

sportscotland
National Lottery
Distribution Fund

Annual Report and Accounts
for the year ended 31st March 2022

sportscotland
National Lottery
Distribution Fund

Annual report and accounts 2021-2022

For the period 1 April 2021 to 31 March 2022

Presented to Parliament pursuant to Section 35 of the National
Lottery etc Act 1993

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Minister's Foreword

I'm delighted to be introducing this report after just over a year in this role; a year in which I have continued to be impressed with the way **sportscotland** have supported partners across the sport, physical activity and leisure sector in our recovery from the pandemic.

In last year's foreword I was hopeful that better times were coming. While the last twelve months have provided continuing challenges, this report highlights the considerable amount of great work that has taken place by the whole sport sector to support communities and people to be active, and made a difference to so many across Scotland.

I've been thrilled to see more sport return and to be able to get out and meet those involved in delivering across the country.

I'm particularly pleased to see the strong emphasis on inclusion continues to be prominent in this report. This is ever more important as we address the impacts of the pandemic and ensure that the whole sporting system works to support participation across all groups and tackle inequalities. I am confident that we can continue to make progress in this area.

The Get into Summer programme was a great example of the sector coming together to provide opportunities for children, young people and families to reconnect, have fun, and be physically active. I enjoyed hearing about the many varied and innovative programmes that took place across Scotland during last summer and I know that these will have had a huge impact on the many children and young people that took part.

The pandemic has taught us that collaboration is essential if we are to address challenges and make further progress towards a more active Scotland. I am looking forward to meeting more of the fantastic people delivering across the sector and visiting more programmes that are working to achieve this.

Maree Todd – Minister for Public Health, Women's Health and Sport

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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 therefore”. 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 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.

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

As Scotland continues to progress through the recovery from the effects of the Coronavirus (COVID-19) pandemic, I am extremely proud of the role our sporting system has played, and continues to play, in that recovery.

The sector has again been faced with challenges, and our priority over the last year has been to support physical activity, sport and leisure partners through these challenges and back towards normality.

The sporting system has shown incredible resilience, and physical activity and sport has played a crucial and sometimes enhanced role at the heart of communities across the country. That would not have been possible without the vital work of professionals and volunteers across the workforce who underpin our sporting system and go above and beyond every day.

Working closely with our local, national and strategic partners has also been pivotal in navigating these challenges, and that collaboration will continue to be vital as recovery gathers speed.

We will all have to embrace new ways of working, but I am confident that the physical activity, sport and leisure sector will do just that.

This annual review covers a year during which we still faced significant restrictions to our way of life, but it also reflects on the progress that has been made to get individuals and communities back engaged with activity. I would like to thank everyone from across the system who has played their part in that effort.

Stewart Harris, Chief Executive, **sportscotland**

Purpose and activities of the organisation

About us

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

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

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

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

A sporting system for everyone

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

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

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

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

Figure 1: A sporting system for everyone



Structure: Our environments

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

Schools and education

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

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

We continue to hold strategic conversations with local authorities and local partners to understand both the impact of COVID-19 on local sport and on their recovery plans.

We use our partnership working to drive the changes needed to address inequalities and ensure inclusion underpins everything we do. Our support will be driven by the needs and priorities of our local partners.

Clubs and communities

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

Our staff focus on developing and improving the connections between local authorities and Scottish governing bodies of sport (SGBs) to build capacity and capability within local clubs, community sport hubs and communities. We also work with third sector organisations and other partners to add value and strengthen this approach.

We continue to work with SGBs, national partners, clubs and community organisations to understand the impact of COVID-19 and target our investment to help sport and leisure sector recovery.

We encourage an inclusive approach. We support clubs, community sport hubs and communities to understand and address barriers people face and make it easier for people to participate in sport.

Performance sport

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

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

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

Making it happen

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

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

Performance summary

We report on our annual performance by highlighting our part in supporting recovery from Coronavirus, summarising key highlights from our operational delivery across the environments in the sporting system and providing data about how this contributes to the strategic priorities in our revised performance measurement framework¹.

Playing our part in recovery from Coronavirus

Over the last year, our priority has been to support the sector to recover from the Coronavirus (COVID-19) pandemic while ensuring communities across Scotland continue to reap the benefits of sport and physical activity for their mental and physical health.

A key component has been our continued work with local, national and strategic partners to gather high level information on the impact of COVID-19 on sport and physical activity. We maintained our flexible approach to our investment, supporting recovery and ensuring the sector could respond to local need and help support communities across Scotland despite the on-going disruption.

Active Schools teams across the country have been building on the relationships established throughout lockdown. This has extended the reach of the programme to more vulnerable and disengaged children and young people. Community sport hubs continue to broaden their range of support to local communities to better address their needs. Many hubs are now directing support to groups that have been hardest hit by the pandemic.

“We have had more focus on those who need the most support such as young people from areas of deprivation, who are care experienced or inactive. Working with third sector organisations helped us better understand and work with the above groups of young people. Our whole approach has been adapted”. - Active School Manager

We worked with all 32 local authorities and leisure trusts to invest £1.4m through the Get into Summer programme. This aimed to help address the negative impacts of the pandemic by providing opportunities for children, young people and low income families, to socialise and reconnect with peers. Across Scotland there was a wide range of free, inclusive sporting and physical activity opportunities alongside the provision of healthy food options and financial and transport support.

We supported recovery plans nationally and locally by offering a residential planning opportunity at our National Centres Inverclyde and Glenmore Lodge to all of our key partners, when restrictions allowed. This offered partners the time and space to plan and prepare for recovery post-COVID-19 in an aspiring National Centre dedicated to sport. We provided access to meeting spaces, team building and sporting activities and accommodation at no cost. We also brought **sportscotland** staff together with partners to continue to develop integrated planning across sport.

¹ <https://sportscotland.org.uk/media/6895/final-business-plan-2021-onwards-april-board.pdf> - Page 16

“Our staff had a fantastic time and relished the opportunity to reconnect as a team, face to face. The focussed time was invaluable as we continue to recover and rebuild stronger following the pandemic. The facility and staff were brilliant. We were comfortable, had everything we needed, and most importantly felt safe from a COVID-19 perspective. We wouldn’t have been able to deliver such an impactful two days without your support”. – Netball Scotland

We collaborated closely with Scottish Government on the development of guidance and support packages, including financial help for sports across Scotland to survive the impact of lost ticket revenue caused by the pandemic. We continued to provide support to Scottish governing bodies of sport (SGB), local partners and other sports organisations to develop their own specific guidance as we moved through the changes to restrictions and legislation. With a focus on return to sport, we supported the professional workforce through access to a range of online training and resources, all which were developed in line with COVID-19 considerations.

We supported athletes and sports to ensure they attained the appropriate qualification standards and get selected for the 2022 Beijing Winter Olympic and Paralympic Games. Ahead of the Birmingham 2022 Commonwealth Games, we delivered 34 workshops to 618 athletes and 89 support personnel. The Team Scotland education programme is nearing completion with 90% long listed athletes accredited as of 31 March 2022.

We provided vital information and support to partners through our communication channels. We worked collaboratively with partners to inspire and support recovery and re-engagement of people back to sport. We delivered targeted communications campaigns focusing on promoting the benefits of sport and physical activity such as #FeelYourPersonalBest and #TrySomethingNew. We aided our Young People’s Sport Panel to promote their Kit for All campaign to encourage people to recycle and re-distribute pre-loved sports and inspire partners to create their own local models.

We know that before the pandemic certain groups of people were less likely to take part in sport and physical activity. These same groups are also most at risk of worsening inequalities as we return to sport. A major focus as we move into recovery has been the launch of our new [Equality, Diversity and Inclusion approach](#). This brings our commitment to inclusion underpinning everything we do. We have built on strong foundations by developing a range of tools, resources, engagement and training opportunities. These will support the sector to develop inclusive practice and embed the new approach in their everyday work.

We continue to share consistent messaging about staff prioritising their physical and mental health and wellbeing working from home and prioritising caring responsibilities. We supported those staff on furlough by topping up payments to 100% of salary for the duration of both furlough and flexible furlough government schemes which ended September 2021. We carried out Pulse Surveys to help us understand how staff were feeling during the pandemic and about returning to the workplace. This information has helped inform our approach to a phased return. Through our COVID-19 Resources hub and newly developed Wellbeing zone, we developed and shared a variety of information and guidance to support staff. We provided staff with a range of ICT support, guidance and training to support remote working. This included training on Office365, information governance on working from home and Cyber resilience. Our ICT continuous improvement programme also ran uninterrupted during the pandemic, shifting focus to upgrading and rolling out systems that better support and secure hybrid working for staff.

As we emerge through the pandemic, we recognise there are significant challenges facing the sporting system. We need to continue to collaborate and plan the recovery of sport and physical activity. Inclusion will be at the core. We will continue to prioritise our resources on the opportunities which have the greatest impact on people's physical and mental health and wellbeing. Our aim is to re-energise the system, reconnect people to sport and engage those who are disengaged. The long-term recovery action plan and consistent messaging for the sector, developed by the strategic forum of stakeholders from the sport and physical activity sector, will help ensure greater resilience and responsiveness to the upcoming challenges.

Clubs and communities

Our major focus was providing support and guidance to partners to help them plan for safe return of sport and physical activity, in line with Scottish Government guidelines. We continued to provide support to SGBs, local partners, the higher and further education sector and other sports organisations to develop their guidance as we moved through the changes to restrictions and legislation relating to COVID-19.

We provided support to ensure all invested SGBs are now 100% compliant with the Safeguarding Standards and the Child Welfare and Protection in Sport (CWPS) club tool. We also established quarterly meetings to monitor SGB progress against the new UK Anti-Doping (UKAD) Assurance framework.

We commissioned global EDI experts, Plan4Sport, to lead an independent review into racism in Scottish cricket. We supported Plan4Sport by coordinating strategic and operational communications activities. We made significant efforts to raise the profile of the review, build trust in the process and encourage engagement from across the Scottish cricketing community. This has included extensive engagement with key stakeholders including Cricket Scotland, Running Out Racism and the media. We also continued engagement across all digital and social media channels including making SportFirst content available in Urdu, Hindi and Gaelic. A final report with recommendations was published in July 2022.

We continued to develop our nationwide Community Sports Hubs (CSHs). We updated our operational investment guidance for CSHs to encourage investment to support inclusion and held consultation sessions to support the facilitation of the revised approach across the network. We provided additional support to develop the CSH workforce. This included a new CSH officer toolkit and an annual learning and development suite for hub officers to support them in their role.

We approved investment into 22 projects through the Sports Facilities Fund, totalling £1,031,492. We approved three awards through the Transforming Scottish Indoor Tennis Fund, totalling £603,347. We worked with Scottish Cycling on a strategic investment fund to deliver a network of cycling projects across Scotland, linked to the UCI 2023 Cycling World Championships. Through the Cycling Facilities Fund, we approved investment of £2,844,548, into 19 projects. We also approved investment of £504,869 into 118 projects through Awards for All.

We progressed our Changing Lives action plan, ensuring it aligns with our new EDI approach. We continued to work with the Changemakers Partnership to deliver training to Changing Lives Champions and their managers which focused on setting outcomes, theories of change and sustainability. We initialised and shared a Changing Lives Fund report, which highlights the impact and value of a Changing Lives approach for our communities.

We supported two workshops, facilitated by Public Health Scotland (PHS), around Active Travel and Active Places. An online survey was issued to all participants to validate the information captured during the workshops including proposed actions. We also worked with PHS to develop a data hub project and agreed to test the proof of concept within a Shaping Places for Wellbeing town (Clydebank).

We refreshed our Coaching Scotland framework. This aims to guide the development of coaches and coaching in Scotland with a focus on developing a more diverse workforce that is representative of our Scottish population. We worked with Scottish Disability Sport to incorporate and promote the new Introduction to Inclusive Practice e-learning to Active Schools teams, club and community coaches and volunteers through our digital learning platform. We also continued our investment and development of our online learning platform Brightspace, working with 18 SGBs to support their engagement in online education and learning.

Schools and education

We continued to support local authorities to deliver the agreed actions within our partnership agreements, ensuring a flexible approach in light of the impact of COVID-19 on local priorities. We maintained regular dialogue and communication with senior leaders to understand the impact of the pandemic on sport across local authorities, and to support strategic planning for sport and key programmes as we return to sport. We also engaged directly with Active Schools and Sports Development Managers from all 32 local authorities to understand operational challenges and support their focus on building Active Schools activity back following COVID-19 disruption.

We continued to develop the Active Schools workforce. We supported over 120 Active Schools coordinators, from 26 local authorities, to successfully gain a Professional Development Award in Sport Educator Training and to upskill to offer tutor coaching children workshops locally, both online and in person. We delivered bespoke training to help improve online facilitation skills for Active Schools coordinators. We also developed our partnership with the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA), scoping out professional standards for Active Schools staff with a view to helping identify further learning and development needs.

We supported the Scottish Women and Girls in Sport Week and delivered Active Girls Day. We provided all local partners with Active Girls consultation packs and information on how to use these tools locally. These campaigns provide an opportunity to profile girls and young women being active and engaging positively in sport and physical activity. Both events generated excellent engagement across the network.

We progressed work with our Fit For Girls (FFG) programme which aims to bring about sustainable change in schools and build a positive future for girls' participation in lifelong physical activity. We engaged with the local authorities from the 2021 Fit For Girls delivery, to assess local impact and plan for the next sessions. We delivered FFG workshops in three local authorities and transitioned the FFG consultation module to an online offer. This received positive feedback from partners and the young people directly and resulted in participants taking action to deliver locally.

We launched the Young Ambassador (YA) programme for the 2021-22 academic year. 270 schools across Scotland signed up for the programme which aims to equip young people with the skills to promote and inspire other young people to get involved in sport within their schools and communities. This represents 64% of secondary schools in Scotland, up from 42% in 2020-21, resulting in 482 Young Ambassadors. We codeveloped

webinars and social media resources to enable young people to attend and learn online.

Throughout the last year we worked closely with local authorities, leisure trusts, SGBs and other strategic partners, including COSLA, Public Health Scotland, VOCAL, Community Leisure UK (CLUK) Scotland, Society of Local Authority Chief Executives and Senior Managers Scotland (SOLACE) and higher and further education partners, to gather information on the impact of and recovery from COVID-19 across the sport and leisure sector. We also continued to work with partners through the strategic forum for sport and physical activity to progress the long-term recovery action plan and consistent messaging for the sector as we emerge from COVID-19.

Performance

Our overall headline goals remained centred around the Tokyo 2020 Summer Olympics and Paralympics which took place in 2021, Beijing 2022 Winter Olympics and Paralympics and 2022 Birmingham Commonwealth Games.

We continued to support athletes and sports to attain the appropriate qualification standards and get selected for Team GB and Paralympic GB, offering expert advice on competition, travel and quarantine rules. We had 86 Scottish athletes present as part of Team GB and Paralympic GB in the Tokyo 2020 Summer Games. 33 Scottish athletes were present as part of Team GB and Paralympic GB in the Beijing 2022 Winter Games. We also recorded the highest percentage share to date of Scottish athletes on World Class programmes including Olympic, Paralympic, Summer and Winter competitions. We relaunched the **sportscotland** athlete personal award (SAPA) initiative, with a focus on Birmingham 2022.

We offered leadership, guidance and expertise on COVID-19 in High Performance through our COVID-19 Performance Emergency Group as we moved to a period of recovery from the pandemic. We delivered support services in line with SGB investment decisions, subject to professional and Scottish Government directions.

We established a new Knowledge Management Group to help facilitate a new opportunity with UK Sport and English Institute of Sport on a performance learning arena. This is an online learning portal for practitioners which provides opportunities for enhanced learning and engagement with performance colleagues from across the UK. We progressed the implementation of a new performance data management system, with a successful migration of our clinical data.

We continued with targeted work on our Pathways and Talent areas alongside our Performance Coaching initiatives, successfully completing our targeted research into performance pathway inclusion and the coherence of athlete experiences in the Scottish Triathlon performance pathway. We will use the outputs of this research to drive improvements across the performance system.

We supported UK Sport in their 2021 national talent recruitment campaign: 'From Home to the Games'. Previous campaigns have attracted approximately 1,500 athletes across UK and help place athletes into GB performance programmes. We contributed to UK Sport's Winter Sports Strategic Review for the Milan-Cortina 2026 Winter Olympics, Winter Paralympics and beyond.

Making it happen

As we entered a period of recovery from the pandemic, the health and wellbeing of our staff continued to be a key priority. We provided support to all staff to ensure they had continuity of access to business systems while working from home for an extended period as well as gradually opening office sites based on the Scottish Government guidelines. We progressed the development of a long-term hybrid working model, engaging with staff to hear their views.

We established a strong working relationship with the new Minister for Public Health, Women's Health and Sport. We celebrated the significant £235 million sport facilities investment milestone, with the Minister making the announcement at the Street Soccer Scotland's Change Centre in Dundee, one of the most recent projects to benefit from investment. We also engaged with the Scottish and UK Governments on issues relating to the refresh of the Active Scotland Delivery Plan and Climate Change.

We continued to develop and improve our IT systems and cyber resilience capabilities. This included National Cyber Security Centre cyber awareness training sessions for all staff and the development of the Child Wellbeing Application for the sporting system. We used an equality impact assessment (EQIA) process to develop actions to address inequalities in our workforce composition, improve our workforce diversity and help foster a more inclusive working environment. We aligned these within our organisational people strategy and embedded learning into our refreshed Board recruitment process. We completed the ENABLE workforce audit, started implementing actions from the Scottish Government minority ethnic recruitment toolkit and are engaging with CEMVO to support and improve our recruitment processes going forward.

We held monthly #SportHour sessions across the year covering a range of themes including supporting the environment and demonstrating diversity through role models and friendship in sport. We developed and launched the Young People's Sport Panel podcast, providing some of our most engaging social content across our channels and in Sport First.

National Centres

sportscotland has continued to provide strong support to the national centres and their staff throughout the year. There has also been the opportunity to review, enhance and more closely integrate the role of the national centres in the delivery of the **sportscotland** corporate strategy and to seek to give greater prominence to the centres, working together with the rest of **sportscotland** to deliver the outcomes aligned with the ambitions of the Active Scotland Outcomes Framework (ASOF) which continues to be the Scottish Government's key policy framework for delivering a more active Scotland.

Inverclyde

Inverclyde reopened on 26th April 2021 following a further period of lockdown in early 2021. Initially, it was open for community programmes of fitness and gymnastics. The core residential business restarted in mid May, 2021 initially for high performance training camps for SGBs, with some limited club business in addition to this. All staff continued to work on a flexible furlough basis in line with the Government Job Retention Scheme until the scheme's end date of 30th September 2021.

The centre continued to be utilised as a vaccination site between April 2021 and July 2021 with the dining area as the primary venue until June 2021, with a limited number of dates in July 2021 using the indoor 3G facility. 18 Inverclyde staff continued to volunteer their own time to assist with stewarding duties to aid the mass vaccination rollout supporting

the NHS teams working onsite. Over the course of the Inverclyde vaccination roll out, 19 vaccination days were held onsite delivering in excess of 18,000 first and second dose vaccines to the local population.

Despite starting the financial year under strict lockdown conditions with significant guidance still in place restricting much of our regular residential activity, a wide range of SGBs utilised the centre in 21/22, from 31 sports, representing the widest cross section of sports at Inverclyde since the centre reopened in 2017. SGBs were by far the largest segment for both revenue and number of groups, with clubs slower to restart but building pace by the year end. Due to the obvious limitations in planning and guidance, school activity was extremely limited for the majority of this trading year, with residential groups returning towards the end of the trading year.

Enquiry volumes were high, with 355 group enquiries received within the trading year representing a revenue value in excess of £2m. Over 5,000 residents were welcomed across the year from 195 groups.

Inverclyde continued to drive forward work started pre pandemic to better reflect the investment received with impact for the varied groups using the centre. This work resulted in an ambitious project working in conjunction with colleagues in sports development to utilise Inverclyde as a venue for a return to sport residential. This offer was available to all local, national and other aligned partners with 29 organisations engaging with this.

Glenmore Lodge

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

2021/22 was once again dominated by COVID-19 mitigation along with frequent updates to Scottish and UK Government guidance and restrictions to control the pandemic. In line with guidance we reopened to the public on 26 April 2021 with limited numbers. Throughput was reduced throughout the year to support mitigation and to offer a predominantly single room offer for accommodation. We delivered training to 1,941 students as compared to 2,824 in the last pre-pandemic year. We have directly supported governing body development of new awards and supported the sector with several educational webinars and eLearning modules.

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

We welcomed several sports to Glenmore Lodge to support their return to sport planning and, when mitigation allowed, opened our facilities to local clubs.

Principal Risks

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

Going Concern

The statement of financial position at 31 March 2022 shows net assets of £50.0million. Funding for **sportscotland** in 2022-2023 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.

Stewart Harris

Stewart Harris

Chief Executive & Accountable Officer
26 October 2022

Performance analysis

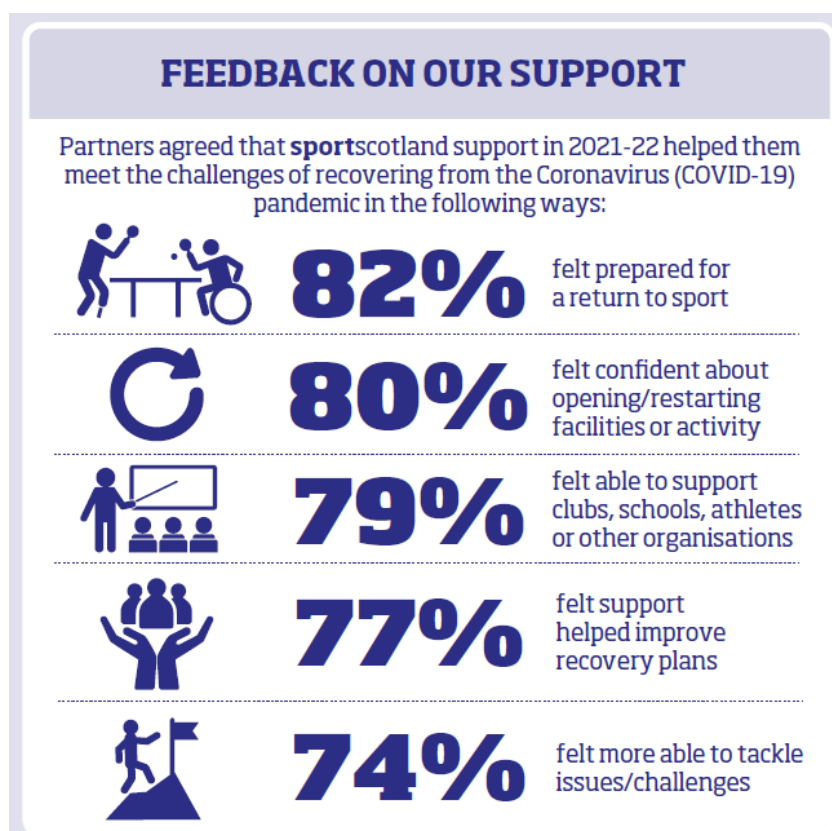
This report covers the third year of our corporate strategy, *Sport for Life*². In April 2021, we agreed our business plan for 2021 and beyond. Our business plan describes how we will deliver our commitment to our corporate strategy while supporting the sporting system to recover from the Coronavirus (COVID-19) pandemic.

As part of this, we have continued with a revised performance measurement framework. This temporarily moves us away from reporting on our contribution to the Active Scotland Outcomes Framework (ASOF). Instead, this report includes:

- infographics that demonstrate our progress against our strategic priorities: supporting the sector and supporting society. These infographics have been designed to show how we have reacted to the unique challenges of getting sport to restart and recover from the impact of the pandemic and do not necessarily correlate directly with prior year reporting;
- case studies which highlight the impact of our collaborative work with partners across the system in the last year.

Progress against our outcomes

Playing our part responding to Coronavirus



² <https://www.sportforlife.org.uk/>


SUPPORT, TRAINING AND GUIDANCE FOR RECOVERY

619 people from across **24** local and national partners took up the opportunity for a 'return to sport' residential at the **sportscotland** National Centres Inverclyde and Glenmore Lodge



6,914  people accessed **sportscotland** COVID-19 specific training opportunities

95%  found **sportscotland** COVID-19 training opportunities helpful or very helpful

 **77%** said COVID-19 section of the website was helpful or very helpful

 **164,811** views of COVID-19 section of the website

FEEDBACK



89% said sport guidance was helpful or very helpful

IMPACT OF OUR SUPPORT ON SCHOOLS AND EDUCATION



75% said we showed understanding of the key barriers and issues for sport



69% said we listened to needs of the sector



59% said we responded to the needs of the sector

FEEDBACK



72% were satisfied/very satisfied with **sportscotland** support in the last year

IMPACT OF OUR SUPPORT ON CLUBS AND COMMUNITIES



80% said we showed understanding of the key barriers and issues for sport



82%

said we listened to needs of the sector



73%

said we responded to the needs of the sector

FEEDBACK



90% were satisfied/very satisfied with **sportscotland** support in the last year

IMPACT OF OUR SUPPORT ON PERFORMANCE SPORT



80% said we showed understanding of the key barriers and issues for sport



83%

said we listened to needs of the sector



78%

said we responded to the needs of the sector

FEEDBACK



95% were satisfied/very satisfied with **sportscotland** support in the last year

Case studies

Feel your personal best / try something new - Joint campaign with SAMH, geography dependent on case study focus

Physical activity is central to good mental and physical health, and small changes – like a daily walk with a friend – can lift your mood. But with lockdowns, restrictions and worries throughout the Coronavirus (COVID-19) pandemic, making time for our own wellbeing was harder than ever and the wellbeing of the entire nation suffered.

In June 2021, with some restrictions easing, Feel Your Personal Best was launched to help people take care of their physical and mental health. Backed by Olympic legend Sir Chris Hoy, the campaign, a partnership between **sportscotland** and SAMH (Scottish Association for Mental Health), aimed to help as many people as possible feel the benefits of physical activity. Physical activity doesn't need to be strenuous to be effective. The campaign wasn't about clocking steps, miles or fastest times, it was about finding your own way to get moving, so you could feel your personal best.

People up and down the country engaged with the campaign on social media, posting videos explaining what it is that makes them feel at their best and encouraging others to do the same.

Many powerful stories were shared throughout the campaign, such as Colin Barnett's. Putting on his running shoes helped Colin negotiate the darkest of times.

Colin, from Orkney, started running due to mental health issues stemming from a gambling and alcohol addiction dating back to when he was just 17 years old. Now at 42, Colin is putting in the miles and getting his buzz from hitting the trails.

Colin said: *“Running gave me the same adrenaline rush I would get from gambling but in a much more positive way.”*

Lesley Stewart - Para shooter, Perth and Kinross

Lesley Stewart's journey has been fraught with personal and sporting tragedy, but with the help of staff at the **sportscotland** institute of sport (SIS) and Scottish Target Shooting (STS), she realised her dream of competing at a Paralympics.

Lesley started shooting following a medical discharge from the military. She had been diagnosed with dystonia which eventually meant Lesley had to have a below knee amputation. While in the military rehabilitation unit Lesley began shooting and quickly shone.

It was looking like Lesley would compete at the Rio 2016 Paralympics. But with a couple of shoots left to try to qualify, a bad infection in her below knee stump led to nearly a year in hospital and an above knee amputation.

She spent nearly a year in hospital and wasn't able to return to shooting until 2019. She considered giving up the sport she had come to love, but instead of that being the end of the story, this turned out to be the start of a wonderful chapter.

Lesley started working closely with a team of experts from SIS, and alongside STS Performance Coach, Andrew Ross, they were charged with getting Lesley ready for a tilt at qualification for Tokyo 2020.

Slowly but surely, Lesley worked her way back towards her best. That hard work was rewarded in an all or nothing shoot at the World Shooting Para Sport World Cup in Peru. It

was Lesley's last chance to qualify for Tokyo, and she took it winning a bronze medal. In 2021 she realised her dream of competing at a Paralympics.

Lesley added: *"For me having this level of support, I see a massive difference. It takes a lot of pressure off your shoulders. Knowing that other people have your back, and they are allowing you to focus on what you need to focus on, allowing me the opportunity to perform at my best level. It's so much less to think about."*

Boots & Beards

Glasgow-based hillwalking club Boots & Beards are giving thousands of people from ethnically diverse backgrounds the chance to feel the benefits of the outdoors for the first time.

Boots & Beards was formed in 2016 for like-minded people from communities across Glasgow. The group began predominantly for men to come together, explore the hills and improve their physical and mental health.

Continued growth has allowed the group to expand and give more people access to the outdoors. They provide activities for women, children and families with weekly boot camps and badminton sessions on offer. Fund-raising allowed Boots & Beards to buy their own minibus to provide participants transport to regular hikes across Scotland at hills at Loch Lomond, Callander and Perth to name a few. Incredibly nearly 3,500 people have taken part in the group's activities since it started.

Boots & Beards was boosted last year with £24,000 from **sportscotland's** Direct Club Investment, a National Lottery-funded club development fund. This allowed for the recruitment of a part-time project coordinator to help make the hills more accessible and inclusive, particularly among inactive under-represented groups. Additional training and support has been provided through the **sportscotland** National Outdoor Training Centre Glenmore Lodge.

Co-founder Nav Bakhsh says work will continue to expand the group's activities, he said: *"We are growing organically and are hoping to recruit some more staff. Since we started, we have had nearly 3,500 participants which is amazing to think about. It gives people a bit more security to know there's lots of different people from similar backgrounds going out as one group. There's a massive social aspect to it."*

Young carers Paddleboarding

Young carers in Edinburgh have experienced the life-changing benefits of sport thanks to Meggetland Community Sport Hub (CSH) and Edinburgh Schools Kayak Club.

Cynthia Berry is Chair for Meggetland CSH, President of Edinburgh Schools Kayak Club and also teaches at St Thomas of Aquin's High and Sciennes Primary in the city. Cynthia had a realisation one day at school after asking a pupil a mundane question.

She explained: *"One afternoon in school I said to one of my pupils 'what have you got for your lunch?' they said, 'I've not got any lunch I have to go home to look after my mum'".
"It was a realisation that many young people are missing out on opportunities because they need to look after a family member. I thought let's try to do something for these young people"*.

Cynthia and the hub began working with Edinburgh Young Carers who provide respite and support to young people aged 5-25. A relationship was established and EYC were able to help identify other young people who would benefit from the sessions.

Each of these young people have a significant caring responsibility at home. This could be looking after a parent or guardian; they could be impacted by their siblings who have long term illness or disability or impacted by parents' substance misuse.

Cynthia said: *"I thought we'd maybe get 10 young carers along and we got 100".
"Some would turn up absolutely petrified, some have anxiety and confidence issues. The opportunity to meet other young carers in the same situation as them was really important".
"Often, they would start the day with really introverted body language and being really quiet. By the end of the day, they were jumping off paddleboards, laughing and getting involved"*.

Active Schools Aberdeen

For the Active Schools staff in Aberdeen, work isn't just about helping young people get active, it's about helping young people change their lives.

Throughout the Coronavirus (COVID-19) pandemic Active Schools teams across the country have faced challenges and have continually adapted their approach to keep supporting communities across Scotland.

Since then, a more targeted, inclusive approach has been adopted with 13 new Active Schools assistants supporting specific pupils during curriculum time. This has had led to some stark results.

Every primary and secondary school in the area has an Active Schools assistant for one day a week, for one to one or group work with young people the schools have identified as pupils who could benefit from additional help.

Kim McRobbie, Active Schools Inclusion Manager in Aberdeen, said: *"It's supporting children who are not managing to stay in their classes or need that break away from the classroom"*.

"It gives our team time with these young people to work with them, build relationships and hopefully get them more involved in the programme".

Young people across the Aberdeen area are benefitting from the team's work. Care-experienced young people, vulnerable young people and pupils with other challenges who

might find it hard to be engaged in school are seeing the benefits of sport and physical activity. The impact has been huge.

Kim explained: *“The 13 assistants have only been in place since Easter, it’s going really well but through targeted work with care-experienced young people previously there’s been great results. We’ve seen increased attendance in school, we’re seeing children coming to school specifically on that day because it’s the day their assistant coordinator is there. We’ve seen decreased school exclusions amongst our care-experienced young people”.*

Future Plans

Our business plan for 2022 onwards describes how we will deliver our commitment to our corporate strategy, Sport For Life, while continuing to support the sporting system to recover from the COVID-19 pandemic ([sportscotland business plan 2022 onwards](#)).

Review of the Financial Results of the Year

The accounts relate to the year ended 31 March 2022 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 2022, £26,292k (2020/21 £25,925k) 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 and corporation tax for the year totalled £7,150k (2020/21 £6,675k).

A summary of the Lottery Reserves position at the end of 2021/22 showing the commitments to be made over the next 4 year period from 2022/23 to 2025/26 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 2022/23 to 2025/26.

	£000	£000
Monies held in National Lottery Distribution Fund for sportscotland		54,993
Less: - Commitments during the 4 year period 2021/22 to 2025/26		
Partner Revenue Funding	(45,742)	
Capital Funding	(31,200)	
Effective Organisation	(10,694)	
		<hr/> <hr/> (87,636)
Balance to be funded by future Lottery Revenues		<hr/> <hr/> (32,643)

Remuneration for non audit services

The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2021/22 the appointed auditors were Audit Scotland.

During 2021/22, no non-audit fees were paid to Audit Scotland.

Intangible assets

During the year to 31 March 2022 there was £nil (2020/21 £nil) spent on acquiring intangible assets for **sportscotland** Lottery Fund activities.

Retained Reserves

Accumulated funds totalling £50,038k (2020/21 £48,362k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

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

During the year ended 31 March 2022 the **sportscotland** Group paid 90% (2020-21 80%) of all authorised invoices received within the terms of its payment policy.

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

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

Sustainability

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

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

Stewart Harris

Stewart Harris
Chief Executive & Accountable Officer
26 October 2022

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

The Members of the **sportscotland** Council for the year ended 31 March 2022, are listed below:

M Young (Chair)	
C Bain (Vice Chair)	
D Cameron	Resigned 23 February 2022
M Campbell	
C Grant	
S Lindsay	
Prof C Mahoney	
D McDonald	Joined 27 April 2022
T Mistry	Joined 27 April 2022
M Munro	Resigned 23 February 2022
H Ousta	Joined 27 April 2022
S Sandilands	
K U'ren	
G Walker	Resigned 23 February 2022
A Watt	Joined 27 April 2022
F Wood	Resigned 23 February 2022

F Wood and S Sandilands were representatives of the **sportscotland** Trust Company. M Campbell took over from F Wood as Chair of the **sportscotland** Trust Company on 12 May 2022.

The Chief Executive is Stewart Harris, who will retire on 31 October 2022.

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

Personal data related incidents

During 2021-22 **sportscotland** was not required to report any data breaches to the Information Commissioner's Office.

Statement of Accountable Officer's Responsibilities

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

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

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

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

Statement that accounts are fair, balanced and understandable

So far as the Directors are aware, the annual 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 judgments required for determining that they are fair, balanced and understandable.

Statement as to disclosure of information to auditors

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

The Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the delivery of **sportscotland's** policies, aims and objectives, as set out by the Scottish Government Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Accordingly, I can confirm that adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and minimizing losses of funds were in place throughout 2021-22.

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 2021-22 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 for 2020-21, and in its Annual Report for the current year, to those charged with Governance.

The COVID-19 pandemic resulted in a number of changes to the way governance works. Board meetings and Committee meetings were held remotely using video technology in order to ensure that these bodies could continue to meet.

Staff moved to working remotely and have adapted to electronic approvals where necessary to ensure that internal controls and segregation of duties are maintained in the operation of the ongoing activities of **sportscotland**.

Governance Framework

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

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

The key components of the governance framework are detailed below:

sportscotland Council

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

All 12 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**.

Four meetings in the 2021-22 financial year were held remotely via video call and two were held in-person. The attendance of the 12 non-executive members who held office during the year of the six meetings of 2021-22 was:

M Young	(6 of 6) (Chair)
C Bain	(3 of 6) (Vice Chair)
D Cameron	(6 of 6)
M Campbell	(5 of 6)
C Grant	(2 of 6)
S Lindsay	(6 of 6)
Prof C Mahoney	(5 of 6)
M Munro	(3 of 6)
S Sandilands	(5 of 6)
K U'ren	(6 of 6)
G Walker	(6 of 6)
F Wood	(6 of 6)

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

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

Council Member Committees

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

Audit and Risk Committee

Membership of the Audit and Risk Committee consists of five non-executive Council members. The membership during the 2021-22 financial year is detailed below with their attendance record for the four meetings which took place during the financial year.

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

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

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

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

D Cameron	(3 of 4)	(Chair to February 2022)
S Lindsay	(4 of 4)	(Chair from February 2022)
C Bain	(2 of 4)	
Prof C Mahoney	(2 of 4)	
G Walker	(3 of 4)	

Due to the exceptional circumstances of the pandemic, David Cameron's Board membership was extended by a year to February 2022. Scott Lindsay took over the role of Chair from February 2022.

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 2021-22. 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 2021-22 comprised:

G Walker	(2 of 2)	(Chair to March 2022)
C Grant	(2 of 2)	(Chair from March 2022)
M Campbell	(2 of 2)	
K U'ren	(2 of 2)	

Information Security

While efforts in the first year of the pandemic prioritised supporting and securing working from home, this year's focus shifted to preparing systems to support long term hybrid working. Much of this work involved improving cyber resilience measures around endpoint devices and migrating their management away from a dependency on office-based networks to services hosted in the cloud.

The organisation has continued to invest in staff training around cyber resilience and information governance. Fortnightly emails that include training videos and quiz questions kept staff engaged and effectively generated discussion around the topics covered. In addition, the ICT Helpdesk regularly updated colleagues on specific threats and information on how to spot phishing and other online scams.

At the beginning of 2022, **sportscotland** regained Cyber Essentials Plus accreditation. The Plus portion of the certification involved an audit of technical controls conducted remotely by an approved assessor.

The **sportscotland** Information Governance and Data Protection Officer (DPO) continued to advise staff around compliance with Data Protection and Information Governance policy, process and legislation. Much of the DPOs work focused on the continued development and maintenance of the organisational Information Asset Register.

Senior operational staff attended quarterly meetings of the Information Governance Steering Group. These meetings were chaired by the DPO and attended by representatives from IT, HR, Legal and Finance, and **sportscotland's** Chief Operating Officer. This group is responsible for monitoring and improving information governance and cyber resilience within **sportscotland**.

During 2021-22 **sportscotland** was not required to report any data breaches to the Information Commissioner's Office.

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 2021-22, **sportscotland's** Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

System and process improvements

sportscotland has had an ongoing focus on system and process improvements. The COVID-19 pandemic and the associated lockdown restrictions had a significant impact on the way staff work and communicate.

Systems and processes have been adapted to take account of home working, whilst ensuring that controls and governance were not reduced.

Operation of key systems and processes included:

- the finance system was successfully operated throughout the year, with electronic approvals replacing hard copy approvals where necessary. Soft copy documentation is now uploaded directly into the finance system, reducing the need for hard copies;
- the HR and payroll system was fully accessible electronically and no paper records are generated;
- the CEO and senior management continued to work closely with the Trust Company on a regular basis and to support the National Centres through the closures and restrictions arising from the various lockdown rules and guidance;
- the authorisation and payment process for all investment payments and documentation of the system operated effectively throughout the year following the implementation of formal electronic signature approvals; and
- the IT team ensured IT processes were reviewed and adapted where necessary to ensure compliance with Scottish Government cyber resilience requirements and to ensure ongoing compliance with GDPR.

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

Improving the sportscotland estate

Ownership of the **sportscotland** estates strategy lies with the Estates Group, led by the Chief Operating Officer. Associated site maintenance and development plans are established each financial year and progress reported in line with Senior Management Team, Trust Company Board and **sportscotland** Board requirements. Each site nominates staff members to provide the information required for this process.

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

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

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

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

Progress against the planned maintenance and replacement work and against future site developments have been delayed by the pandemic and a new timetable will be developed to implement these once the various associated restrictions have been released.

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.

Risk Management

The recovery from the Coronavirus (COVID-19) pandemic and subsequent restrictions continues to impact the sport and leisure sector. This is continuing to affect the use of our available infrastructure – people and estates - and the delivery of our activities.



We capture risks in our corporate risk register. The corporate risk register is reviewed by the **sportscotland** Board annually, by the Audit and Risk Committee every six months and by the senior management team on an ongoing basis. Specific attention has been paid to mitigate the impact of COVID-19 and to ensure our corporate risk appetite has not been exceeded. Consequently, further planned action has been noted for each of the significant risks.

We categorise risk by five levels: very high; high; medium; low and very low. At the end of 2021-22, there were five significant risks rated high (four) or very high (one) shown in table 1. This did not exceed **sportscotland**'s corporate risk appetite.

Given the move to recovery, the Audit and Risk Committee and **sportscotland** Board agreed to integrate specific COVID-19 updates into the mitigations / further planned actions. Moving forwards into 2022-23, we will remove this column from the corporate risk register.

Table 1: Significant risks facing sportscotland

Risk	Mitigation	Further action in relation to Coronavirus (COVID-19)
Failure to deliver high priority and high-profile projects (such as community sport hubs, Active Schools, sport facilities projects, workforce development and performance sport) adversely affects the	Regular monitoring and reporting to Board and key stakeholders including both the National Lottery and Scottish Government (Preventative) Successful performance outcomes at Summer and Winter Olympic/Paralympic Games and	We formalised our communications with Scottish Government regarding the impact of COVID-19 on delivery (Residual). We will continue to provide advice, guidance and expertise to partners directly

<p>reputation of sportscotland.</p>	<p>Commonwealth Games (Preventative)</p> <p>Progress of key priority / high profile projects reported and managed through operational groups to ensure delivery. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p>	<p>and through the sportscotland website to ensure they are effectively supported. (Preventative)</p> <p>We reviewed our organisational priorities as part of our 2022 business planning refresh to ensure delivery of high priority projects (Preventative)</p>
<p>Change in external policies or reduced funding by key national stakeholders in sport adversely effects the ability to deliver sportscotland's corporate strategy</p>	<p>Continue regular dialogue with Government regarding the most appropriate policy for Scottish sport. (Preventative)</p> <p>Continue to gather evidence with partners regarding potential changes to allow appropriate responses to be developed. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>sportscotland's contribution to Active Scotland Outcomes reported through corporate strategy indicators and wider evaluation work (Preventative)</p> <p>Sport for Life corporate strategy now more closely aligned with Scottish Government's Active Scotland Outcomes (Preventative)</p> <p>Continue regular dialogue with Scottish Government regarding potential opportunities to develop sport (Preventative)</p>	<p>We will stay close to all partners, supporting reinstatement plans and working with them to understand impact in the short, medium and longer term. (Preventative)</p> <p>We will deliver tailored support packages to the needs of our partners and their clubs and communities (Preventative)</p> <p>We will facilitate a strategic forum for sport and physical activity to consider sustainability of the sector over the medium to long-term. (Preventative/Remedial)</p> <p>Strategic forum for sport and physical activity working to consider sustainability of the sector over the medium to long-term. (Preventative / Remedial)</p>
<p>Failure of partners to deliver agreed outcomes linked to sportscotland investment due to poor governance or ineffective leadership and management, results in failure to deliver our corporate strategy outcomes</p>	<p>Partnership managers and high-performance managers work closely with SGBs and local authorities to monitor progress and escalate any issues following the risk management process (Preventative)</p> <p>Training programmes, expert resource and development audits in place to guide partners' governance processes (Preventative)</p> <p>Strengthened investment principles and process introduced and reviewed regularly (Preventative)</p>	<p>We will stay close to all partners, supporting reinstatement plans and working with them to understand impact in the short, medium and longer term. (Preventative)</p> <p>We will deliver tailored support packages to the needs of our partners and their clubs and communities (Preventative)</p>

	<p>Under-performing sports /programmes managed in-house (Preventative and remedial)</p> <p>Specific operational 'mission' programmes used to lead into every major games (e.g., Birmingham and Paris) (Preventative and remedial)</p> <p>Enhanced child protection support to SGBs using Children First (Preventative)</p> <p>Audit of internal sportscotland corporate and operational child protection policies and practices completed and signed off by SMT, with new policy shared with Children 1st (Preventative)</p>	
<p>Reduced funding challenges local authorities' ability to deliver their plans / outcomes for sport, which may impact on sportscotland's ability to deliver its corporate strategy outcomes.</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community planning activities at local level (Preventative)</p> <p>Partnership managers working with local authorities to produce fully integrated sports development plans. (Preventative)</p> <p>Research undertaken on local authority partners' expenditure in sport to understand impact of reduced funding in sport. (Preventative)</p>	<p>We will work with the Convention of Scottish Local Authorities (COSLA), CLUK and individual local authorities and leisure trust leaders to understand and then influence support for the sector. (Preventative / Remedial)</p> <p>We will facilitate a strategic forum for sport and physical activity to consider sustainability of the sector over the medium to long-term. (Preventative / Remedial)</p>
<p>Reduced National Lottery income negatively impacts sportscotland's ability to deliver its corporate strategy</p>	<p>Confirmation from Scottish Government of continuation of National Lottery underpin (Preventative and remedial)</p> <p>Maintenance of National Lottery reserves to mitigate against reduced income (Remedial)</p> <p>Continue to monitor weekly and monthly National Lottery income (P)</p> <p>Continue to monitor process for awarding new National Lottery license (P)</p>	<p>We will closely monitor National Lottery income ensuring underpin remains in place (Preventative)</p> <p>We will continue to utilise National Lottery balance to support sporting system (Preventative / Remedial)</p>

Remuneration and Staff Report

Remuneration policy

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

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

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

Salaries and Allowances (Audited)

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

Name		Salary	Benefits	All pension related benefits	Total
		£000	£000	£000	£000
DIRECTORS					
S Harris	2022	110-115	-	2.5-5.0	117.5-120.0
	2021	110-115	-	35.0-37.5	145.0-147.5
F Dunlop	2022	85-90	-	42.5-45.0	130.0-132.5
	2022	85-90	-	27.5-30.0	112.5-115.0
M Roberts	2022	90-95	-	20.0-22.5	112.5-115.0
	2021	90-95	-	32.5-35.0	122.5-125.0
M Whittingham*	2022	90-95	-	*	*
	2021	90-95	-	*	*
BOARD MEMBERS					
M Young	2022	15-20	-	-	15-20
	2021	15-20	-	-	15-20
D Cameron	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
G Walker	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
F Wood	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
C Bain	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
C Grant	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
S Sandilands	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
K U'ren	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
M Campbell	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
C Mahoney	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
S Lindsay	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5
M Munro	2022	0-5	-	-	0-5
	2021	0-5	-	-	0-5

Directors' Pension Entitlements (Audited)

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension	Total Accrued Lump sum	Cash equivalent transfer value 2022	Cash equivalent transfer value 2021	Real Increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
S Harris	0-2.5	(2.5-5.0)	55-60	110-115	1,254	1,203	51
F Dunlop	0-2.5	n/a	5-10	n/a	67	37	30
M Roberts	0-2.5	(0-2.5)	25-30	5-10	357	323	34

Note: S Harris was previously enrolled in the Scottish Teachers Superannuation Scheme, and the pension benefits table therefore reflects the transfer value for that scheme as well as Strathclyde Pension Fund. M Whittingham is not in a final salary scheme and company contributions of £18k (2020-21, £18k) were made to a defined contribution scheme.

Fair Pay Disclosure (Audited)

The median remuneration for **sportscotland**'s staff is £36,900 (2020-21 - £35,602).

The ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director is 3.05 (2020-21 3.16), as at the reporting period end date. This 3.5% reduction is due to an increase in salaries across the organisation with no increase in the band for the highest paid director's salary.

Total pay and benefits:

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	3.77	3.05	2.54

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

Pay for **sportscotland** employees ranges between £18,885 and £112,500 (£18,085 and £112,500 for 2020/21). This 4.4% increase is in line with Scottish Government guidance on pay awards.

The percentage change in salary and allowances from the previous financial year in respect of the highest paid director is zero. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the highest paid director is also zero, as there was no performance pay nor bonuses payable.

The percentage change in salary and allowances from the previous financial year in respect of the employees of **sportscotland** taken as a whole is 2.4%. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the employees of **sportscotland** taken as a whole is zero, as there was no performance pay nor bonuses payable.

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

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

Remuneration is paid to council members at the rate of £178.59 for each meeting attended, along with an £89.30 payment for preparation for a board meeting. Attendance at Committee meetings is paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2021-22 were £299k (2020-21 £322k).

sportscotland made payments of £15k to consultants during 2021-22 (2020-21 £53k).

Staff report

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

	Male		Female	
	Permanent	Temporary	Permanent	Temporary
Board members	8	n/a	6	n/a
Directors	4	0	0	0
Senior Managers	13	0	6	0
Employees	145	20	131	29

Total staff costs comprise (Audited)

	2022	2021
	£000	£000
Wages and salaries	3,416	3,401
Social security costs	397	353
Other pension costs	664	662
Aggregate staff costs	<u>4,477</u>	<u>4,416</u>

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

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

Exit package band	2022	2022	2022	2021
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	-	-	1
£10,000 - £25,000	-	1	1	-
£25,000 - £50,000	-	1	1	-
>£50,000	-	1	1	-
Total number of exit packages	-	3	3	1
Total resource cost (£000)	-	113	113	8

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

Sickness absence rate

Sickness absence rate during the year was 1.2% (2020-21 3.2%), the decrease reflecting the reduced effect of the pandemic compared to the prior year.

People

Our people are our most valued asset at **sportscotland** and they are critical to the successful delivery of our corporate strategy, Sport For Life. Coronavirus (COVID-19) has changed how we work but it has not changed the importance of good people who are committed to making a difference. Supporting and developing our people requires excellent leadership and management in order to create an environment that recognises everyone as an individual, promotes health and wellbeing and encourages learning. Our focus is on supporting people to ensure we are able to achieve our organisational objectives. We are also committed to supporting people to seek opportunities to engage in new projects, work with new colleagues and gain new skills and experiences to enhance their own personal and career development.

Equal Opportunity in Employment and Disabled Employees

sportscotland actively promotes policies for equal opportunities and to ensure non-discrimination on the grounds of any protected characteristic in accordance with the Equality Act 2010. Our commitment to inclusion underpins everything we do.

Employee Involvement

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

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

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

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

Percentage of working hours	Number of Union Officials
0%	0
1 – 50%	3
51 – 99%	0
100%	0

- Percentage of pay bill spent on facility time – 0.02%
- Paid trade union activities - Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 14%

Staff policies applied during the year

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

People Management is a critical element of this and we have been working in partnership with ACAS to review and develop workshops on all employee relations policies and empower our line managers to effectively manage people. Workshops commenced in June 2021. A relaunch of our Leadership Development programme was rolled out in 2021/2022.

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 2021-22 was confirmed in the Grant-in-Aid allocation and monitoring letter from the Population Health Improvement Directorate of the Scottish Government. The letter confirms that use of resources must be in accordance with Ministerial priorities as set out in the Strategic Guidance letter (2018-2021), the agreed corporate and business plans, **sportscotland**'s framework document (which deals with corporate management matters and the application of non-lottery funds) and relevant guidance issued by the Scottish Ministers, in particular the Scottish Public Finance Manual.

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

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

National Lottery funding for 2021-22 is administered in accordance with directions received from Scottish Government, in compliance with the National Lottery etc. Act 1993, as amended by the National Lottery Act 1998.

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

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

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

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

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

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

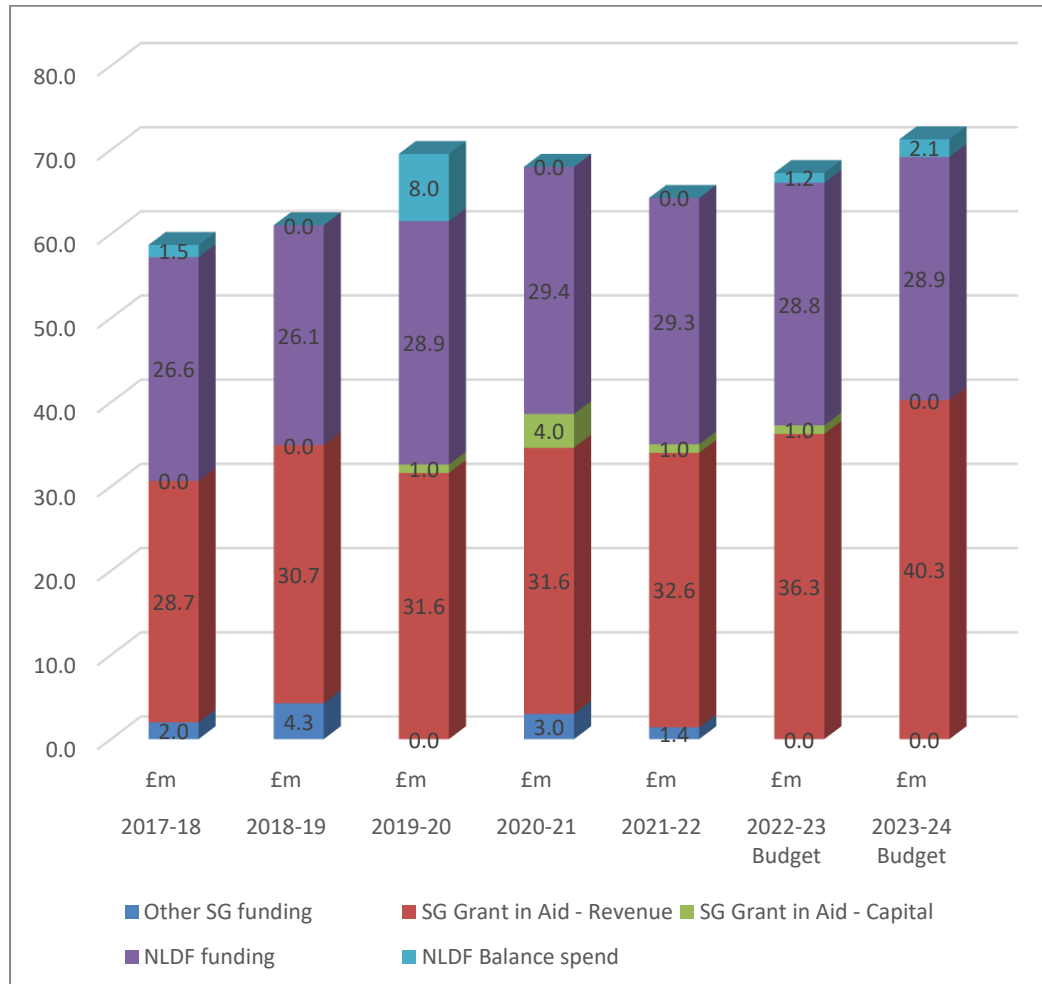
- Accounts Directions issued to **sportscotland** under Sections 35(3) of the National Lottery etc. Act 1993 direct that **sportscotland** shall prepare accounts in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual.

Contingent Liabilities

No contingent liabilities were recorded as at 31 March 2022.

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 2022-23 and 2023-24:



Note: SG Funding for 2022-23 is based on a current Grant in Aid letter. SG Funding for 2023-24 will not be known until later in 2022-23 and so the value for 2022-23 has been used as an indicative amount. NLDF Funding for 2022-23 and 2023-24 is based on Gambling Commission forecast revenue in those years. NLDF Balance spend represents planned capital spend and use of balance to support planned investment.

Stewart Harris

Stewart Harris
 Chief Executive & Accountable Officer
 26 October 2022

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

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 for the year ended 31 March 2022 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 Flows, the Reconciliation of movement of funds and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 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 2022 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 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 for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 18 March 2022. The period of total uninterrupted appointment is 7 months. 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 Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited 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.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and

Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with 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 audited 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.

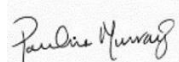
I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Pauline Murray CPFA
Senior Audit Manager
Audit Scotland
102 Westport
Edinburgh
EH3 9DN
26 October 2022

sportscotland

Lottery Fund

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Notes	2022 £000	2021 £000
Income			
National Lottery Fund proceeds		29,327	29,400
Interest receivable		2	-
Grants returned	2	71	3
Other operating income	2	-	1
		<u>29,400</u>	<u>29,404</u>
Expenditure			
Grants paid and committed during the year	3	15,987	14,173
Grant commitments	3	5,273	3,303
Grants de-committed	3	(686)	(440)
Staff costs	4	4,477	4,416
Depreciation	5	36	38
Other operating charges	6	2,637	2,221
		<u>27,724</u>	<u>23,711</u>
Operating surplus / (deficit) before tax		1,676	5,693
Corporation tax	7	1	-
(Decrease) / Increase in fund		<u>1,675</u>	<u>5,693</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 2022

	Notes	2022 £000	2021 £000
Non - current assets			
Property, plant, and equipment	8	74	76
Intangible assets	9	-	-
Total non-current assets		74	76
Current assets			
Investments – balance held in NLDF	10	54,993	51,958
Cash and cash equivalents	13	2,039	2,045
Trade and other receivables	11	731	353
Total current assets		57,763	54,356
Total assets		57,837	54,432
Current Liabilities			
Grants due within one year	14	6,820	5,297
Trade and other payables	12	979	773
Total current liabilities		7,799	6,070
Net current assets		49,964	48,286
Non-current assets plus net current assets		50,038	48,362
Taxpayers Equity			
General fund	15	50,038	48,362
		50,038	48,362

The Accountable Officer authorised these financial statements for issue on 26 October 2022.

Stewart Harris

Stewart Harris
Chief Executive & Accountable
Officer
26 October 2022

Mel Young

Mel Young
Chair
26 October 2022

The notes to the accounts form part of these financial statements

sportscotland

Lottery Fund

Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Surplus/(Deficit) on ordinary activities before tax		1,676	5,693
Adjustment for non-cash items			
Depreciation on tangible and non-tangible fixed assets	5	36	38
Movements in working capital			
Decrease/(Increase) in investments	10	(3,035)	(3,475)
Decrease/(Increase) in trade and other receivables	11	(378)	(335)
Increase/(Decrease) in trade payables	12	206	(43)
Movements in provisions			
Increase/(Decrease) in provisions for hard commitments	14	1,523	(1,005)
Taxation Paid	7	(1)	-
Net cash (outflow) / inflow from operating activities		<u>27</u>	<u>873</u>
Cash flows from investing activities			
Purchase of tangible assets	8	(33)	(20)
Purchase of intangible assets	9	-	-
Net cash outflow from investing activities		<u>(33)</u>	<u>(20)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(6)</u>	<u>853</u>
Cash and cash equivalents as at 1 April		<u>2,045</u>	<u>1,192</u>
Cash and cash equivalents as at 31 March	13	<u>2,039</u>	<u>2,045</u>

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 2022

	Balances held in NLDF	Balances at SS NLDF	2022 Total	2021 Total
	£000	£000	£000	£000
Opening balances	51,958	(3,596)	48,362	42,669
National Lottery Fund proceeds	29,327	-	29,327	29,400
Drawn down in year by SLF	(26,292)	26,292	-	-
Interest on cash balances	-	2	2	-
Other operating income	-	71	71	4
Grants paid	-	(15,987)	(15,987)	(14,173)
Net grant commitment	-	(4,587)	(4,587)	(2,863)
Expenditure	-	(7,150)	(7,150)	(6,675)
	<u>54,993</u>	<u>(4,955)</u>	<u>50,038</u>	<u>48,362</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 2022

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

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 2021.

Going Concern

Due to the significant bank balance and strong net asset position as well as the continued funding expected, the Board has 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 Net Expenditure, 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 Net Expenditure.

1.3 Property, plant, and equipment depreciation, revaluation and impairment

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

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

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

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 is advised of any assets that have been disposed during the year and this is normally backed up by the annual Asset Audit check which entails visiting the estate and checking the accuracy of the Fixed Asset register by verifying the location and condition of assets. Due to the impact of the COVID-19 pandemic, this has been undertaken as a desk top exercise in 2021-22.

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.

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

1.4 Intangible Assets

Intangible assets are valued at cost less straight line amortisation, normally these assets are expected to have a useful life of 4 years and are amortised on that basis.

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. 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 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 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 spent 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 Net Expenditure in the year.

Scottish Teachers Superannuation Scheme (STSS).

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

Strathclyde Pension Fund (SPF).

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

1.8 Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Net Expenditure 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. The implications of IFRS 16 Leases are being reviewed to prepare for implementation in the following year as noted below.

IFRS 16 Leases

1. IFRS 16 Leases will replace IAS17 Leases and related interpretations. The effective date is 1 January 2021 and will be applied in UK Public Sector from 1 April 2022, therefore financial year 2022/23.
2. IFRS 16 brings a significant change in lessee accounting by removing the distinction between operating and finance leases and introducing a single lessee accounting model. The model requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
3. The impact for **sportscotland** is that all operating leases will be capitalised and treated similarly to the current finance leases. Discount rates will be supplied by HM Treasury in the annual PES papers which will be used by **sportscotland** as **sportscotland** does not have an incremental borrowing rate.
4. All entities applying the FReM shall recognise the cumulative effects of initially applying IFRS 16, recognised at the date of initial application, as an adjustment to the opening balances of taxpayers' equity.

An initial exercise on the impact on the accounts has determined that the impact on the accounts is minimal as the bulk of the leases are the liability of **sportscotland**.

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:

	2022	2021
	£000	£000
Grants Returned	71	3
Miscellaneous income	-	1
	<hr/> 71	<hr/> 4

3 Grants paid and net grant commitment

3.1 Annual grants paid and committed during the year

	2022	2021
	£000	£000
Capital and Revenue	<hr/> 15,987	<hr/> 14,173

3.2 Grants paid during year

	2022	2021
	£000	£000
Paid and committed during year	15,987	14,173
Committed in previous years	3,065	3,867
	<hr/> 19,052	<hr/> 18,040

3.3 Net grant commitments

	2022	2021
	£000	£000
Hard commitments made during year	21,260	17,476
Less: amounts paid and committed during year	(15,987)	(14,173)
	<hr/> 5,273	<hr/> 3,303
Less: amounts de-committed during year	(686)	(440)
Net grant commitment at 31 March	<hr/> 4,587	<hr/> 2,863

3.4 Net grant commitments split

	2022	2021
	£000	£000
Capital programmes	2,837	1,112
Revenue	1,750	1,751
	<hr/>	<hr/>
	4,587	2,863

3.5 Grants paid during the year by programme

3.5.1 Capital Facilities

	2022	2021
	£000	£000
Regional Facilities	102	1,500
Sports Facilities Programme	1,770	604
	<hr/>	<hr/>
Total Capital Grants paid	1,872	2,104

3.5.2 Revenue Funding

	2022	2021
	£000	£000
Schools & Education	220	249
Clubs & Communities	13,698	12,756
Performance	3,262	2,931
	<hr/>	<hr/>
Total Revenue Grants paid	17,180	15,936
	<hr/>	<hr/>
Total grants paid during the year	19,052	18,040

4 Employees

4.1 Total staff costs comprise:

	2022	2021
	£000	£000
Wages and salaries	3,416	3,401
Social security costs	397	353
Other pension costs	664	662
	<hr/>	<hr/>
Aggregate staff costs	4,477	4,416

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

- 4.2 The average staff numbers, including part-time and full-time employees, are as follows:

	2022	2021
	Number	Number
Permanent Contracts	92	90

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

5 Total Depreciation Charge

	2022	2021
	£000	£000
Depreciation of tangible assets	36	33
Amortisation of Intangible assets	-	5
Total Depreciation	36	38

6 Other operating charges

The operating result is after charging:

	2022	2021
	£000	£000
Administration expenses	2,473	2,057
Travel and subsistence	10	7
Auditors' remuneration		
External	22	21
Internal	20	16
Operating rentals	112	120
	2,637	2,221

7 Corporation tax

	2022	2021
	£000	£000
Corporation tax	1	-

Corporation tax is due on the bank interest received in the year based on the standard rate of corporation tax of 19%

8 Property, Plant & Equipment

2022	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April 2021	154	1	153
Additions during year	33	-	33
Disposals during year	-	-	-
Cost at 31 March 2022	187	1	186
Aggregate depreciation at 1 April 2021	77	1	76
Charge for the year	36	-	36
Disposals during year	-	-	-
Aggregate depreciation at 31 March 2022	113	1	112
Net Book Value at 31 March 2022	74	-	74

2021	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April 2020	133	1	132
Additions during year	20	-	20
Disposals during year	-	-	-
Cost at 31 March 2021	153	1	152
Aggregate depreciation at 1 April 2020	44	1	43
Charge for the year	33	-	33
Disposals during year	-	-	-
Aggregate depreciation at 31 March 2021	77	1	76
Net Book Value at 31 March 2021	76	-	76

9 Intangible assets

	2022	2021
	£000	£000
Cost		
Opening balance 1 April	361	361
Additions during year	-	-
Disposals during year	(59)	-
Closing balance 31 March	<u>302</u>	<u>361</u>
Accumulated amortisation		
Opening balance 1 April	361	356
Charge for the year	-	5
Amortisation on disposals	(59)	-
Closing balance 31 March	<u>302</u>	<u>361</u>
Net book value at 31 March	<u>-</u>	<u>-</u>

10 Investments

	2022	2021
	£000	£000
National Lottery Distribution Fund	51,958	48,483
Increase/(decrease) in year	3,035	3,475
Closing Balance	<u>54,993</u>	<u>51,958</u>

The balance shown at 31 March 2022 is the final valuation from NLDF, the final audited balance for the value of investments as at 31 March 2021 was £51,958k.

11 Trade and other receivables

	2022	2021
	£000	£000
Trade debtors	2	21
Intercompany - sportscotland	-	-
Other Debtors	729	332
	<u>731</u>	<u>353</u>

Breakdown of Debtors by Category

	2022	2021
	£000	£000
Other Central Government Bodies	-	-
Other External Bodies	731	353
Total	<u>731</u>	<u>353</u>

12 Trade and other payables

	2022	2021
	£000	£000
Trade creditors		
Corporation tax	-	-
Other Payables	124	27
Intercompany - sportscotland	523	403
Accruals and deferred income	332	343
	<u>979</u>	<u>773</u>

Breakdown of Creditors by Category

	2022	2021
	£000	£000
Other Central Government Bodies	-	-
Other External Bodies	979	773
Total	<u>979</u>	<u>773</u>

13 Cash and cash equivalents

	2022	2021
	£000	£000
Cash and bank balance at 1 April	2,045	1,192
Net cash (outflow)/inflow	(6)	853
Cash and bank balance at 31 March	<u>2,039</u>	<u>2,045</u>

Financial Instruments (under IFRS)

As the cash requirements of **sportscotland** are met through grants provided by the National Lottery Fund, 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.

14 Grant Commitments

	2022	2022	2021
Capital	£000	£000	£000
Balance as at 1 April		2,651	3,643
Amounts committed during the year		3,662	1,226
Total hard commitments		6,313	4,869
Amounts paid during the year	1,130		
Amounts paid and committed during the year	741		
Amounts de-committed during the year	84		
		1,955	2,218
Hard capital commitments at 31 March		4,358	2,651
		2022	2021
Revenue	£000	£000	£000
Balance as at 1 April		2,646	2,659
Amounts committed during the year		17,598	16,250
Total hard commitments		20,244	18,909
Amounts paid during the year	1,934		
Amounts paid and committed during the year	15,246		
Amounts de-committed during the year	602		
		17,782	16,263
Hard revenue commitments at 31 March		2,462	2,646
Total hard commitments at 31 March		6,820	5,297

At 31 March 2022 a total of £6,820k (2020/21 £5,297k) is payable within one year. No other amounts are committed.

15 General Fund

	2022	2021
Represented by:	£000	£000
Balance as at 1 April	48,362	42,669
Change in fund for the year	1,676	5,693
Balance as at 31 March	50,038	48,362

16 Soft capital grant commitments

	2022	2022	2021
	£000	£000	£000
Balance as at 1 April		1,635	1,611
Amounts committed during the year		380	100
Total soft commitments		2,015	1,711
Amounts transferred to hard commitments	(135)		
Amount de-committed during the year	(1,500)		
		(1,635)	(76)
Soft commitments at 31 March		380	1,635

17 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 arm's length.

During the year **sportscotland** recharged salaries of £4,477 (2021: £4,416k). Within creditors there is an amount of £523k due to **sportscotland** (2021: £403k).

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** National Lottery Distribution Fund received remuneration from **sportscotland**.

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

	2022	2021
Awards for All (Big Lottery Fund)	£511,527	£507,236

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

There were no significant related party transactions with associated organisations during the year to 31 March 2022. Details of awards made to governing bodies and amounts paid to individual sports is shown on the **sportscotland** website at <https://sportscotland.org.uk/about-us/investment-reporting/>

18 Losses

The **sportscotland** Lottery Fund had losses totalling £nil (2021: £nil) during the year.

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
27 July 2015
Head of Finance Special Projects
Department for Culture, Media and Sport

ANNEX A

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."

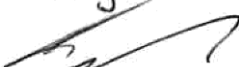
c. the value of grant commitments at the year-end which sportscotland has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date;

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

