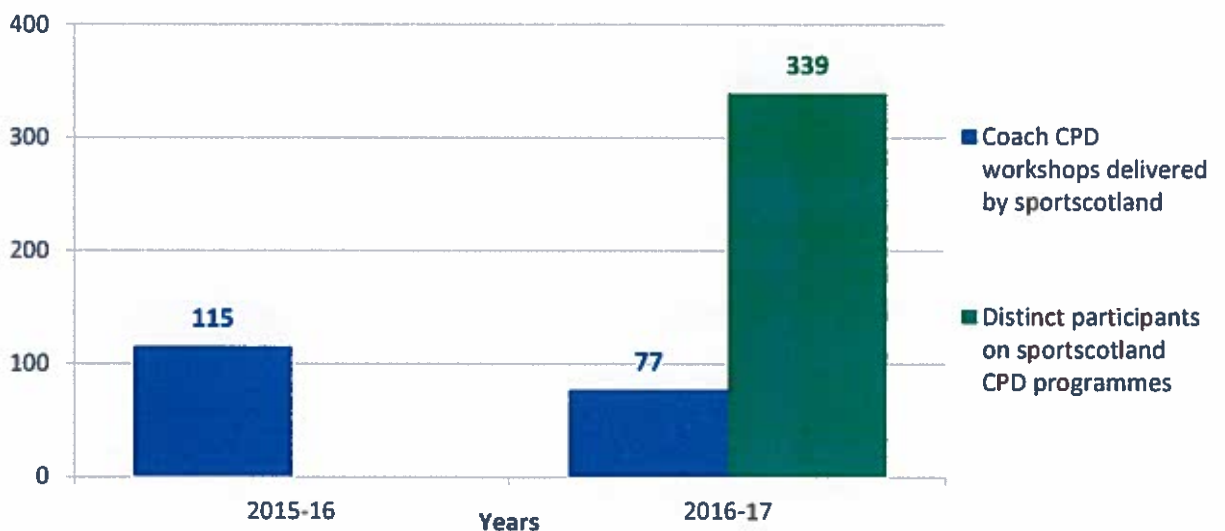
Coach satisfaction with support received

Each year UK Coaching conducts a Coaching Panel Survey. We send the survey to all the coaches we support in Scotland. Understanding who coaches are, what coaches are doing and how they feel about it is essential to making sure the coaching system is working for coaches. The information within the Coaching Panel Survey helps UK Coaching, sportscotland and SGBs make decisions about how to support coaches now and in the future.

In 2016-17, a total of 540 coaches responded to the survey. We asked how satisfied our coaches were with the support received from a range of organisations. Levels of satisfaction and expectations of support seem to be higher for organisations the coach engages with on a more regular basis. Coaches were most satisfied with the support they receive from clubs and employers (73% and 70% respectively). 63% felt supported by their governing body and training providers while 51% felt supported by **sportscotland**. This survey should be seen as a survey of the core coaching workforce in Scotland rather than all coaches.

sportscotland coach CPD support *

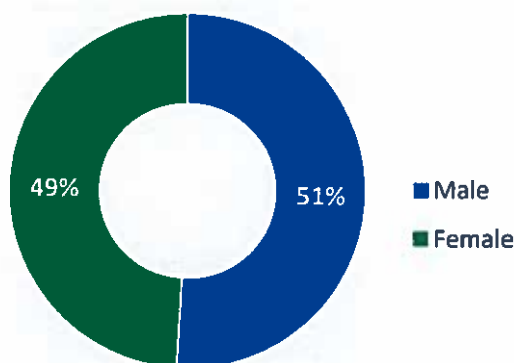
sportscotland coach CPD support includes the following projects: coach connect, coaching talent, high performance coach development programme, coaching futures, multiskills and introduction to multiskills.



* Distinct participants data is not available for 2015-16 due to moving to a consistent method of data capture mid year for all projects. PCS for coaches delivered by sportscotland is included within distinct participants but not included in number workshops due to method of delivery. Data for multiskills and intro to multiskills was shown separately in 2015-16. This has been incorporated into the overall CPD indicator in both years.

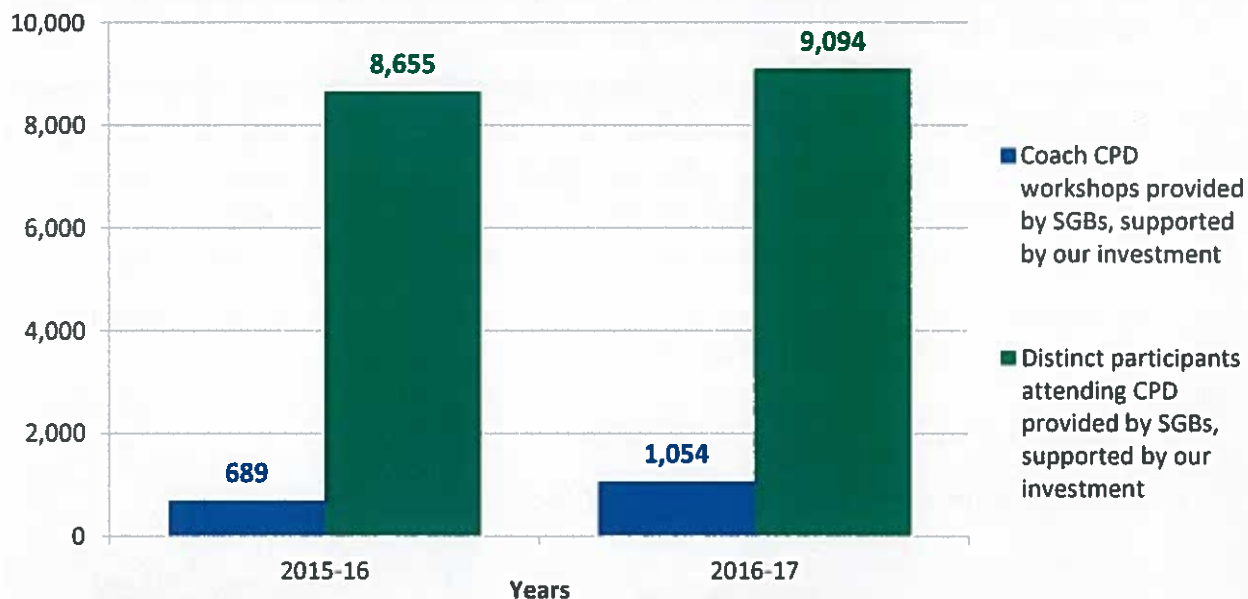
Distinct participants on sportscotland CPD programmes

By gender



n= 339

SGB coach CPD support, supported by sportscotland investment **



** The 2015-16 distinct participant reported figure increased from 8583 to 8655, due to late submission of distinct participants from swimming.

Impact measure 6 - We will have supported Team Scotland to win more than 30 medals at the 2018 Commonwealth Games in the Gold Coast.

We continued to support athletes, sports and partners preparing for the 2018 Commonwealth Games in the Gold Coast. Our Mission Gold Coast 2018 process manages and monitors progress, and data gathered by our performance team is used to assess return on investment and progress. All SGBs engaged in Mission Gold Coast 2018 have confirmed that athlete support services are on track. They are also delivering the specialist support services required to support optimal athlete performance at the 2018 Commonwealth Games. We also invest in Commonwealth Games Scotland financially and through the deployment of support staff to support Team Scotland preparation and performance.

In April 2016 we established and launched a two-year Scottish Athlete Personal Awards (SAPA) initiative, which has made awards of up to £6,000 to 34 athletes across eight Commonwealth Games sports. These awards support athletes with living costs and increased training and competition opportunities.

We continue to foster strategic partnerships with higher education institutions to deliver solutions to support performance outcomes at Gold Coast, including:

- **Sheffield Hallam University:** Developing new software and upgrades for 'SuperBowl', including: quantitative monitoring; understanding of individual and team player performance; and, statistical understanding of competition performance.
- **University of Stirling:** Developing understanding of effective routines and skills in shooting, as well as data capture and knowledge of muscle function, muscle asymmetries and muscle fibre status to inform coaching and training and competition conditions for swimming and hockey.

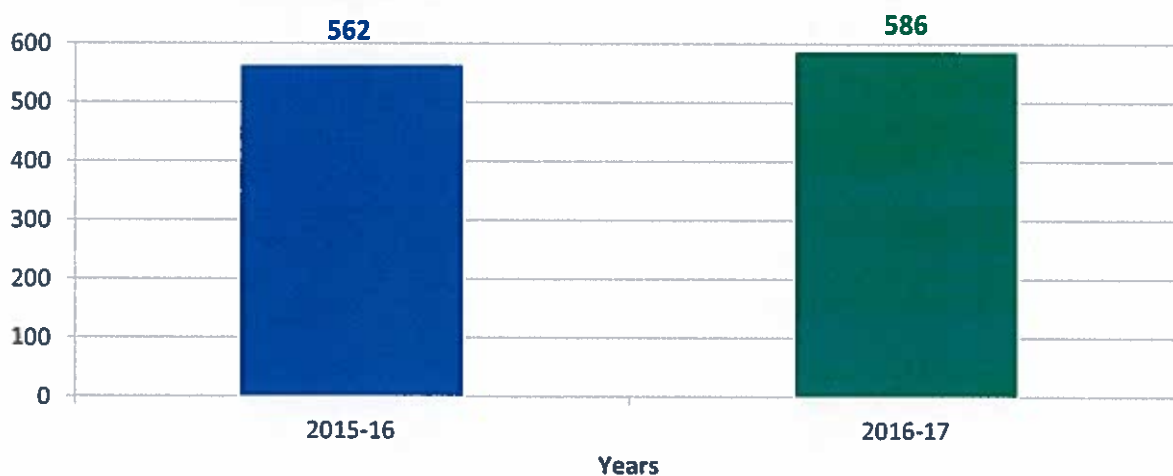
There has been steady progress supporting SGBs to ensure that athletes, coaches and athlete support personnel meet the requirements of our Clean Games Policy as part of preparations for the 2018 Commonwealth Games.

The Clean Games policy requires long-listed athletes to receive educational support and training through two targeted workshops. The majority of Commonwealth Games sports now have operational education plans in place. To date, 147 out of an estimated 491 long-listed athletes have met the Clean Games Policy requirements. We are actively working with SGBs to support education delivery to the remaining athletes this year.

We are looking forward to completing this cycle in 2017-18 by ensuring continued impact and success in 2018 in the Gold Coast.

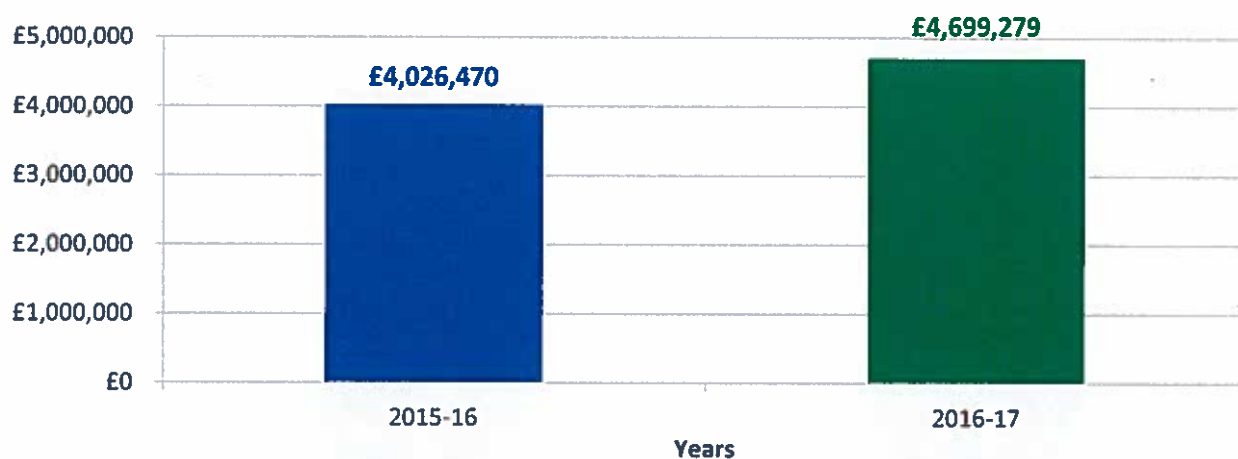
Performance sport services to athletes

*Athletes supported by the sportscotland institute of sport**



* Values captured as at 31 March in each year.

*Financial equivalent of performance sport services provided***



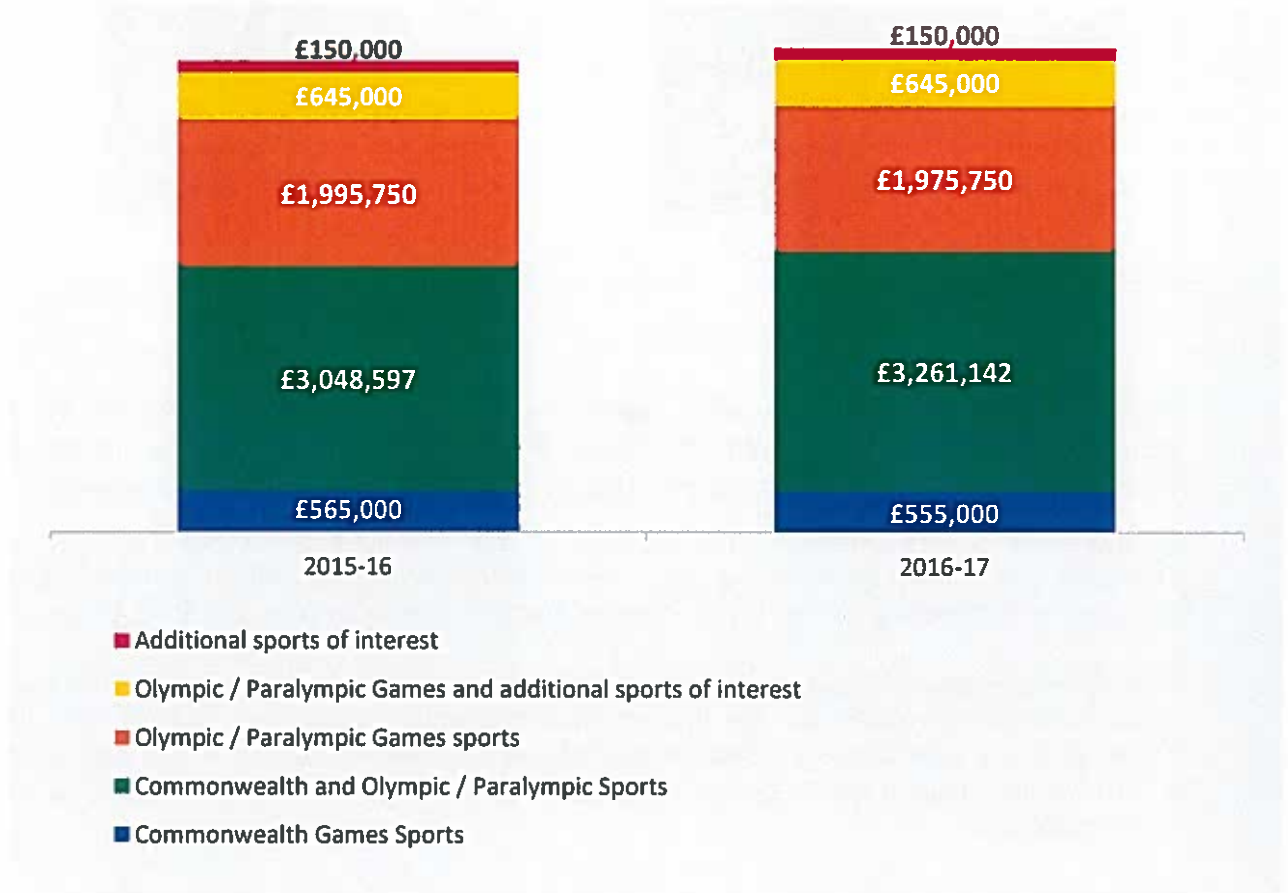
** Values captured as at 31 March in each year.

This is the total equivalent of performance sport services provided across Commonwealth sports, Olympic / Paralympic sports and team sports. This includes the following disciplines: medical clinical, medical services, nutrition, performance lifestyle,

physiology, psychology, sports science and strength and conditioning. This support is in addition to direct investment into SGBs.

Performance investment into SGBs

SGB performance investment, by event***



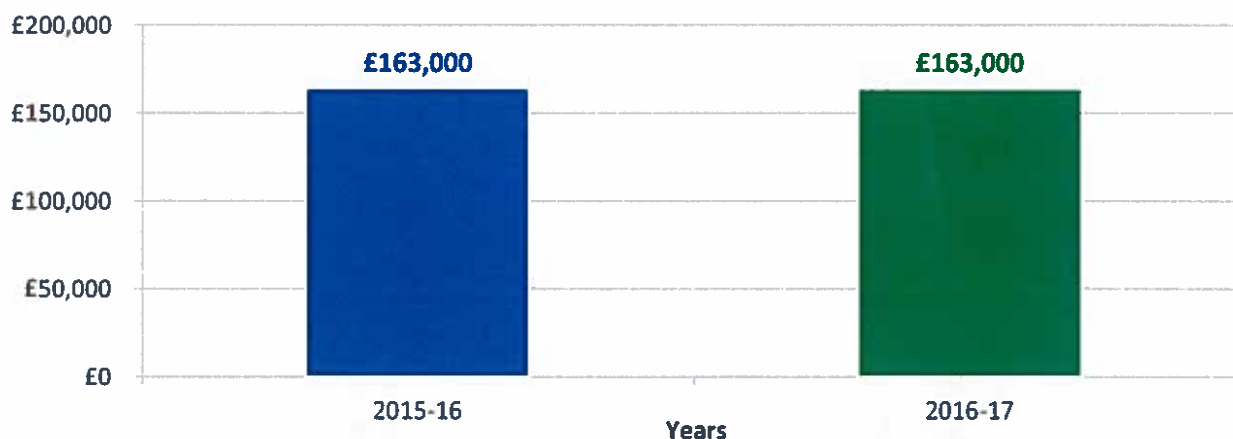
*** In 2015-16 we erroneously reported a total of £365k investment in Commonwealth sports when actual investment was £565k.

SGB performance, days of support provided by sportscotland institute



There was no change in level of institute support provided to sports as this is mutually agreed with SGBs to cover a two year period. Support levels are then subject to a mid point review.

Investment into Commonwealth Games Scotland



Impact measure 7 - We will have supported Scottish athletes to be selected for UK Sport World Class Programmes and to compete for Team GB in the Olympic and Paralympic Games (Winter and Summer)

During 2016-17 we prioritised the delivery of our headline goals for the 2016 Rio Olympics and Paralympics. At the same we continued to support all our athletes, sports and partners preparing for the 2018 PyeongChang Winter Olympics and Paralympics.

Our Mission PyeongChang 2018 data and processes suggest that we are on track to meet our headline goals for the Winter Olympics and Paralympics in PyeongChang. There is good progress recorded on our delivery to the British Para Ski Association where we are building a strong partnership that we aim to use to open new opportunities for our athletes.

As part of our new SAPA initiative, we provided direct athlete investment to help support living costs and increased training and competition opportunities. We made awards of up to £6,000 to 15 athletes across four Winter Olympic and Paralympic sports. This initiative will continue into 2017-18 to support the final build up and preparation towards the Games.

We continued to foster strategic partnerships with higher education institutions to deliver solutions to support performance outcomes at the Olympics and Paralympics, including:

- **University of Stirling:** Five of the eight Scottish swimming athletes selected for Team GB received tensiomyography (TMG) support, as part of their preparation for the Olympic trials and Rio 2016 across the areas of; warm-up; tapering; individual programming needs; and, recovery interventions. TMG is a non-invasive and real time neuromuscular data capture process that provides knowledge of muscle function, muscle asymmetries and muscle fibre status including state of fatigue, recovery and adaptation.
- **University of Stirling:** Wheelchair curling have piloted eye tracking to develop athletes' visual skills for detecting target information in a reliable and substantial manner. This is based on the requirement for a 'quiet eye' period just prior to stone delivery and helps determine training needs.

- **Sheffield Hallam University:** 'SuperBowl' software upgrades will also support Paralympic Bowls.
- The majority of Commonwealth Games sports now have operational education plans in place. To date, 147 out of an estimated 491 long-listed athletes have met the Clean Games Policy requirements. We are actively working with SGBs to support education delivery to the remaining athletes this year.

There has been steady progress supporting SGBs to ensure that athletes, coaches and athlete support personnel meet the requirements of our Clean Games Policy as part of preparations for the 2018 PyeongChang Winter Olympics and Paralympics. We have also agreed with UK Anti Doping that we will support the delivery of their Clean Sport Policy to GB athletes based in Scotland with the potential to gain selection to the 2018 PyeongChang Winter Olympic and Paralympic Games.

While our immediate focus is on supporting athletes and sports for the 2018 PyeongChang Winter Olympics and Paralympics, we also started preparations for the 2020 Tokyo Olympics and Paralympics. During the autumn of 2016, 35 SGBs presented their new strategic plans covering the four-year period 2017 to 2021. These included their performance aspirations for the Tokyo cycle and beyond.

13 medals won by Scottish athletes at Summer Olympics

16 Scottish medallists at Summer Olympics

48 Scots on Team GB at Summer Olympics

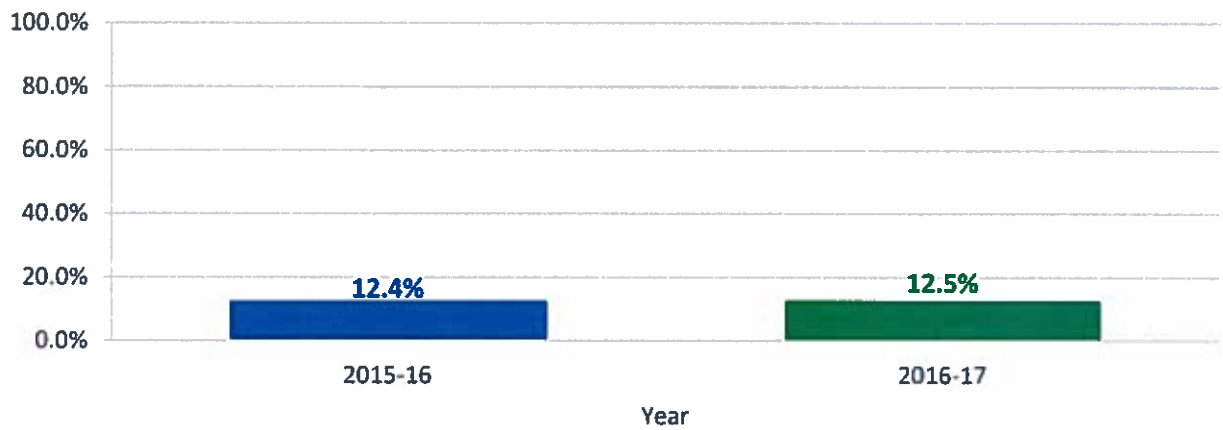
17 medals won by Scottish athletes at Summer Paralympics

11 Scottish medallists at Summer Paralympics

33 Scots on ParalympicsGB at Summer Paralympics

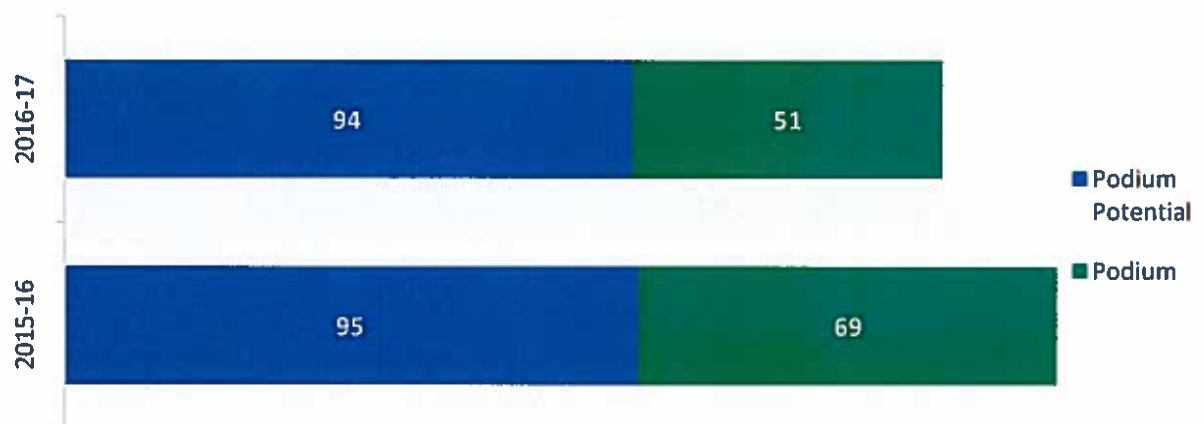
92 UK Sport Podium and Podium Potential athletes are based in Scotland receiving specialist expertise and support services as at 31 March 2017. This was the same number of athletes as 31 March 2016.

Percentage of Scottish athletes receiving support from UK Sport Podium and Podium Potential Programmes



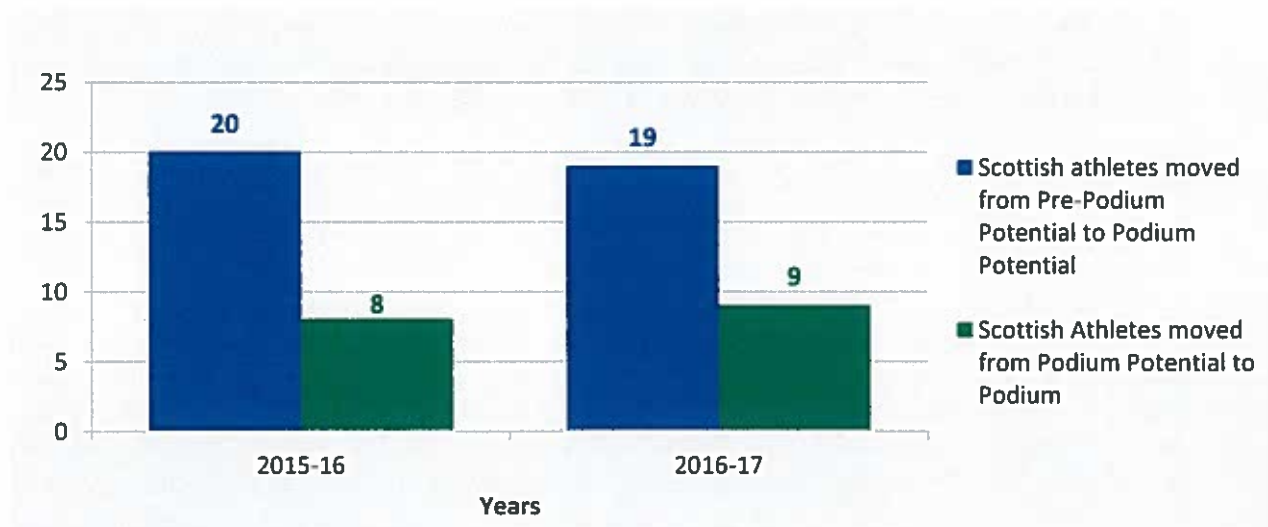
This indicator reflects how well Scottish athletes are supported by UK Sport Podium and Podium Potential Programmes. Despite UK Sport supporting fewer athletes in total across these programmes, Scottish athletes have maintained their share of the support.

Scottish athletes supported by UK Sport Podium and Podium Potential Programmes*



* All values captured as at 31 March in each year.

Scottish athletes progressing through UK Sport Podium and Podium Potential Programmes**



** All values captured as at 31 March in each year.

PROGRESS AGAINST OUR ENABLERS

There are three key enablers of the sporting system, which are fundamental to supporting and improving the environments for sport, and achieving the outcomes for people in Scotland: people, places and profile. We have outlined our contribution to people, places and profile through impact measures and performance indicators, which evidence the difference we are making.

The sections below outline indicators where data is available. Appendix 2 provides a summary of our aspirational impact measure indicators.

People

You will be supported by quality people who work together to help you achieve your goals.

Case study – Grove Menzieshill Hockey Club

Grove Menzieshill Hockey Club is a recipient of sportscotland direct club investment (DCI) funding, which supports the development of world class club sport. The club has increased its youth membership from 72 to 149 over the past two years and put hockey at the heart of the community through a number of pioneering and innovative initiatives. The club was recognised by the European Hockey Federation as European Club of the Year 2016 for small clubs.

Young people are at the heart of this club. Two young volunteer coaches have been appointed to support DCI-funded coach Gavin Byers, a senior Scotland international player. Grove Menzieshill also has its own hockey ambassadors initiative led by young people to actively engage the next generation in hockey and grow club membership. The work the club has done in education and development of officials and umpires has borne

great fruit, with Carly Edwards (19) now an international umpire who was mentored through the club.

Gavin Byers says: "Grove Menzieshill Hockey Club is a club that prides itself on having close ties to the local community. The club regularly deals with local schools and businesses as well as enjoying involvement with community activities."

Grove Menzieshill has links with seven Primary Schools and three High Schools in the Dundee area. sportscotland invests in a Regional School Sports Competition Officer in Tayside and Fife and the club supports this work with direct coaching support to Under-13 and Under-16 teams from Grove High School.

Grove Menzieshill delivers lunchtime and after-school clubs in conjunction with Active Schools and supports the participation of pupils from two schools, Braeview High and Fintry Primary, which are situated in a Scottish Index of Multiple Deprivation (SIMD) area. The club, which forms part of the Forthill community sports hub, also works closely with the local authority sports development team on the provision of hockey in Dundee.

The club also run a number of initiatives including recreational fun six-a-side sessions for families and Youth Midlands district youth competitions. It is also piloting a "mums only" scheme to encourage former participants to get back into hockey after having children.

One of the facilities used by Grove Menzieshill is the pitch at the Dundee International Sports Complex, which received a £194,539 Sport Facilities Fund grant in 2010-11. This supported the creation of outdoor pitches, the conversion of a sand-based pitch to 3G and the replacement of a water-based pitch.

Impact measure 8 - We will have used the Coaching Scorecard to drive quality improvement in the development of coaching strategies, ensuring there are more coaches with the right qualifications working in sport, and improving opportunities for those currently under-represented in coaching.

(This impact measure is about working with SGBs to improve coaching strategies, using the Coaching Scorecard amongst other mechanisms including CVPM roles, coaching equalities post, investment into SGB programme support; investment into coach network posts; and UKCC subsidy)

Through our integrated investment process to SGBs, we manage and support the planning and delivery of activities to develop coaching and coaches within Scotland. This includes support to Coaching Network posts and delivery of coach CPD programmes. We also provide support through our coaching and volunteering partnership managers, regardless of whether SGBs have a supported coaching network post.

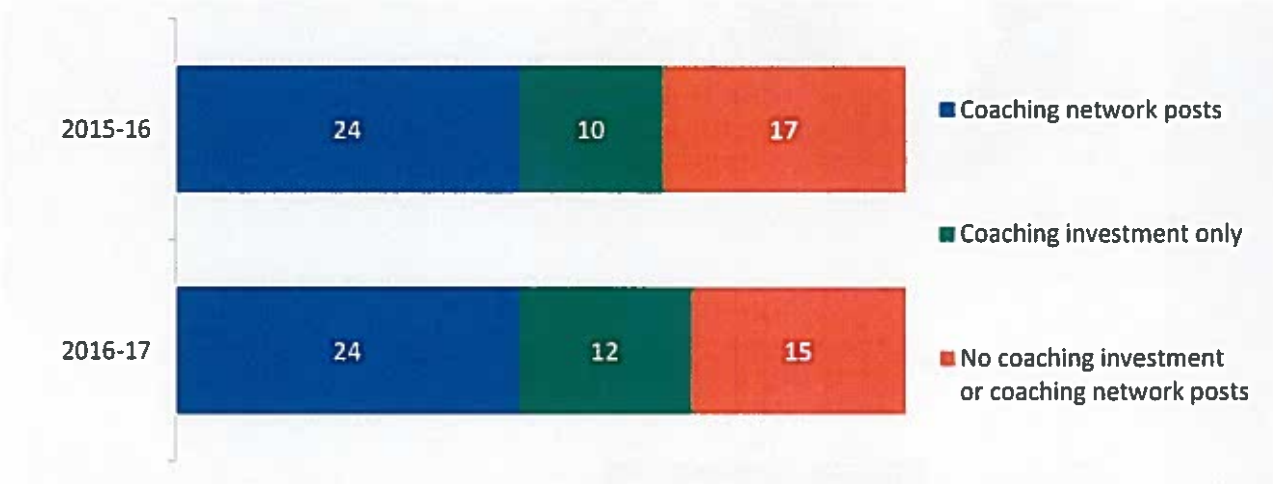
The Coaching Scorecard is a web-based self assessment tool, aligned to the priorities and actions of Coaching Scotland. It aims to help SGBs plan, develop and deliver their coach education and development programmes, and reflect on their progress in delivering against the priorities and actions. We established an internal review process to ensure a consistent, robust and transparent approach to assess each scorecard completion. This has enabled the scorecard to be a useful tool for SGBs to inform and support current and future integrated investment processes.

We continue to encourage SGBs to look strategically at long-term workforce development and ensure coaches are progressing through qualification levels. Our main focus is to provide more emphasis on the quality of the workforce and to encourage SGBs to invest in retaining coaches who are committed to deployment and further training opportunities. For this reason we provide greater flexibility and support to coaches who apply for a subsidy at UKCC Level 2 or above. This year 1,195 candidates achieved Level 2 awards, an increase of 43 from last year and the highest number ever.

Our partnership with sports coach UK to engage a coaching advisor came to an end in 2017. This post had the over-arching objectives to: provide support for internal staff and SGBs to address inequalities in the coaching workforce; and, to increase the quality and quantity of female and disabled coaches. A key achievement has been the creation of an Inclusive Coach project in partnership with Scottish Disability Sport. This project engaged 14 disabled athletes with either a physical or learning disability on a bespoke learning programme with the support of a dedicated mentor, to transition into coaching roles.

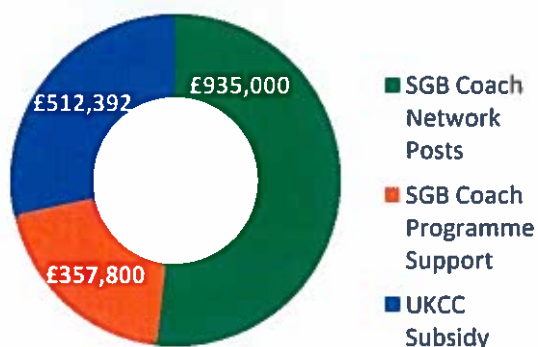
SGB coaching support

Number of SGBs supported for coaching by strand

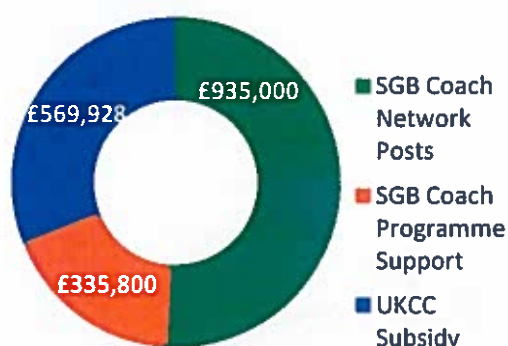


Total investment to support SGBs for coaching by strand

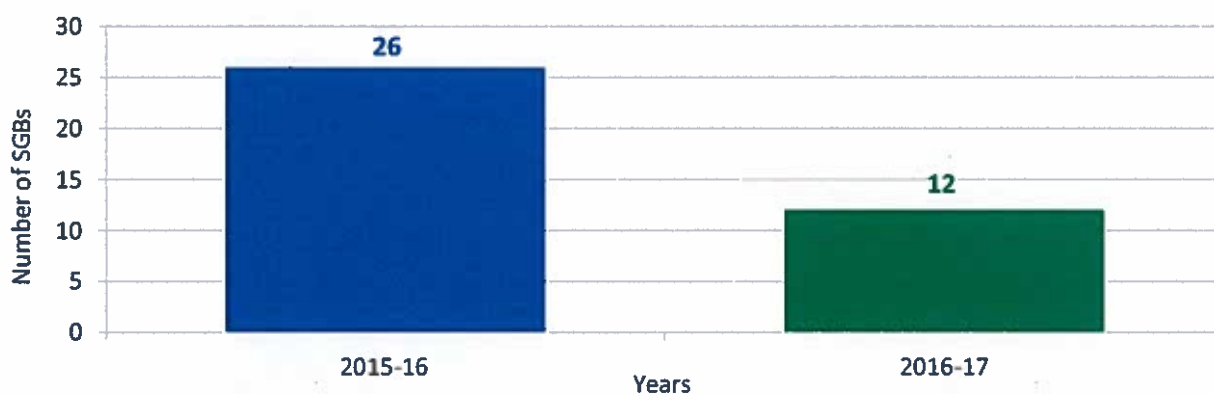
2015-16: £1,805,192



2016-17: £1,840,728



Coaching Scorecard completions



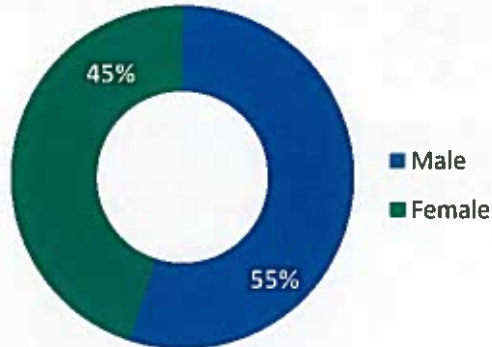
During 2016-17 we started to refresh Coaching Scotland. As a result we advised SGBs to wait until we finished the refresh and updated and aligned the Coaching Scorecard. Any SGBs who were in the process of completing the scorecard during this time were guided to see it through. Consequently the number of scorecard completions dropped from 2015-16; however, this is expected to return to previous levels in future.

UKCC candidates subsidised by sportscotland*

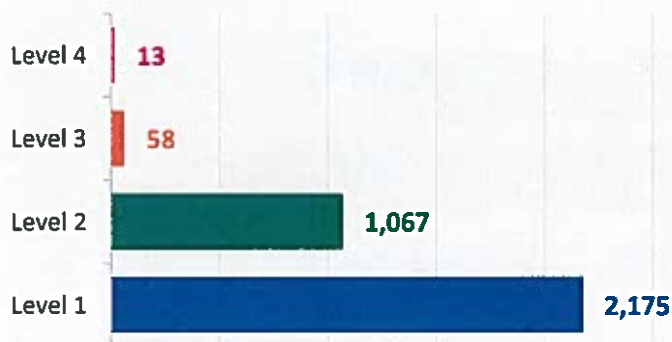
3,313 distinct UKCC candidates subsidised by sportscotland

* UKCC candidates subsidised by sportscotland is the number of applicants who have received an offer letter of support during 2016-17.

By gender



By award level

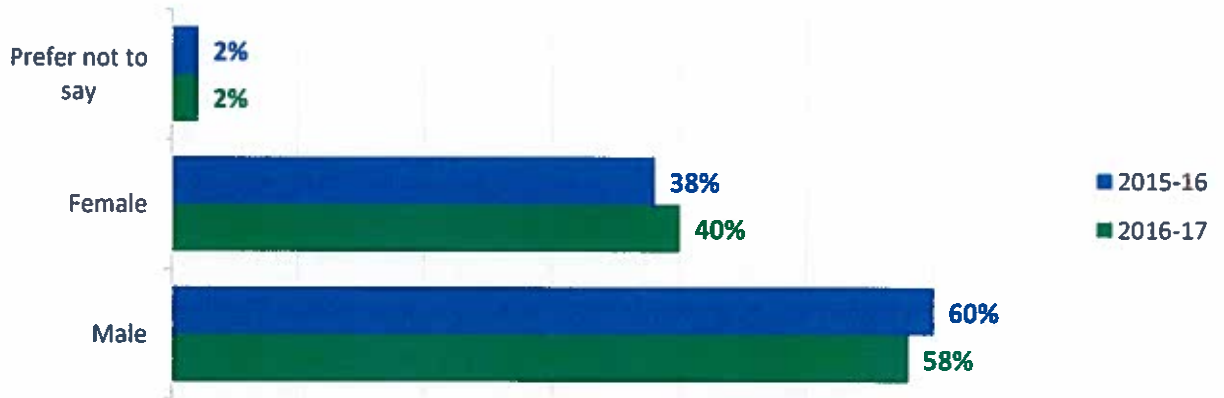


n= 3,313

Diversity of supported coaches

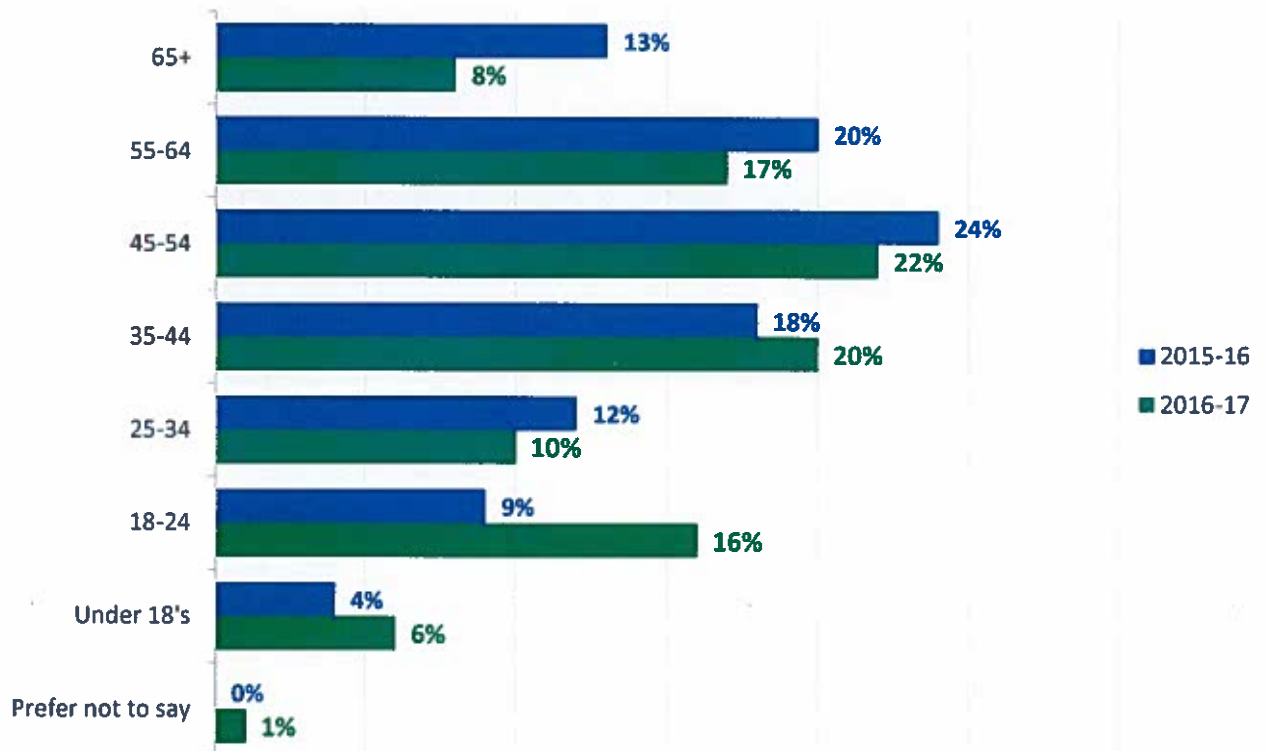
Data from the UK Coaching Coach Panel Survey provides information on the diversity of our supported coaches. The survey asked respondents to confirm their gender, age group and whether they have a disability.

Gender of supported coaches



n=682 for 2015-16 and n=540 for 2016-17.

Age of supported coaches



n=682 for 2015-16 and n=540 for 2016-17.

Supported coaches with a physical / mental health disability



n=682 for 2015-16 and n=540 for 2016-17.

Impact measure 9 - We will have developed and implemented a clear, strategic approach to leadership development for professional staff working in Scotland's sporting system, proactively encouraging diversity in the workforce for sport.

sportscotland has an ambition to have strong, positive leaders in Scottish sport because we believe good leaders will inspire their sporting community and drive productivity in an ethical, sustainable and systematic way. We continue to provide opportunities for leadership development to partner organisations and to sportscotland staff.

Performance through Leadership

Our internal leadership programme, Performance through Leadership, has been designed to support participants to continuously improve critical performance and leadership behaviours. In March 2016, we commissioned an external evaluation of this programme.

The evaluation found that the content, delivery and learning outcomes for participants have been a success. In most cases, their immediate teams have benefitted from greater confidence to lead and a wider range of skills to do so more effectively. There has also been increased collaboration across the business, improved accountability, a greater sense of empowerment, and more honest conversations.

There is a positive sense that the culture is changing as a result of this programme but for the participants, and their teams, that have been enthused, encouraged and reinvigorated by the programme, their new skills and approaches need to be reinforced by sportscotland's working environment.

The nature of the programme is such that it requires all senior people to participate if the learning is to be supported, consolidated and lead to sustained change.

- It was recommended that **sportscotland** explore changes in working practices, processes and structures across the business that that would help embed learning and the effective leadership that is desired.
- Next steps are to disseminate the findings more widely and develop and engage the programme participants in the development of an action plan that responds to the evaluation recommendations.

External leadership

Our current external leadership opportunities comprise of:

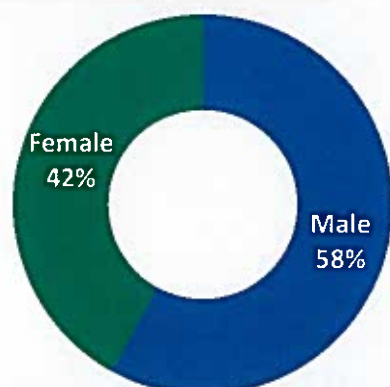
- **Leading Edge:** a high level leadership programme for senior CEOs in partnership with the UK home country sports councils and UK Sport.
- **Future leaders:** a mid-level leadership programme for a variety of SGB staff delivered by Plan4Sport.
- **Women's' Sport Leadership Academy:** a residential programme for women from partner organisations and sportscotland which aims to increase the confidence and competence of women working in sport in a range of leadership behaviours.

In order to continually improve leadership in our world class sporting system, we are developing a leadership framework for the sector. The framework will provide a single orientation point for leadership, providing a sporting context, a consistency of language and a set of leadership behaviours across the sporting system.

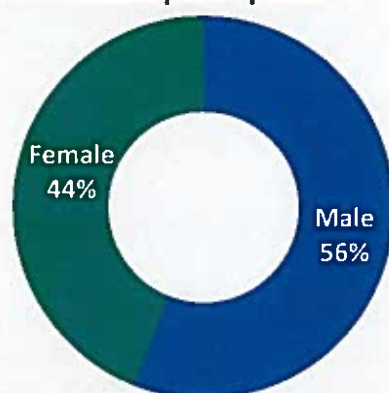
To do this we will consult on a leadership architecture that can be adopted consistently to allow us to systemise leadership skills. In addition we will identify integrated cohorts of local and national leaders of sport, where sportscotland has invested, to collaborate and develop their leadership skills. Once developed this framework will replace the existing leadership opportunities of Leading Edge and Future Leaders.

External and internal leadership development programmes

2015-16: 55 distinct participants



2016-17: 52 distinct participants



Impact measure 10 - We will have provided a range of leadership opportunities to young people so they are encouraged and supported to reach their potential in leadership roles.

Our work developing, and supporting the development of, young people as leaders in sport continues to be a priority. We believe that this work will provide a lasting legacy of confident, knowledgeable and experienced young people who throughout their life in sport will strengthen the sporting system. We also see this as a core part of our commitment to ensuring our young people are successful learners, confident individuals, effective contributors and responsible citizens, supporting the Curriculum for Excellence, Getting it Right for Every Child and the National Outcomes in Scotland Performs.

Through our work with young people as leaders in sport, the sports sector and young people themselves will have an improved understanding of the range of roles young people can undertake within the sporting system. Providing training for and access to opportunities for young people to gain the skills, knowledge and understanding to perform these roles will be improved.

We have identified five key roles for young people as leaders in sport. These roles are integral to building a world class sporting system. The roles are not the only ones that a young person can undertake but they are likely to have the most significant impact on the system. They are:

- young people as deliverers/coaches
- young people as technical officials
- young people as event/ competition organisers
- young people as decision makers
- young people as ambassadors.

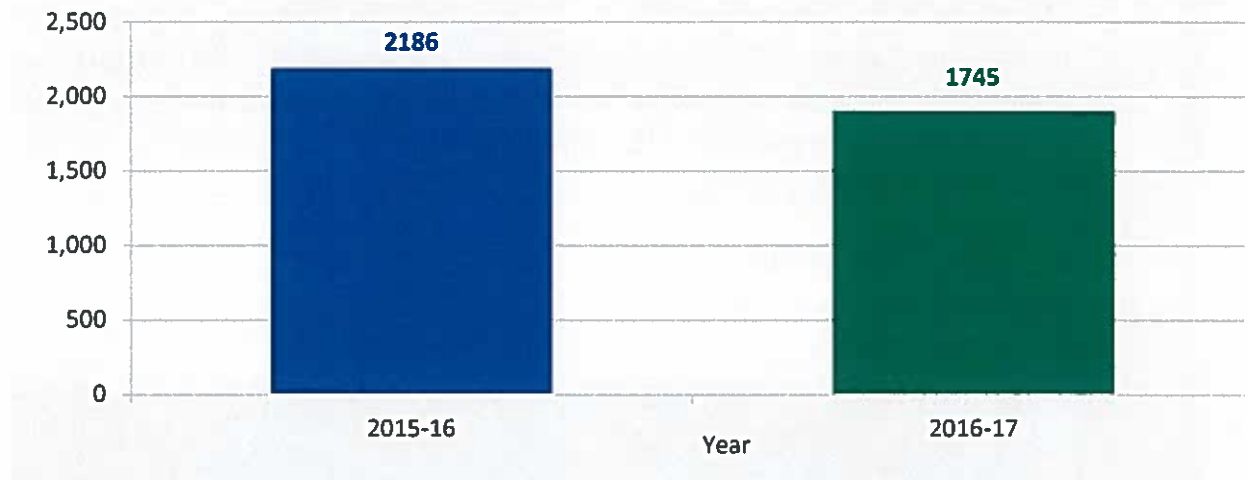
We have created a range of opportunities aligned to these roles, including:

- **Young Ambassadors:** Provision of national training for young people to support and encourage them in their role as Young Ambassadors which is (i) to promote sport, by motivating and inspiring other young people to participate in sport in schools, local sports clubs and in the local community and (ii) influence six key aspects of school sport as aligned to the School Sport Award.
- **Young Decision Makers:** Motivate and engage hub officers to facilitate the involvement of young people as decision makers within hub steering groups / committees.
- **Internship:** Recruit and deploy an internship opportunity within sportscotland's sports development team.
- **Competition Organiser Training:** Provision of national training establishing a local network of tutors delivering who are able to undertake locally based training to young people to help support them gain the necessary skills, knowledge and understanding to undertake the competition organiser role
- **Young people's sports panel:** Recruitment and management of a panel of young people to take on a leadership role in the sporting system. This then consists of consultation and facilitated engagement with the sport panel on the sporting system and on a range of sportscotland business activity.

In partnership with local authorities, Youth Scotland, Youth Sport Trust and YDance, we have also created leadership opportunities specifically aimed at girls and young women:

- **Active Girls Leadership Awards:** Provide opportunities for girls and young women to attend and gain leadership awards in dance and sport which they actively use within their school and community environments delivering to their peers.

Participants at leadership opportunities*



**There may be multiple counting between opportunities. We have incorporated Active Girls leaders (1,137) into 2015-16 figures increasing this from 1,049 as reported to 2,186. Note data for Active Girls is captured for academic year.*

Places

You will have access to a network of quality places where you can get involved in sport.

Impact measure 11 - We will have established sportscotland national centre Inverclyde as a fully-inclusive, residential sports facility.

We established National Centre Inverclyde as an inclusive, residential sports facility on time and budget, with public access to the new facilities from the beginning of April 2017. The Centre now provides a unique set of facilities within Scotland and the UK, offering 60 fully accessible rooms with the capacity to accommodate up to 120 athletes of all ages and abilities. It will serve sport at all levels, including: the local community; schools; sports clubs from across Scotland; SGBs; and, sports competitions and related events.

The project was a key priority for sportscotland and required substantial support from a wide range of staff providing different types of expertise. This included dedicated specialist support, primarily using internal staff resources, in: procurement; design and construction; legal; communications; human resources; ICT; project management and administration; specialist nutrition advice to help develop the proposed menus for the catering contract; and, advice on the fit out of the physical preparation area.

During the project we worked within the Scottish Government's supported facilities and businesses framework to put in place contracts for the supply of various goods and services including: uniforms, furniture, beds, signage and branding.

The project governance arrangements received substantial assurance from internal audit and lessons learned during the project will be captured and used to inform future sportscotland project development and delivery.

In addition to sportscotland funding, plus an additional £6m secured from the Scottish Government, other funds were secured from North Ayrshire Council to cover the transfer of land for the establishment of a new Largs Schools Campus, to support the golf facility upgrade and ensure 11 years of access to the sports pitches by Campus pupils. Further partnership working will follow as the Largs Schools Campus development nears completion in Spring 2018. Throughout the project we developed a strong partnership with North Ayrshire Council.

Inverclyde investment



**As at 31 March 2017. This figure includes a total of £197,181 of equivalent investment in kind of sportscotland support (2015-16 £59,609, 2016-17 £137,572)*

***This figure includes external funds received from North Ayrshire Council.*

Impact measure 12 - We will have contributed to the successful completion of the National Performance Centre for Sport and integrated it within our high performance network.

Oriam: Scotland's Performance Centre for Sport, has been a key priority for sportscotland. The project was successfully completed and opened in August 2016, on time and on budget, delivering a world class environment that will benefit athletes, clubs, the community, SGBs and others.

A critical success factor in the completion of the project was the strong partnership developed between Heriot-Watt University and sportscotland. sportscotland and the sportscotland institute of sport (SIS) provided substantial specialist support in design and construction, management, legal, and planning.

The opening of Oriam presented the opportunity for the rationalisation and relocation of key SIS service delivery areas into the new building. Oriam is now home to the East regional office which can accommodate up to 20 staff across a wide range of performance disciplines. The management of all SIS regional service delivery is carried out through the office and SIS practitioners now work together out of the performance gym, rehabilitation/medical area and hydrotherapy pool. Associated areas such as the conference room have been utilised for a wide range of performance-related events including British Olympic Association medical meetings, and joint UK Sport and SIS high performance environments workshops.

Another positive development has been strengthened relationships between the SIS, Oriam, the Scottish Rugby Union (SRU) and the Scottish Football Association (SFA). Looking ahead there is a greater opportunity for the SIS to work with Oriam to further

develop the delivery spaces around the concept of high performance environments. Similarly, the SRU and SFA have both indicated a desire to explore working more closely with the SIS, both in terms of sharing space and around sharing best practice across our respective practitioners.

Oriam investment



**As at 31 March 2017. This does not include external investment leveraged from partners at Heriot-Watt University and City of Edinburgh Council.*

£6,450,000 total external investment leveraged from partners**

*** This is a final figure and does not change year on year.*

Impact measure 13 - We will have made places for sport a more integral part of planning for sport, both locally and nationally.

We are committed to supporting partners to better connect planning for sport with planning for places for sport, considering and integrating facilities across local area plans and sport plans.

We moved our facilities database to the My Sport portal, ensuring our partners can more easily access this valuable source of data. We used this to inform a national run of the Facility Planning Model and shared this work with our partners to enable them to plan for sport more effectively.

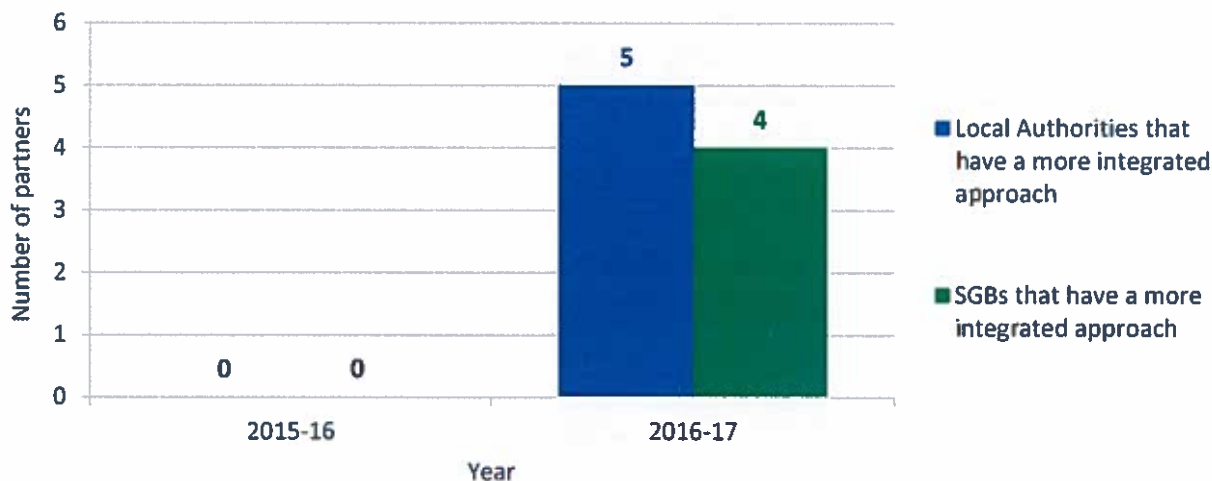
sportscotland staff support both local and national partners to develop informed and effective strategic and operational plans.

Locally, we continued to lead and facilitate the development of strategies and strategic planning frameworks with seven local authority partners. We are in the early stages of strategy development with four other local authorities. The strategic planning framework we use to lead the development of local strategies incorporates supporting and improving the places enabler as part of building the world class sporting system.

Through the planning process, partners identify high level key priorities which are then underpinned by more detailed plans outlining resource and delivery requirements. Local authority partnership managers and facilities planning colleagues are an integral part of local cross-partner leadership groups responsible for strategy and framework development.

To support SGBs, we have implemented a pod system, which sees the SGB partnership manager, coaching and volunteering partnership manager, high performance manager and facilities colleagues, work together in a coordinated way to support the sport and ensure places for sport are included within strategic and operational plans. Our facilities leads also directly support the SGB where specialist knowledge is required.

Number of partners with a more integrated approach to planning



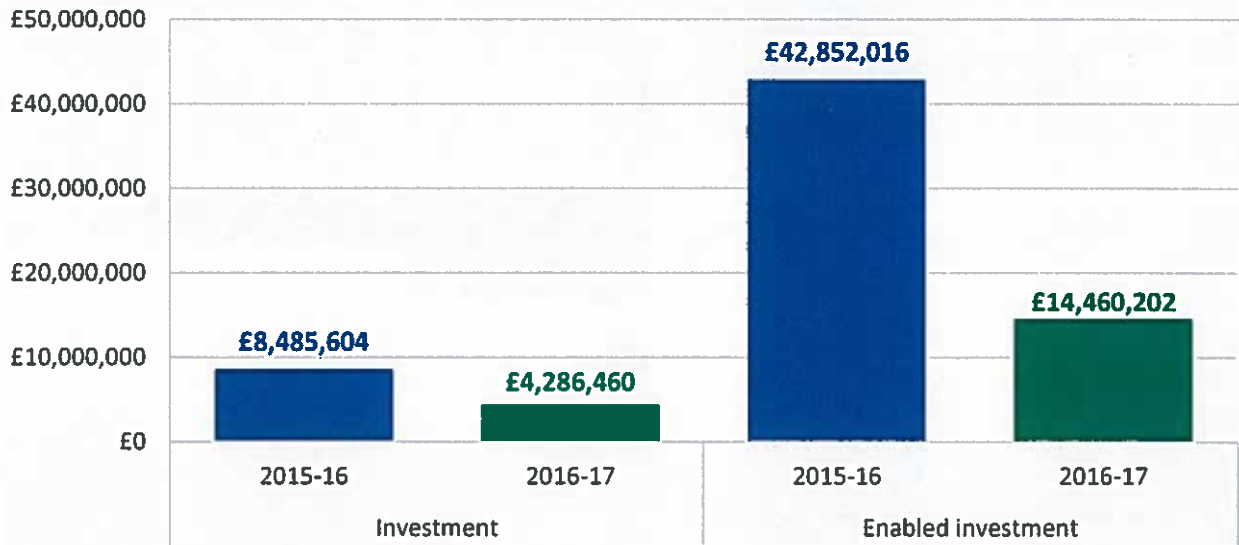
Impact measure 14 - We will have targeted our resources around the development of places for sport where they can have the greatest impact on participation and progression in sport.

We only invest in projects that can deliver a clear impact on our participation and progression outcomes, and where they are able to demonstrate an impact on our priorities for improvement. We continuously review our approach to investment to ensure we are able to target our available resources effectively.

We have a strong application and assessment process, and ensure our staff and external partners target resources around the development of places for sport where they can have the greatest impact. In addition we only invest in schools when there is a clear link to clubs and use by the community, and we only invest in performance environments where there is a strategic fit with an SGB. This is how we ensure our investment supports the sporting system.

We are currently in the process of moving to fewer investment rounds per annum and strengthening the role of SGBs in the application and assessment process, to ensure we can prioritise and target our available resources more effectively.

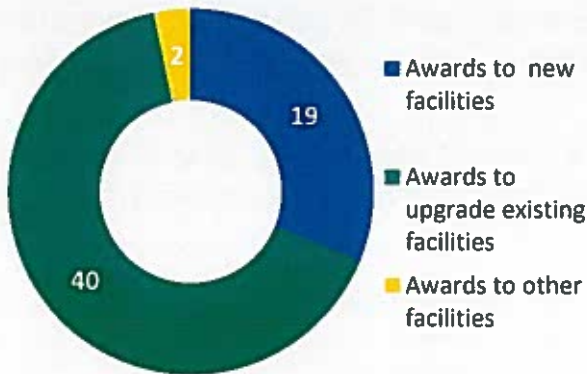
Investment in facilities*



* Total investment through awards to facilities for 2016-17 includes 'in principle' commitments. Enabled investment: working together with partners, our investment provides a catalyst for further investment to projects with a clear impact on outcomes.

Investment in facilities by type

2015-16: 61 awards made



2016-17: 30 awards made



Investment in facilities by environment



n = 61 for 2015-16 and *n* = 30 for 2016-17.

Profile

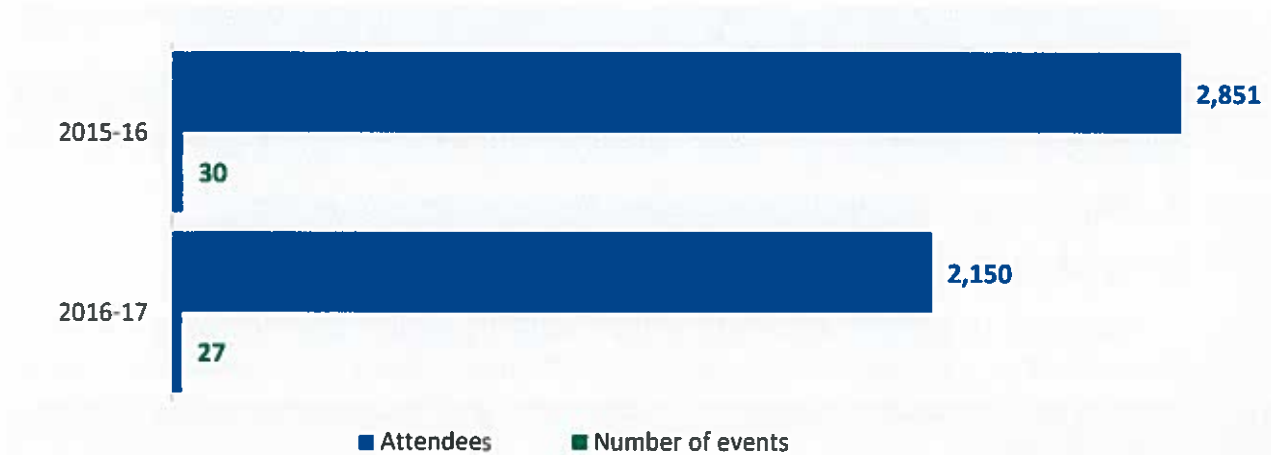
You will see and hear about a range of sporting opportunities and be inspired by the success of Scottish sport.

Impact measure 15 - We will have celebrated Scottish sport, profiling a wide range of sports and the opportunities for all to get involved, progress and achieve.

We have celebrated Scottish sport, and highlighted opportunities for all to get involved, progress and achieve across the sporting system, through an increasing focus on digital communications. Highlights include:

- Revising the format of Sport First, from a published magazine to an online digital hub for news.
- Facilitating #sporthour, a monthly Twitter conversation for the network about sport in Scotland.
- Introducing Cutting Edge, the blog for high performance.
- Introducing a Performance Live series on Facebook.
- Facilitating two SGB partner events with the BBC.
- Delivering a success post Rio event for athletes, young people and CSHs.
- Developing a Facebook group for SGB and local partner communications colleagues, which currently has 63 members.

Corporate events



Sport First Digital Hub

We launched the Sport First digital hub to coincide with the 2016 Rio Olympics and Paralympics and it received 5,000 views in the first week. This is more than the printed publication would have received in two editions. The theme *Celebrate the Great* ran through the articles and on to the Athlete Homecoming event held post Games. The event was held at Oriam and brought together the Olympic and Paralympic athletes with young people and CSHs from throughout Scotland.

Feedback included:

"The Q & A with the athletes was fantastic. It made a strong connection with the youngsters and some fantastic 'real' insight to what it takes and what it is like to be at the Olympics and medal. A real sense of getting to know Team Scotland"

SGB CEO

"This is the first event I think I have been at where there was a real sense of connecting to the athletes of the future an inspiring the next generation"

SGB CEO

Strategic relationship with BBC

Another key change in 2016-17 was the development of our strategic relationship with the BBC, which has benefitted our SGB and local authority communications colleagues. We held a successful digital communications training day at BBC Scotland in January. The event was attended by 60 communications colleagues from SGBs and local authorities. The feedback was overwhelming with nearly 100% of respondents stating their skill set had been improved. Feedback included:

"sportscotland do a great job of supporting us on social media. Continued support and events like yesterdays would be massively beneficial."

"We are very lucky in that sportscotland is already so good at supporting us in our digital comms. Keep going please!"

"I really enjoyed the training.....I know sportscotland work hard at celebrating the success of Olympic and Paralympic athletes..."



A follow-up event for this group is planned for the second half of 2017.

Local authority Active Schools workshops

During 2016-17 we also delivered 32 local authority Active Schools workshops across Scotland. The purpose of these was to give Active Schools coordinators the tools they need to promote the programme on social media and help raise the profile of sport and sportscotland.

Collaboration with National Lottery Promotions Unit in Scotland

We also work closely with the National Lottery Promotions Unit in Scotland to create and promote good news stories around sport in Scotland. We recently created a dedicated National Lottery microsite within the sportscotland website to encourage and inspire our partners to tell their stories about how sportscotland and National Lottery has helped them fulfil their sporting objectives.

 Twitter		 Facebook		sportscotland Website	
2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1,468	1,847	1,127*	1,109	235,816	240,450
Tweets		Likes		Unique users	
4,365,000	5,795,026	1,591,687	3,508,593	-	21
Impressions		Impressions		Sports profiled**	
7,123	10,324	-	25,164	-	37
Mentions		Engagements		Jobs advertised***	
92,355	135,615	-	1,938,632	-	838
Visits to Twitter page		Users reached		Responses to job adverts***	

* Note in 2015-16 we erroneously reported the number of Likes as 1,127,000 instead of 1,127. This was due to a formula error.

** This figure includes sports profiled through Sport First / #sporthour / sportscotland website / Facebook and Twitter

*** Note data refers to the period from 1 April 2016 until 16 February 2017 as our recruitment website closed at this point due to the switch to a new HR information system.

A Twitter impression is the number of times a Twitter user is served a sportscotland Tweet in their timeline or through search results. A Facebook impression is the number of times a post from the sportscotland Facebook page is displayed. People may see

multiple impressions of the same post e.g. if someone sees a page update in news feed and then sees that same update when a friend shares it. In this instance this would count as two impressions.

328 media enquiries responded to

6,338 media hits with a reach of **354,680,000** and a total value of **£11,340,000**

Reach represents the number of opportunities to watch, listen, or read about a sportscotland initiative, programme or point of view. Value is calculated through the Advertising Value Equivalent (AVE).

The media data from 2015-16: 796 media hits with a reach of 96,149,354 and a total value of £2,178,277, cannot be compared to 2016-17 data as we moved from a labour intensive, individual collation of only high-quality media activity data onto a new, automated media monitoring platform which collates all media activity.

Impact measure 16 - We will have partners reporting positively that sportscotland has helped them understand the sporting system and work together to enhance it.

We aim to better equip partners to deliver against agreed outcomes and provide quality services for sport across Scotland. We do this through a dedicated team of managers who work with local authorities, leisure trusts and SGBs to lead, direct and support the development of the sporting system.

We support partners to develop and review their strategic direction for sport, including integrating facilities and pitches plans, and workforce planning. We support the operational delivery of our programmes, including Active Schools, School Sport Awards, school sport competition, Active Girls, community sport hubs, investment and support direct to sport clubs, coach education and coach development.

We continue to provide networking opportunities for Active Schools, sports development and regional managers to share and discuss key priorities and share learning throughout the year.

We provide added value through advice on governance and effective organisation and managing specific advice and guidance through our SGB generic support programme.

This year we delivered interactive workshops on impacts and interventions, our short term evaluation tool, to help officers reflect on their practice and adopt a continuous improvement approach. These were attended by 126 club development officers as part of their quarterly meetings across the five regional sporting partnerships in Scotland. To help the organisation and the sporting system work smarter, we also ran a further series of workshops for sports development staff working for sportscotland and local partners

to support the use of our online reporting and business intelligence system My Sport and Pathway. This helped to enhance their abilities to use data gathered through MySport and has improved monitoring and decision making.

ASPIRATIONAL REPORTING

We are continuing to refine our performance measurement framework, which describes our impact against the corporate plan. This report has drawn out the indicators against the impact measures. There are additional indicators we will include in the future, particularly for qualitative information, and evidence of impact. This section describes what we are aiming to report, and explains why these indicators are not included in this report.

Some indicators will take longer to gather. For example, our wider evaluations will start towards the end of the corporate plan period, so we can look more in depth at the impact across 2015-19. In a few examples, we need to wait until a project is operational before we collect indicators.

Timing is also an issue. For example, we need to wait until the end of the Commonwealth Games before we can report on our medal count.

Finally, we are still on a journey in developing our indicators, making them more consistent across the business. Some indicators were affected mid year, so we cannot report a consistent figure across this year.

New indicators

We are now able to report on a number of the aspirational indicators identified last year. These include:

- Age breakdown of distinct participants and playing club members
- Gender breakdown of playing club members affiliated to SGBs
- SGBs supported to understand their pathway
- Distinct participants on coach CPD and gender breakdown
- UK Coaching Panel Survey results including diversity of supported coaches
- Days of support provided by sportscotland institute to SGBs
- Medals, medalists and Scots on Team GB from the Summer Olympics and Paralympics

- UKCC candidates subsidised by sportscotland by award level and gender breakdown
- Performance through Leadership evaluation
- Partners with a more integrated approach to planning
- Investment in facilities by environment

Wider evaluations

These are in depth analysis of the impact of our work. We will be exploring our contribution to a broad area, rather than a single project: e.g. how has the blend of support we offer affected clubs? The people evaluation is underway, and the schools and clubs evaluations are due to be commissioned in July 2017.

Long term indicators:

- *Commonwealth and Winter Olympic / Paralympic athlete numbers / medals won* – This will be collected during the events.
- *Oriam: the National Performance Centre* – Now that the centre is opens in August 2016, we will explore its impact and how it adds value to our high performance network.
- *Kirkpatrick evaluation* – sportscotland has embedded the Kirkpatrick Model to evaluate our training programmes. We collect information on how people reacted to their training, and whether they feel they learned the knowledge skills and behaviours from the training. We will also gather detailed evaluation data to explore impact for a small number of priority projects, focusing on behaviour change and the development of a world class sporting system.
- *Indicators for developing projects* – We are still developing the work under Impact Measures 4 and 13. We will report further indicators once these projects have progressed further.

Indicators where we have gathered information, but not enough to include in this report:

- 1 *Impacts and interventions* – We ask the posts we fund to describe the interventions they have introduced, the impacts they aim to achieve with these interventions, and then to reflect on their progress. This gathers short term evaluation information, and it encourages reflection and continuous improvement. This is being gradually introduced, and we expect to report on the first round of data across 2016-17.
- 2 *Customer feedback / event evaluation surveys* – We are introducing a consistent approach to customer feedback and event evaluations. This is already in place for many projects, and we have extracted some highlights against the impact measures.
- 3 *In-kind performance investment* – We are updating our systems to collect the value of services, provided to Commonwealth, Olympic / Paralympic sports and team sports.

Review of the Financial Results of the Year

The accounts relate to the year ended 31 March 2017 and are prepared in a form directed by the Scottish Ministers in accordance with section 35 of Part II of the National Lottery etc. Act 1993.

During the year to 31 March 2017, £34,123k (2015/16 £28,850k) was called down from the NLDF towards the payment of approved awards and the administration of the National Lottery Fund. Administration and programme costs including depreciation for the year totalled £9,060k (2015/16 £6,837k).

A summary of the Lottery Reserves position at the end of 2016/17 showing the commitments to be made over the next 4 year period from 2017/18 to 2020/21 is highlighted in the table below.

The **sportscotland** Lottery statutory accounts are prepared so as to provide details of hard commitments to partners annually. Thus the income and expenditure account reflects these commitments.

This does not take account of the ongoing commitment to our partners who work to a four year plan to deliver specific outcomes.

The analysis below provides a breakdown of the soft/ other commitments made at **sportscotland** over the four year period 2017/18 to 2020/21.

	£000s	£000s
Monies held in National Lottery Distribution Fund for sportscotland		53,479
<u>Less:- Commitments during the 4 year period 2017/18 to 2020/21</u>		
Partner Revenue Funding	(71,701)	
Capital Funding	(32,724)	
Effective Organisation	(20,104)	
Balance to be funded by future Lottery Revenues		<u>(71,050)</u>

Remuneration for non audit services

The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2016/17 the appointed auditors were Audit Scotland.

During 2016/17, no non-audit fees were paid to Audit Scotland.

Intangible assets

During the year to 31 March 2017 there was £155k (2015/16 £53k) spent on acquiring intangible assets for sportscotland Lottery Fund activities.

Retained Reserves

Accumulated funds totalling £38,348k (2015/16 £41,343k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

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

During the year ended 31 March 2017 the Lottery Fund paid 90% (2015/16 93%) of all 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, we currently pay all within 20 days.

The sportscotland Lottery Fund 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



Stewart Harris
Chief Executive & Accountable Officer
23 August 2017

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

The Members of the **sportscotland** Council at 31 March 2017, all of whom have been Members throughout the year, with the exception of those indicated otherwise, are listed below:

L Martin CBE (Chair)	(Term Completed 6 June 2016)
M Young (Chair)	(From 6 June 2016)
Prof G Jarvie	(Term Completed 26 October 2016)
D Gass	(Term Completed 22 February 2017)
R Stone	(Term Completed 22 February 2017)
D Cameron	
G Walker	
F Wood	
C Riddell	
Prof L Robinson	
Prof C Mahoney	
C Grant	(From 22 February 2017)
H Ousta	(From 22 February 2017)
S Sandilands	(From 22 February 2017)
D Skinner	(From 22 February 2017)
K U'ren	(From 22 February 2017)

S Jackson (Advisor) (resigned June 2016)

F Wood and D Gass are representatives of the **sportscotland** Trust Company. Prof G Jarvie was representative until 26 October 2016.

The Chief Executive is Stewart Harris.

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

There were no personal data related incidents in the year.

Statement of Accountable Officer's Responsibilities

Under Section 35(2) - (3) of the *National Lottery etc Act 1993*, **sportscotland** is required to prepare a statement of accounts in the form and on the basis directed by the Scottish Ministers with the consent of the Secretary of State for the Department of Culture, Media and Sport. The accounts are prepared on an accruals basis and must give a true and fair view of the **sportscotland** Lottery Fund's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the **sportscotland** Lottery Fund 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;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the **sportscotland** Lottery Fund will continue in operation.

The Accountable Officer for the Health and Wellbeing Directorate has designated the Chief Executive of **sportscotland** as Accountable Officer for the **sportscotland** Lottery Fund. 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 Memorandum to Accountable Officers of other Public Bodies issued by the Scottish Government.

Statement that accounts are fair, balanced and understandable

So far as the Directors are aware, the annual reports 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 judgements 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 minimizing losses of funds were in place throughout 2016/17.

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 2016/17 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. I am also informed by comments made by the external auditors, Audit Scotland in its Annual Report to those charged with Governance.

The key components of the control framework are detailed below:

sportscotland Council

At the start of the year, the Council had 11 non-executive members, being Ministerial appointments, one of which is appointed as Chair (non-executive). The Chair, Louise Martin, stepped down after completing her second four-year term on 6 June 2016. Mel Young, previously Vice Chair, was appointed by Scottish Government as the new Chair from that date. The Vice Chair position was filled by Coral Riddell from 19 April 2017.

All 16 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**. During the year Susan Jackson was recognised as an advisor to the Board, before resigning as an advisor in June 2016.

The attendance of the 16 non-executive members who held office during the year of the six meetings of 2016/17 was:

Louise Martin CBE	(1 of 1)	(Chair to 6 June 2016)
M Young	(6 of 6)	(Chair from 6 June 2016)
Prof G Jarvie	(4 of 4)	
D Gass	(6 of 6)	
R Stone	(6 of 6)	
D Cameron	(5 of 6)	
G Walker	(5 of 6)	
F Wood	(6 of 6)	
C Riddell	(6 of 6)	
Prof L Robinson	(5 of 6)	
Prof C Mahoney	(4 of 6)	
C Grant	(1 of 1)	
H Ousta	(1 of 1)	
S Sandilands	(1 of 1)	
D Skinner	(1 of 1)	
K U'ren	(1 of 1)	

S Jackson	(0 of 2)	(Advisor – resigned June 2016)
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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 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 four main Council Member committees – Audit and Risk Committee, the Group Remuneration and Succession Planning Committee, the Group Ethics Committee and the Financial Resources Committee, which was established in April 2017.

Audit and Risk Committee

Membership of the Audit and Risk Committee consists of five non executive Council members. The membership during the 2016/17 financial year is detailed below with their attendance record for the four meetings which took place.

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, BDO LLP, as its internal auditors, who operate to standards defined in the *Government Internal Audit Public Sector Standards*. BDO 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 Audit and Risk Committee considers the appointment and fees of the external auditors and discusses the scope of the 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 D Cameron.

D Cameron	(4 of 4) (Chair)
R Stone	(4 of 4)
G Walker	(2 of 4)
Prof C Mahoney	(3 of 4)
Prof L Robinson	(3 of 4)

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 Committee met twice during 2016/17. The Chair's remuneration is decided by the Scottish Government and thus he has no influence over his own pay award. Membership of the Remuneration and Succession Planning Committee during 2016/17 comprised:

Prof G Jarvie	(1 of 2)
D Gass	(2 of 2) (Chair)
G Walker	(2 of 2)
C Riddell	(2 of 2)

Group Ethics Committee

The Group Ethics Committee currently consists of three non executive Council members and is chaired by the **sportscotland** Chair, Mel Young. The membership during the 2016/17 financial year is detailed below with their attendance record for the meeting which took place.

The Ethics Committee considers business issues across the four areas of anti-doping, gambling and betting, fair play and child protection and advises the **sportscotland** Board on all issues related to these subjects and any actions required.

M Young	(1 of 1) (Chair)
R Stone	(1 of 1)
F Wood	(1 of 1)
C Riddell	(1 of 1)

Financial Resources Committee

Over the past two years the Scottish Government's Grant-in-Aid to **sportscotland** has been reduced. **sportscotland**'s other main source of funding, the National Lottery, has also seen a recent reduction in income. With a continuing commitment to help build a world class sporting system for everyone in Scotland, these reductions in funding have created significant challenges to this long-term ambition. In response the **sportscotland** Board has established a Financial Resources Committee to explore sources of finance to invest in Scottish sport alternative to those provided by the Scottish Government and the National Lottery. The Committee is made up of at 4 independent non-executive Board members, and 3 independent Trust Company board members, supported by senior members of the management team.

The committee met for the first time in May 2017.

Information Security

During 2016/17, **sportscotland** continued to provide assurance that it was fully compliant with the Scottish Government Security Policy Framework, which seeks to ensure that appropriate systems are in place to manage risks associated with information security. In addition, Business Continuity and Data Disaster Recovery arrangements are in place. No significant lapses of data security were found during 2016/17.

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 on-going 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 2016/17, sportscotland's Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

System and process improvements

There has been an on going focus on system and process improvements which have included:

- the development of processes for the new financial system;
- the implementation of a new HR and payroll system;
- the implementation of a new Booking system for the Trust Company Centres; and
- responding to the findings from internal audit reports on the new finance system, the new Trust Company booking system, the High Performance investment processes, the Direct Club Investment processes, the Business Performance Management processes, the Financial Planning processes and the Inverclyde project management and transition planning.

The continued focus on applying an effective procurement process has resulted in cost savings, enhanced systems and more effective contract management. Sportscotland continues to make use of the Scottish Government's framework agreements where possible in order to benefit from the commercial benefits that they can deliver.

The Procurement function received a Silver award from the Procurement and Commercial Improvement Programme (PCIP) in November 2016, which noted good progress being made in the PCIP areas of Development of Tender and In Contract.

The new finance system is now operational and this is starting to realise savings and efficiencies through reduced paperwork, process timescales and resource requirement.

Audit Scotland's Interim Audit Report and BDO's Internal Audit Report on the new finance system identified a number of recommendations to improve existing controls, including updating formal documentation of certain policies and procedures. The sportscotland finance team is working to address these recommendations in order to enhance its control environment.

Improving the sportscotland estate

Inverclyde has undergone a major transformation with considerable work taking place during 2016-17 towards the construction of a "world class inclusive residential sport facility for Scotland", which was completed in March 2017. Inverclyde has been transformed by this significant investment by sportscotland and the Scottish Government, and will be able to deliver "an inclusive world class sporting experience for all in an inclusive and inspirational environment", incorporating state-of-the-art equipment and accommodation for sports governing bodies, sports clubs, athletes and the community.

The Inverclyde redevelopment was managed by a Project Board staffed by **sportscotland** staff and supported by external expertise. This approach is helping develop in house expertise and experience which will be valuable for future projects. The approach has been the subject of three internal audits to date with substantial assurance regarding the design and operations of the control processes adopted to deliver this major project.

In 2015-16 an audit was carried out to review the condition of the **sportscotland** estate and to provide a list of priority maintenance activities to ensure the ongoing effective operation of the estate. **sportscotland** has developed a programme of works in response to the priorities identified by this audit to be carried out over a 2-3 year period.

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 in to 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.

Remuneration and Staff Report

Remuneration policy

sportscotland operates a Performance and Development Review (PDR) system to determine the individual rewards paid to all employees along with senior managers and directors. All pay awards continue to require ministerial approval.

The Chief Executive, S G Harris, is appraised by the Chair with a full report given to the Scottish Government. Any performance related payments paid would be formally approved by the Scottish Government. All directors are appraised through the PDR system by the Chief Executive.

All executive directors' employment contracts are open ended, have three month notice periods and the redundancy policy is the payment of one month's salary for every year of service.

Directors' Salaries and Allowances ()**

The salary and pension entitlements of the most senior members of the sportscotland Group have been subject to audit where indicated (**) and are as follows:

Name		Salary	Benefits	All pension related benefits	Total
		£000's	£000's	£000's	£000's
S G Harris	2017	100-105	-	(15)-(17.5)	82.5-85
	2016 (restated)	95-100	-	(7.5)-(10)	90-92.5
S Ogg	2017	80-85	-	(2.5)-(5)	80-82.5
	2016 (restated)	80-85	-	(2.5)-(5)	77.5-80
M Roberts	2017	80-85	2.6	(12.5)-(15)	82.5-85
	2016 (restated)	80-85	3.9	(2.5)-(5)	82.5-85
M Whittingham*	2017	85-90	-	*	*
	2016	85-90	0.4	*	*
L Martin	2017	0-5	-	-	-
	2016	25-30	-	-	25-30
M Young	2017	15-20	-	-	15-20
	2016	-	-	-	-

Directors' Pension Entitlements (**)

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 2017	Cash equivalent transfer value 2016	Real Increase in Cash Equivalent Transfer Value
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S G Harris	-	-	41	112	934	944	(33)
S Ogg	-	-	10	5	173	160	9
M Roberts	-	-	11	9	140	127	11

Note: S G Harris was previously enrolled in the Scottish Teachers Superannuation Scheme, and the pension benefits table therefore reflects these transfer values. M Whittingham is not in a final salary scheme and company contributions of £17k (2015/16, £17k) were made to a defined contribution scheme.

Fair Pay Disclosure

The median remuneration for sportscotland's staff is £32,779 (2015/16 - £34,258).

The ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director is 3.13 (2015/16 2.85), as at the reporting period end date.

Pay for sportscotland employees, excluding the highest paid Director, ranges between £15,000 and £90,000

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 split for the sportscotland Lottery Fund during 2016/17 was 50% (2015-16 45%) with the balance, 50% (2015-16 55%), being funded from Scottish Government resources.

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 £165 for each meeting attended, along with an £80 payment for preparation for a board meeting. Attendance at Committee meetings are paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2016-17 were £389k (2015-16 £424k).

sportscotland made payments of £4k to consultants during 2016-17.

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:-

	Men	Women
Boards	9	11
Directors	4	0
Senior Managers	15	4
Employees	178	153

Sickness absence rate

Sickness absence rate during the year was 3.76% (2015-16 1.17%)

Reporting of Civil Service and other compensation schemes – exit packages

Exit package band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	1	1
>£50,000	-	-	-
Total number of exit packages	-	1	1
Total resource cost (£000)	-	44	44

Voluntary severance payments were agreed with one employee during the year to 31 March 2017, taking account of salary and period of service. Exit costs are accounted for in full in the year of departure.

Equal Opportunity in Employment and Disabled Employees

sportscotland actively promotes policies for equal opportunities and to ensure non-discrimination on the grounds of disability.

Employee Involvement

sportscotland involves employees in decisions which may affect their welfare through its Staff Engagement Forum and consults through the Joint Consultative Committee, which brings together representatives from Management and Trade Unions on matters relating to employee terms and conditions.

Staff policies applied during the year

sportscotland is committed to promoting equality and diversity in employment. **sportscotland** recognises the unique contribution each employee can make and aims to promote a climate of respect for all, requiring all employees to treat each other with fairness, dignity and respect.

sportscotland is opposed to any form of discrimination against job applicants or employees on the grounds of gender or gender reassignment, disability, age, ethnic or national origin, marital status, religion or belief, sexual orientation, trade union activity, responsibility for dependents or other relevant factors.

In the case of disabled applicants who identify themselves at the application stage, appropriate interview arrangements (such as accessible interview rooms or the assistance of a sign language interpreter) will be offered to enable such candidates to compete on an equal basis.

sportscotland's Equality, Diversity and Human Rights in Employment Policy supports **sportscotland's** wider equality agenda through encouraging the development of a more diverse workforce, where employees understand and promote equality, and where equality is mainstreamed into every aspect of our work.

sportscotland is committed to ensuring that all employment policies and practices are non-discriminatory in line with relevant employment legislation and best practice.

All employees will be supported to achieve their full potential and all employees that self identify as having additional support needs will have an annual review to assess and review support measures.

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 2016-17 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 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 and the strategic guidance letter issued in August 2016.

Ministerial priorities sport and physical activity for 2016-17, as set out in the Strategic Guidance letter, include:

- expanding sportscotland's reach to the inactive and underrepresented in sport, including teenage girls and older people, including engaging with the third sector, youth groups and other community organisations, as well as building on relationships with local authorities and community planning partnerships;
- addressing inequality and championing equalities;
- widening engagement with communities, including increasing the number of Community Sports Hubs to 200 by 2020, with greater targeting to areas of deprivation;
- supporting sports governing bodies efforts to end LGBTI discrimination;
- delivering a network of regional sports centres across the country;
- working collaboratively with national partners to:
 - increase the participation, engagement and proportion of women in sport;
 - to continue to support the delivery of two hours of quality PE for children at school;
 - supporting the "Daily Mile" beyond the school setting; and
 - promoting the benefits of sport and physical activity on mental health.
- supporting Event Scotland to bring major events to Scotland and helping to make sure they are successful.

National Lottery funding for 2016-17 is administered in accordance the following 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	Cumbrae	Glenmore Lodge	2017
	£000	£000	£000	£000
Course Fees	21	454	1,017	1,492
Hires, Sales & Hospitality	225	54	638	917

Course fees represent income from a wide selection of courses, ranging from beginners courses in sailing and mountain skills to key "train the trainer" courses for industry expert qualifications. As a result, the course range and frequency is driven by a number of considerations, including commercial demand and the requirement to ensure that certain key industry qualifications are always available. Glenmore Lodge and Cumbrae were the main income generators of course fees in 2016-17 providing a wide range of courses utilising the locations, natural features and seasonal weather conditions around where they are based.

Hire, sales and hospitality income principally refers to hire of sporting facilities at Inverclyde and income from food, drink and accommodation at Glenmore Lodge and Cumbrae.

Contingent Liabilities

No contingent liabilities were recorded as at 31 March 2017.

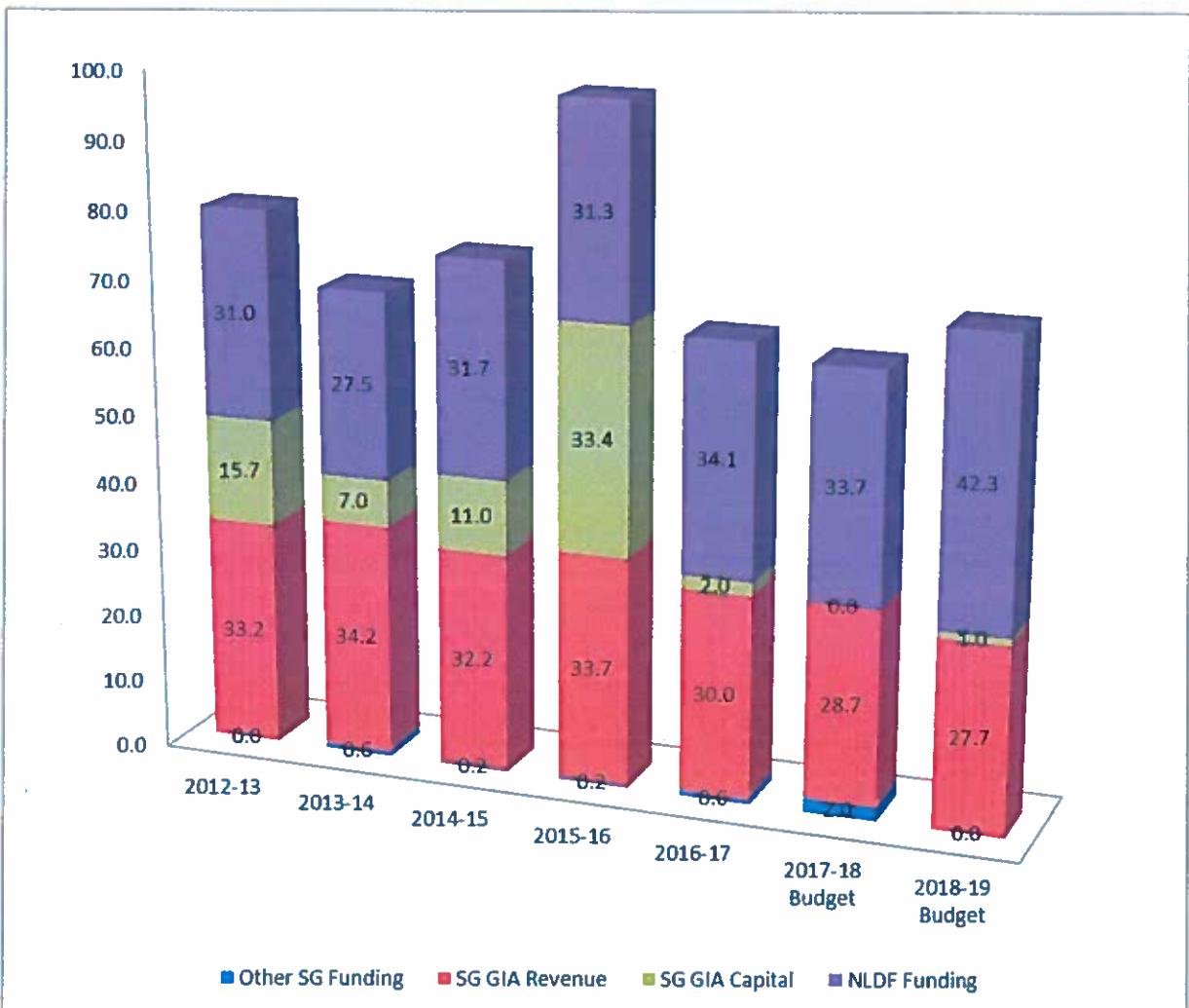
Losses and Special Payments

No Losses were incurred or Special Payments made during the year ended 31 March 2017

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 2017/18 and 2018/19:



Note: SG Funding for 2017-18 is based on a current Grant in Aid letter. SG Funding for 2018-19 will not be known until later in 2017 and so the value for 2017-18 has been used as an indicative amount. NLDF Funding for 2017-18 and 2018-19 is based on forecast revenue and capital expenditure in those years.

Stewart Harris
Chief Executive & Accountable Officer
23 August 2017

Independent auditor's report to the members of Scottish Sports Council Lottery Fund, the Auditor General for Scotland and the Scottish Parliament

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 120 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Sports Council Lottery Fund (the Lottery Fund) for the year ended 31 March 2017 under the National Lottery etc. Act 1993. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, the Reconciliation of Movement of Funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). 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 am independent of the body 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 Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material

misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

My objectives are to achieve 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&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report 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. 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.

Report on other requirements

Opinions on other prescribed matters

I am required by the Auditor General for Scotland to express an opinion on the following matters.

In my opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers.

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 the National Lottery etc. Act 1993 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 the National Lottery etc. Act 1993 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 auditable part 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.

Elaine Boyd

Elaine Boyd
Assistant Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

28 August 2017

sportscotland

Lottery Fund

Statement of Comprehensive Net Expenditure for the year ended 31 March 2017

	Notes	2017 £000	2016 £000
Income			
National Lottery Fund proceeds		26,491	31,285
Interest receivable		7	15
Other operating income	2	611	30
		<u>27,109</u>	<u>31,330</u>
Expenditure			
Grants paid and committed during the year	3	9,913	6,528
Net grant commitments	3	11,130	17,227
Staff costs	4	4,925	3,211
Depreciation	5	75	6
Other operating charges	5	4,060	3,620
		<u>30,103</u>	<u>30,592</u>
Operating surplus / (deficit) before tax		(2,994)	738
Corporation tax	6	1	3
(Decrease) / Increase in fund		<u>(2,995)</u>	<u>735</u>

All the results of the Fund relate to continuing activities.

No other gains or losses were incurred in the year.

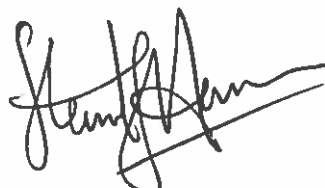
The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Statement of Financial Position at 31 March 2017

	Notes	2017 £000	2016 £000
Non - current assets			
Property, plant, and equipment	7	58	5
Intangible assets	8	211	127
Total non-current assets		<u>269</u>	<u>132</u>
Current assets			
Cash and cash equivalents			
Investments – balance held in NLDF	9	53,479	61,111
Cash at bank	12	7,020	4,000
Trade and other receivables	10	320	47
Total current assets		<u>60,819</u>	<u>65,158</u>
Total assets		<u>61,088</u>	<u>65,290</u>
Current Liabilities			
Trade and other payables	11	22,740	23,947
Total current liabilities		<u>22,740</u>	<u>23,947</u>
Net current assets		<u>38,079</u>	<u>41,211</u>
Non-current assets plus net current assets		<u>38,348</u>	<u>41,343</u>
Taxpayers Equity			
General fund	14	38,348	41,343
		<u>38,348</u>	<u>41,343</u>

The Accountable Officer authorised these financial statements for issue on 23 August 2017



Stewart Harris
Chief Executive & Accountable
Officer



Mel Young
Chair

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Statement of Cashflow for the year ended 31 March 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Surplus on ordinary activities before tax		(2,994)	738
<i>Adjustment for non-cash items</i>			
Depreciation on tangible and non-tangible fixed assets		75	6
<i>Movements in working capital</i>			
Decrease/(Increase) in investments		7,632	(2,435)
Increase in trade and other receivables		(273)	(3)
Increase in trade payables		2,153	1,204
<i>Movements in provisions</i>			
Increase/(decrease) in provisions for hard commitments		(3,359)	3,463
Taxation Paid		(1)	(3)
Net cash (outflow) / inflow from operating activities		3,233	2,970
Cash flows from investing activities			
Purchase of tangible assets		(58)	-
Purchase of intangible assets		(155)	(53)
Net cash outflow from investing activities		3,020	2,917
Net (decrease) / increase in cash and cash equivalents		3,020	2,917
Cash and cash equivalents as at 1 April 2016		4,000	1,083
Cash and cash equivalents as at 31 March 2017	12	7,020	4,000

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Reconciliation of movement of funds for the year ended 31 March 2017

	Balances held in NLDF £000	Balances at SLF £000	2017 Total £000	2016 Total £000
Opening balances	61,111	(19,768)	41,343	40,608
National Lottery Fund proceeds	26,491	-	26,491	31,285
Drawn down in year by SLF	(34,123)	34,123	-	-
Interest on cash balances	-	7	7	15
Other operating income	-	611	611	30
Grants paid	-	(9,913)	(9,913)	(6,528)
Net grant commitment	-	(11,130)	(11,130)	(17,227)
Expenditure	-	(9,061)	(9,061)	(6,840)
	<u>53,479</u>	<u>(15,131)</u>	<u>38,348</u>	<u>41,343</u>

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Notes to the accounts for the year ended 31 March 2017

1 Accounting policies

1.1 Basis of accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of fixed assets. The financial statements have been prepared in accordance with applicable accounting standards, the National Lottery etc Act 1993, and the Government Financial Reporting Manual, in so far as they relate to the sportscotland Lottery Fund, and the requirements of the Accounts Direction issued by Scottish Ministers.

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

As required by Scottish Ministers, the sportscotland Lottery Fund is not required to include a note showing historical cost profits and losses.

Comparative figures shown are for the year to 31 March 2016.

Going Concern

Due to the healthy bank balance and strong net asset position as well as the continued funding expected, the board have prepared the financial statements on the going concern basis which provides that the organisation will continue in operational existence for the foreseeable future.

1.2 Accruals convention

All income and expenditure is taken into account in the financial year to which it relates.

As required by the Scottish Ministers, a distinction is made in respect of the sportscotland Lottery Fund awards between hard and soft commitments.

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.

Hard commitments

A hard commitment is analogous to a commitment arising from a legally binding contract, carrying with it an obligation on the distributor to pay the agreed Lottery grant provided only that all the conditions of the grant are met, and that the National lottery continues to operate. For the purposes of recording a charge in the Statement of Comprehensive Income, a hard commitment arises when a firm offer of a grant from the National Lottery proceeds has been made by sportscotland and accepted in writing by the recipient. A firm offer will only be made if there is a reasonable expectation that conditions attached to the offer will be met. A provision for hard grant commitments is shown on the Statement of Financial Position and is written down as the commitment matures.

Soft Commitments

These will occur when there is agreement in principle by sportscotland to fund a scheme. Once a formal offer and acceptance of the terms and conditions of the grant have been concluded this will become a hard commitment. The total soft

commitments are shown in a note to the Statement of Financial Position. Changes in soft to hard commitments which arise after the accounting year end and before the publication of the Accounts will not be adjusting events in terms of IAS 10 (Events after the Reporting Period).

De-commitments

Should a hard commitment fail to become a cash payment within the expected timeframe, and there is little possibility of it crystallising, sportscotland may withdraw the offer formally in writing. A reverse entry to the commitment is then made in the Statement of Comprehensive Income.

1.3 Property, plant, and equipment and depreciation

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

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

Leasehold buildings	Over the term of the lease
Fixtures and fittings	5 years
General equipment	4 years
Computing 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.

The finance team are 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 all 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.

1.4 Intangible Assets

Intangible assets are valued at cost less straight line depreciation.

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'.

1.5 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the sportscotland Lottery Fund is as shown in the accounts and, at the Statement of Financial Position date, has been certified on an interim basis by the Secretary of State for Culture, Media & Sport as being available for distribution by the body in respect of current and future commitments. This balance is shown as an investment on the Statement of Financial Position and is stated at market value. The balance in the accounts is based on an Interim Statement of balance produced by the Department of Culture, Media and Sport (DCMS) which is subject to completion of the Statement of Assurance of Payments due to the National Lottery Distribution Fund for 2016/17 by the National Lottery Commission and the completion of the audit of the National Lottery Distribution

Fund accounts for 2016/17 by the National Audit Office with an adjustment for the final balance being reflected in subsequent financial statements.

The annual proceeds available from the National Lottery Distribution Fund have been treated as income within these financial statements.

1.6 Taxation

Taxation has been provided for by the **sportscotland** Lottery Fund. The Fund is liable to corporation tax on the bank interest received. The small companies' rate of corporation tax applies to this taxable income.

1.7 Post retirement benefits

All members of staff are contractually employed by **sportscotland** and not **sportscotland** Lottery Fund. A proportion of staff costs are recharged by **sportscotland** to **sportscotland** Lottery Fund on the basis of time spend by the employee on activities of **sportscotland** Lottery Fund.

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).

As **sportscotland** is the employer of staff, the pension scheme is accounted for as a defined benefit scheme in the financial statements of **sportscotland**. Within **sportscotland** Lottery Fund, the pension scheme is accounted for as a defined contribution scheme and the recharged share of the pension contributions is expensed to the Statement of Comprehensive Income in the year.

Scottish Teachers Superannuation Scheme (STSS).

sportscotland participates in the STSS pension scheme providing benefits based on final pensionable pay. 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 Income represents the contributions payable to the scheme in respect of the accounting period.

Strathclyde Pension Fund (SPF).

The SPF is a pension scheme providing benefits based on final pensionable pay. 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.

1.8 Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income in the year to which the invoice relates.

1.9 Provisions

A provision (a liability that is of uncertain timing or amount) is recognised in the **sportscotland** Lottery accounts only when it actually exists at the Statement of Financial Position date. A provision is recognised when the **sportscotland** lottery fund has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.10 Lottery salary recharges

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

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

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

2 Income

2.1 Proceeds from the National Lottery

The proceeds from the National Lottery represent the share of net operator proceeds and investment returns allocated to the **sportscotland** Lottery Fund during the year.

2.2 Other operating income comprises:

	2017 £000	2016 £000
Grants Returned	449	-
Miscellaneous income	162	30
	<u>611</u>	<u>30</u>

3 Grants paid and net grant commitment

	2017	2016
	£000	£000
3.1 Annual grants paid and committed during the year		
Capital and Revenue	<u>9,913</u>	<u>6,528</u>
	2017	2016
	£000	£000
3.2 Grants paid during year		
Paid and committed during year	9,913	6,528
Committed in previous years	<u>14,490</u>	<u>13,764</u>
	<u>24,403</u>	<u>20,292</u>
	2017	2016
	£000	£000
3.3 Net grant commitments		
Hard commitments made during year	25,044	24,227
Less: amounts paid and committed during year	(9,913)	(6,528)
Less: amounts de-committed during year	<u>(4,001)</u>	<u>(472)</u>
Net grant commitment at 31 March	<u>11,130</u>	<u>17,227</u>
	2017	2016
	£000	£000
3.4 Net grant commitments split		
Capital programmes	674	2,913
Revenue	<u>10,456</u>	<u>14,314</u>
	<u>11,130</u>	<u>17,227</u>
3.5 Grants paid during the year by programme	2017	2016
	£000	£000
3.5.1 Capital Facilities		
Sports Facilities Programme	<u>7,928</u>	<u>3,504</u>
	<u>7,928</u>	<u>3,504</u>

	2017 £000	2016 £000
3.5.2 Revenue Funding		
Athlete Support	11,211	11,381
Scottish Athlete Awards & Support	252	33
Volunteers	223	326
Awards for All / Celebrate	463	1,450
Club Support	750	652
Coach Support	1,669	1,536
Sports Partnerships	1,907	1,410
	<hr/>	<hr/>
	16,475	16,788
Total grants paid during the year	<hr/>	<hr/>
	24,403	20,292

4 Employees

	2017 £000	2016 £000
4.1 Total staff costs comprise:		
Wages and salaries	3,805	2,530
Social security costs	403	212
Other pension costs	717	469
	<hr/>	<hr/>
Aggregate staff costs	4,925	3,211

All employment contracts are within sportscotland and the relevant amounts are recharged to sportscotland Lottery.

	2017 No.	2016 No.
4.2 The average staff numbers, including part-time and full-time employees, are as follows:		
	<hr/>	<hr/>
	102	66

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

5 Other operating charges

The operating result is after charging:

	2017 £000	2016 £000
Administration expenses	3,690	3,327
Travel and subsistence	111	106
Auditors' remuneration		
External	20	21
Internal	22	11
Operating rentals	217	155
Depreciation	75	6
	<u>4,135</u>	<u>3,626</u>

6 Corporation tax

	2017 £000	2016 £000
Corporation tax	1	3

Corporation tax is due on the bank interest received in the year based on the standard rate of corporation tax of 20%.

7 Property, Plant & Equipment

	Total £000	Fixtures and Fittings £000	Equipment £000
Cost at 1 April 2016	34	1	33
Additions during year	58	-	58
Cost at 31 March 2017	<u>92</u>	<u>1</u>	<u>91</u>
Aggregate depreciation at 1 April 2016	29	1	28
Charge for the year	5	-	5
Aggregate depreciation at 31 March 2017	<u>34</u>	<u>1</u>	<u>33</u>
Net Book Value at 31 March 2017	<u>58</u>	<u>-</u>	<u>58</u>
Net Book Value at 31 March 2016	<u>5</u>	<u>-</u>	<u>5</u>

8 Intangible assets

Computer software licences

	£000
Cost	
Opening balance 1 April 2016	186
Additions during year	155
Closing balance 31 March 2017	341
Accumulated depreciation	
Opening balance 1 April 2016	59
Charge for the year	71
Closing balance 31 March 2017	130
Net book value at 31 March 2017	211
Net book value at 31 March 2016	127

9 Investments

	2017 £000	2016 £000
National Lottery Distribution Fund	53,479	61,111

The balance shown at 31 March 2017 is the interim valuation from NLDF, the final audited balance for the value of investments as at 31 March 2016 was £61.111k.

10 Trade and other receivables

	2017 £000	2016 £000
Trade debtors	171	47
Intercompany - sportscotland	145	-
Other Debtors	4	-
	320	47

Breakdown of Debtors by Category

	2017 £000	2016 £000
Other Central Government Bodies	10	-
Local Authorities	17	16
NHS Bodies	-	-
Public Corporations and Trading Funds	-	-
Other External Bodies	293	31
Total	320	47

11 Trade and other payables

	2017 £000	2016 £000
Trade creditors	3,852	71
Corporation tax	1	3
Hard commitments payable within one year	18,165	21,525
Intercompany - sportscotland	-	953
Accruals and deferred income	722	1,395
	<u>22,740</u>	<u>23,947</u>

Breakdown of Creditors by Category

	Group	
	2017 £000	2016 £000
Other Central Government Bodies	534	984
Local Authorities	5,896	6,263
NHS Bodies	-	-
Public Corporations and Trading Funds	-	-
Other External Bodies	16,310	16,700
Total	<u>22,740</u>	<u>23,947</u>

12 Cash and cash equivalents

	2017 £000	2016 £000
Cash and bank balance at 1 April	4,000	1,083
Net cash (outflow)/inflow	<u>3,020</u>	<u>2,917</u>
Cash and bank balance at 31 March	<u>7,020</u>	<u>4,000</u>

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.

13 Grant Commitments

	2017 £000	2017 £000	2016 £000
Capital			
Balance as at 1 April		5,149	2,236
Amounts committed during the year		8,978	6,687
Total hard commitments		<u>14,127</u>	<u>8,923</u>
Amounts paid during the year	(5,970)		
Amounts paid and committed during the year	(1,958)		
Amounts de-committed during the year	(375)	(8,303)	(3,774)
Hard capital commitments at 31 March		<u>5,824</u>	<u>5,149</u>

	2017 £000	2017 £000	2016 £000
Revenue			
Balance as at 1 April		16,376	15,825
Amounts committed during the year		16,064	17,541
Total hard commitments		<u>32,440</u>	<u>33,366</u>
Amounts paid during the year	(5,057)		
Amounts paid and committed during the year	(11,417)		
Amounts de-committed during the year	(3,625)	(20,099)	(16,990)
Hard revenue commitments at 31 March		<u>12,341</u>	<u>16,376</u>
Total hard commitments at 31 March		<u>18,165</u>	<u>21,525</u>

At 31 March 2017 a total of £18,165k (2015/16 £21,525k) is payable within one year and disclosed in Note 11. No other amounts are committed.

14 General Fund

	2017 £000	2016 £000
Represented by:		
Balance as at 1 April	41,343	40,608
Change in fund for the year	(2,995)	735
Balance as at 31 March	<u>38,348</u>	<u>41,343</u>

15 Soft capital grant commitments

	2017	2017	2016
	£000	£000	£000
Balance as at 1 April		2,378	711
Amounts committed during the year		2,782	2,378
Total soft commitments		5,160	3,089
Amounts transferred to hard commitments	2,378		
Amount de-committed during the year	-		
		2,378	711
Soft commitments at 31 March		2,782	2,378

16 Related party transactions

The **sportscotland** Lottery Fund is administered by **sportscotland** and thus **sportscotland** is regarded as a related party of the **sportscotland** Lottery Fund.

All transactions with related parties are conducted at arms length.

During the year **sportscotland** recharged salaries of £4,925k (2016: £3,211k). Within debtors there is an amount of £145k due from **sportscotland** (2016: £0k). Within creditors there is an amount of £0k due to **sportscotland** (2016: £953k).

The Scottish Sports Council Trust Company is a related party of the **sportscotland** Lottery Fund as it is controlled by **sportscotland**. There were no transactions in the year between the Scottish Sports Council Trust Company and **sportscotland** Lottery Fund.

During the year both the Accountable Officer and Chair of the **sportscotland** Lottery Fund Committee received remuneration from **sportscotland**.

The **sportscotland** Lottery Fund paid grants to the following bodies which are related parties:

	<u>2017</u>	<u>2016</u>
Awards for All (Big Lottery Fund)	£462,984	£1,449,888

There were no significant related party transactions with associated organisations during the year to 31 March 2017. Details of awards made to governing bodies and amounts paid to individual sports are contained in the Annual Report.

17 Losses

The **sportscotland** Lottery Fund had no write-offs during the year.

18 Contingent Liabilities

As at the date of signing, **sportscotland Lottery Fund** had no contingent liabilities.

SPORTSCOTLAND

ACCOUNTS DIRECTION BY THE SCOTTISH MINISTERS

The Scottish Ministers, in pursuance of section 35(3) of the National Lottery etc Act 1993, hereby give the following direction.

1. sportscotland shall prepare accounts for the financial year ended 31 March 2015 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared as well as any other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.

2. The accounts shall be prepared so as to:

(a) Give a true and fair view of the financial position as at 31 March 2015 and subsequent financial year-ends, and of the comprehensive income and expenditure, cash flows for the financial year then ended; and

(b) Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

(c) Follow the additional accounting and disclosure requirements set out in Annex A.

3. This Direction applies to the Lottery distribution activities of sportscotland. The direction given in April 2010 is revoked.

4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. Any material departure from the FReM should be discussed with HM Treasury.

Signed by the authority of the Scottish Ministers



Richard Foggo, Deputy Director and Head of Active Scotland Division, The Scottish Government
July 2015

I agree, signed on behalf of the Secretary of State for Culture, Media and Sport



. Peter Mills

Date 27 July 2015

Head of Finance Special Projects

Department for Culture, Media and Sport

ANNEXA

ADDITIONAL ACCOUNTING AND DISCLOSURE REQUIREMENTS

The following paragraphs detail the additional requirements as agreed by Scottish Ministers, the Secretary of State for Culture, Media and Sport and sportscotland, over and above those disclosures required in the FReM.

- 1. The Statement of Net Comprehensive Income/Expenditure shall include as separate items, where material:**
 - a. the share of Lottery proceeds attributable to sportscotland;**
 - b. the share of investment income of the National Lottery Distribution Fund attributable to sportscotland;**
 - c. interest receivable on lottery funds;**
 - d. repayment of grants;**
 - e. any other income;**

- f. grant made from lottery funds;
- g. lapsed or revoked grant previously recorded as commitments from lottery funds;
- h. the total operating costs incurred in respect of National Lottery distribution activities.

2. The Statement of Financial Position shall include:

a. under the heading "Current assets": shown as an investment, the balance held on behalf of sportscotland at the National Lottery Distribution Fund;

b. Grants falling due for payment within one year should be disclosed separately under the heading "Current Liabilities".

c. Grants falling due for payment after more than one year should be separately disclosed under the heading "Non current liabilities"

3. The Cash Flow Statement shall use the indirect method when presenting "Cash flow from Operating Activities";

4. The Notes to the Accounts should meet the requirements of the FReM and include:

a. a statement that the Accounts have been prepared in a form directed by the Scottish Ministers and with the consent of the Secretary of State for Culture, Media and Sport in accordance with Section 35(3) of the National Lottery etc. Act 1993;

b. a statement of the accounting policies. This must include a statement explaining the nature of the balances held on sportscotland's behalf in the National Lottery Distribution Fund as follows:

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media & Sport. However, the share of these balances attributable to sportscotland is as shown in the Accounts

and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by sportscotland in respect of current and future commitments."

c. the value of grant commitments at the year-end which sportscotland has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date;


d. where grants exceed available resources as shown in the Statement of Financial Position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.

e. a note reconciling the opening and closing balance of investments held at the NLDF. This should disclose proceeds received from the National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF

f. a breakdown of the total grant liabilities (current and non current) in the Statement of Financial Position to show:

- Liability brought forward
- Commitments in the year
- Decommitments
- Commitments paid
- Liability carried forward
- A breakdown of the liability for each year up to and including 5 years and over 5 years

July 2015


Pam Hill



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