

sportscotland **National Lottery** **Distribution Fund**

Annual Report and Accounts
for the year ended 31st March 2015

sportscotland
National Lottery
Distribution Fund

Annual Report and Accounts
for the year ended 31st March 2015

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

Ordered by the House of Commons to be printed
10 December 2015

Laid before the Scottish Parliament
by the Scottish Ministers
December 2015

© **sportscotland** copyright 2015

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as **sportscotland** copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries related to this publication should be sent to us at sportscotland, Doges, Templeton on the Green, 62 Templeton Street, Glasgow G40 1DA.

This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474126212

Web ISBN 9781474126229

ID 19111501 12/15

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

sportscotland

Lottery Fund

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

Report of the Council

Foreword

- 1 The Scottish Sports Council was established by Royal Charter in 1972 for the purposes, inter alia, "of fostering the knowledge and practice of sport and physical recreation among the public at large and the provision of facilities therefor". On 1 July 1999 the Scottish Sports Council adopted the trading name of sportscotland.
- 2 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.
- 3 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

- 4 These accounts have been prepared in accordance with the accounts direction issued by the Scottish Minister.

Management Commentary

Directors Report

Members of the Council

The Members of the sportscotland Council at 31 March 2015, all of whom have been Members throughout the year, with the exception of those indicated otherwise, are listed below:

Louise Martin CBE	(Chair)
M Young*	(Vice Chair)
D Sole OBE**	(Until Dec 14)
G Marchbank*	(Until Dec 14)
Prof G Jarvie**	
D Gass**	
R Stone*	
D Cameron*	
G Walker*	
F Wood	
C Riddell	(From Dec 14)
Prof L Robinson	(From Oct 14)
Prof C Mahoney	(From Feb 15)

*Member of the Audit Committee

** Member of the Remuneration Committee

M Hay MBE	(Advisor)
S Jackson	(Advisor)

Prof G Jarvie and D Gass are representatives of the sportscotland Trust Company.

The Chief Executive is Stewart Harris.

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

Review of business

- 5 The accounts relate to the year ended 31 March 2015 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.
- 6 During the year to 31 March 2015, £26,971k (2013/14£25,128k) was called down from the NLDF towards the payment of approved awards and the administration of the National Lottery Fund. Administration costs including depreciation for the year totalled £6,776k (2013/14 £5,487k).
- 7 A summary of the Lottery Reserves position at the end of 2014/15 showing the commitments to be made over the next 4 year period from 2015/16 to 2018/19 are highlighted in the table over leaf.
- 8 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.
- 9 This does not take account of the ongoing commitment to our partners who work to a four year plan to deliver specific outcomes.

- 10 The analysis below provides a breakdown of the soft/other commitments made at sportscotland over the four year period 2015/16 to 2018/19.

	£000's	£000's
Monies held in National Lottery Distribution Fund for sportscotland		58,676
<u>Less:- Commitments during the 4 year period 2015/16 to 2018/19</u>		
Partner Revenue Funding	80,059	
Capital Funding	35,600	
Effective Organisation	20,259	
		<u>135,918</u>
Balance to be funded by future Lottery Revenues		<u>77,242</u>

Sickness absence data

- 11 The sickness absence rate during 2014/15 was 1.22% (2013/14: 0.86%).

Personal data related incidents

- 12 There were no personal data related incidents during the year.

Group pension liability

- 13 Please refer to the post retirement benefits accounting policy within the accounting policies in Note 1 to the financial statements

Remuneration for non audit services

- 14 The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2014/15 the appointed auditors were Grant Thornton.
- 15 During 2014/15, no non-audit fees were paid to Grant Thornton.

Intangible assets

- 16 During the year to 31 March 2015 there was £74k (2013/14 £0k) spent on acquiring intangible assets for sportscotland Lottery Fund activities.

Retained Reserves

- 17 Accumulated funds totalling £40,608k (2013/14 £37,897k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

- 18 In line with Treasury guidance the sportscotland Lottery Fund has a policy to pay all invoices not in dispute within 30 days or according to the agreed contractual terms if otherwise specified. The Lottery Fund aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time within these terms.
- 19 During the year ended 31 March 2015 the Lottery Fund paid 93% (2013/14 84%) of all invoices received within the terms of its payment policy.

20 The Scottish Government policy of paying 100% of invoices within 10 days of being received by the Finance department continues to be our target, we currently pay all within 20 days.

21 The sportscotland Lottery Fund observes the principles of the Better Payment Practice Code.

Equal Opportunity in Employment and Disabled Employees

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

Employee Involvement

23 sportscotland involves employees in decisions which may affect their welfare, through its Joint Consultative Committee, which brings together representatives from Management and Trade Unions.

Statement as to disclosure of information to auditors

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

Approved by the Council and signed on its behalf:



Stewart Harris
Chief Executive & Accountable Officer
5 October 2015



Louise Martin CBE
Chair
5 October 2015

Strategic Report

The Lottery accounts are prepared pursuant to Section 35 of the National Lottery etc Act 1993. An understanding of the Lottery set up is explained in the Foreword.

Review of activities and impact

- 25 Our corporate plan 2011-2015 outlines our plans to invest our time, expertise and public funding in developing and supporting a world-class sporting system. Through this plan we have focused on developing a person-centred view of sport, a focus which we believe will provide people with the conditions they need to participate, perform and succeed. We feel this focus will lead to people participating, or wanting to participate in sport in Scotland, seeing the changes in our corporate plan. The changes are our outcomes.

Progress against our outcomes

- 26 2014-15 was the final year of our four-year corporate plan. During this period we developed a belief model, which involved defining how our business plan activities contribute to the changes in the corporate plan, as well as how we could use evidence to measure this story of change. This report summarises our key business plan activities for 2014-15 in relation to each change and the supporting evidence, with historic data where possible.

People

People will be supported by a range of people, competent at the level they need, working on the right kind of activities and in the right places.

People delivering school and club sport

- 27 A range of our programmes and projects have supported the development of people delivering sport in school and club environments.
- 28 We continued to build capacity within the Active Schools Network through the recruitment, retention and development of a network of volunteers to deliver sport. Through Active Girls we provided greater access to training, development and leadership roles, in school and club sport. During 2014-15 we commissioned an external evaluation of Active Schools, which noted that the pool of deliverers is dynamic and ever changing; however, it was suggested that an estimated 50 to 80 percent of deliverers are retained each year. Generally, Active Schools managers felt that deliverers had the required skills, were enthusiastic and involved for the right reasons. However, it was also noted by some managers that paid deliverers were higher quality and that volunteer standards were variable.
- 29 Through our club sport projects and programmes we ensured coaches, officials and volunteers were supported, trained and qualified appropriately to deliver world class club sport. This year 575 coaches were supported through Coach Connect and Coaching Talent while 174 people attended Reffin' Brilliant courses, up from 113 in 2013-14. We also commissioned an external evaluation of community sport hubs during 2014-15, which found that the programme has particularly supported the development of young sport leaders and expanded the skills of existing clubs leaders. sportscotland investment has added value by supporting training and experience for young people through Hub Modern Apprenticeships, Sports Leaders Awards and the Young Coach Apprentice Scheme.
- 30 Voluntary roles within hub committees, steering groups and boards, or in coaching have allowed people involved in clubs to: develop new skills, knowledge, qualifications and confidence; influence local developments; and, contribute to their local sport. sportscotland's investment has added value by supporting members of hubs to attend coach education to strengthen the level of coaching and offer a safer environment for all participants. It has also cut down on time and expense for training by running coaching courses locally for clubs. This is especially helpful for rural clubs. The role of hub officers was highlighted as particularly important in supporting leadership development although some hubs reported that it was

sometimes hard to support clubs to work together and develop committees if there were few active clubs or tensions between clubs.

- 31 We continued to deliver the multi skills award and associated resources, which develop coaches and teachers delivering in community sport. To date five local authorities are delivering multi skills. We also ensured a range of sportscoach UK courses were available to local partners to support the development of coaches in school and club sport, ensuring the workshops were supported by appropriately experienced tutors in the right areas, meeting the needs of partners.

People delivering performance sport

- 32 A range of our programmes and projects have supported the development of people delivering in performance sport environments. We worked with UK Sport, sportscoach UK and the home country sports councils to support the development and delivery of the Coach Inspire and Coach Aspire programmes, which provided needs-based tailored support to 10 Scottish-based performance coaches. Through Coaching Matters we provided performance coaches with access to a series of professional development workshops and one-to-one support. Through Coaching Futures we worked with eight sports to recruit and develop eight retiring and/or retired athletes on to a structured programme working towards developing them into high performance coaches.

People delivering across the pathway

- 33 We have also invested in and delivered projects and programmes that are aimed at supporting people delivering at all stages of the sporting pathway. This included investing £786k into coaching posts and programmes within Scottish governing bodies of sport (SGBs) to support the delivery and development of coaches and to improve coaching plans through the Coaching Scorecard. This investment supported 23 coaching posts within SGBs and over 6,000 coaches attended sport-specific CPD offered by 30 SGBs.
- 34 We delivered the Class of 2014 programme to support the recruitment and development of coaches in Commonwealth sports creating the additional capacity required to cope with the interest in participation in the build up to and after the Glasgow 2014 Commonwealth Games. In March 2015, 234 delegates across 13 sports were involved in the Class of 2014 showcase event.
- 35 Through the Coaching, Officiating and Volunteering Awards we continued to ensure profile and recognition of the contribution coaches and volunteers make. This year there were over 293 nominations to the Awards, across 38 sports, the highest since the inception of the Awards. Five nominees were shortlisted for the UK Coaching Awards. There was also a 43% increase in the number of nominations for the local and regional coaching, officiating and volunteering awards.
- 36 We continued to focus on training a sustainable, high quality national workforce of Positive Coaching Scotland tutors and trainers across local authorities and SGBs, with over 700 tutors trained to date and over 200 tutors actively delivering. We continued to support tutor development more generally, with 47 tutors achieving the Professional Development Awards in 2014-15.
- 37 We invested £580k in coach education to provide direct support to candidates undertaking UKCC Level 1 qualifications, ensuring links to deployment in schools and clubs. Investment to SGBs supported qualifications at Level 2 and above and for Level 2 equivalent in non-UKCC sports. This year over 3,500 people achieved UKCC qualifications.
- 38 In partnership with sports coach UK, we developed bespoke solutions for supporting coaches, including training for those responsible for the recruitment, development and retention of coaches. This year there were five active tutors supporting the workshops, 13 workshops were delivered and there were 125 attendees.

39 Table 1 provides a selection of indicators of change for the people change.

40 Table 1 – Selected indicators of change for people

Indicator	Last update	Value	Trend Chart										
Number of Active Schools deliverer sessions	2013/14	568,475	<table border="1"> <caption>Number of Active Schools deliverer sessions</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>40,330</td> </tr> <tr> <td>2014/15</td> <td>498,162</td> </tr> <tr> <td>2015/16</td> <td>568,475</td> </tr> </tbody> </table>	Year	Value	2013/14	40,330	2014/15	498,162	2015/16	568,475		
Year	Value												
2013/14	40,330												
2014/15	498,162												
2015/16	568,475												
Number of distinct paid deliverers providing Active Schools supported activity	2013/14	3,097	<table border="1"> <caption>Number of distinct paid deliverers providing Active Schools supported activity</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>2,394</td> </tr> <tr> <td>2014/15</td> <td>2,975</td> </tr> <tr> <td>2015/16</td> <td>3,097</td> </tr> </tbody> </table>	Year	Value	2013/14	2,394	2014/15	2,975	2015/16	3,097		
Year	Value												
2013/14	2,394												
2014/15	2,975												
2015/16	3,097												
Annual number of distinct voluntary deliverers providing Active Schools supported activity	2013/14	16,135	<table border="1"> <caption>Annual number of distinct voluntary deliverers providing Active Schools supported activity</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>12,277</td> </tr> <tr> <td>2014/15</td> <td>16,338</td> </tr> <tr> <td>2015/16</td> <td>16,135</td> </tr> </tbody> </table>	Year	Value	2013/14	12,277	2014/15	16,338	2015/16	16,135		
Year	Value												
2013/14	12,277												
2014/15	16,338												
2015/16	16,135												
Cumulative number of UKCC qualifications achieved across Levels 1-4	2014/15	24,441	<table border="1"> <caption>Cumulative number of UKCC qualifications achieved across Levels 1-4</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>13,329</td> </tr> <tr> <td>2014/15</td> <td>17,065</td> </tr> <tr> <td>2015/16</td> <td>20,820</td> </tr> <tr> <td>2016/17</td> <td>24,441</td> </tr> </tbody> </table>	Year	Value	2013/14	13,329	2014/15	17,065	2015/16	20,820	2016/17	24,441
Year	Value												
2013/14	13,329												
2014/15	17,065												
2015/16	20,820												
2016/17	24,441												
Number of SGBs completed the coaching scorecard	2014/15	20	<table border="1"> <caption>Number of SGBs completed the coaching scorecard</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>1</td> </tr> <tr> <td>2014/15</td> <td>20</td> </tr> </tbody> </table>	Year	Value	2013/14	1	2014/15	20				
Year	Value												
2013/14	1												
2014/15	20												
Number of deliverers in community sport hubs that have started up to the end of the current financial year	2013/14	8,881	N/A										

Indicator	Last update	Value	Trend Chart										
Number of student deliverers trained for Lead 2014 annually	2014/15	87	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>80</td> </tr> <tr> <td>2011/12</td> <td>80</td> </tr> <tr> <td>2012/13</td> <td>117</td> </tr> <tr> <td>2014/15</td> <td>87</td> </tr> </tbody> </table>	Year	Value	2010/11	80	2011/12	80	2012/13	117	2014/15	87
Year	Value												
2010/11	80												
2011/12	80												
2012/13	117												
2014/15	87												
Number of pupils Lead 2014 student deliverers have trained in schools annually	2014/15	823	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>796</td> </tr> <tr> <td>2011/12</td> <td>861</td> </tr> <tr> <td>2012/13</td> <td>892</td> </tr> <tr> <td>2014/15</td> <td>823</td> </tr> </tbody> </table>	Year	Value	2010/11	796	2011/12	861	2012/13	892	2014/15	823
Year	Value												
2010/11	796												
2011/12	861												
2012/13	892												
2014/15	823												
Collective number of workshops delivered through coach CPD programmes	2014/15	849	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>466</td> </tr> <tr> <td>2011/12</td> <td>599</td> </tr> <tr> <td>2012/13</td> <td>787</td> </tr> <tr> <td>2014/15</td> <td>849</td> </tr> </tbody> </table>	Year	Value	2010/11	466	2011/12	599	2012/13	787	2014/15	849
Year	Value												
2010/11	466												
2011/12	599												
2012/13	787												
2014/15	849												
Collective number of attendances at coach CPD programmes	2014/15	11241	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>3871</td> </tr> <tr> <td>2011/12</td> <td>6972</td> </tr> <tr> <td>2012/13</td> <td>10000</td> </tr> <tr> <td>2014/15</td> <td>11241</td> </tr> </tbody> </table>	Year	Value	2010/11	3871	2011/12	6972	2012/13	10000	2014/15	11241
Year	Value												
2010/11	3871												
2011/12	6972												
2012/13	10000												
2014/15	11241												
Number of mentors developed for Young Ambassadors programme	2014/15	343	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>37</td> </tr> <tr> <td>2011/12</td> <td>423</td> </tr> <tr> <td>2012/13</td> <td>284</td> </tr> <tr> <td>2014/15</td> <td>343</td> </tr> </tbody> </table>	Year	Value	2010/11	37	2011/12	423	2012/13	284	2014/15	343
Year	Value												
2010/11	37												
2011/12	423												
2012/13	284												
2014/15	343												
Number of Young Ambassadors developed annually	2014/15	646	<table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>64</td> </tr> <tr> <td>2011/12</td> <td>473</td> </tr> <tr> <td>2012/13</td> <td>461</td> </tr> <tr> <td>2014/15</td> <td>646</td> </tr> </tbody> </table>	Year	Value	2010/11	64	2011/12	473	2012/13	461	2014/15	646
Year	Value												
2010/11	64												
2011/12	473												
2012/13	461												
2014/15	646												

Places

People will have a more accessible network of places where they can take part in sport with those places better meeting their needs and expectations.

- 41 sportsotland has responded to this change through its facilities investment programmes, including the Sports Facilities Fund and Small Projects Fund, as well as through investment programmes managed on behalf of Scottish Government, including CashBack for Sports Facilities and the Active Places 2014 Legacy Fund.
- 42 We have also delivered a range of additional services around facilities development including, facilities design advice and guidance, support for facilities planning and support for local authorities to develop a better understanding of their school estate.
- 43 Table 2 shows a selection of the indicators of change for the places change.

Table 2 – Selected indicators of change for places

Indicator	Last update	Value	Trend Chart																		
Annual investment through CashBack Facilities	2014/15	£1,146,194	<table border="1"> <caption>Annual investment through CashBack Facilities</caption> <thead> <tr> <th>Year</th> <th>Value (£)</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>1,011,223</td> </tr> <tr> <td>2011/12</td> <td>0</td> </tr> <tr> <td>2012/13</td> <td>2,028,041</td> </tr> <tr> <td>2013/14</td> <td>1,889,140</td> </tr> <tr> <td>2014/15</td> <td>1,146,194</td> </tr> <tr> <td>2015/16</td> <td>1,022,071</td> </tr> </tbody> </table>	Year	Value (£)	2010/11	1,011,223	2011/12	0	2012/13	2,028,041	2013/14	1,889,140	2014/15	1,146,194	2015/16	1,022,071				
Year	Value (£)																				
2010/11	1,011,223																				
2011/12	0																				
2012/13	2,028,041																				
2013/14	1,889,140																				
2014/15	1,146,194																				
2015/16	1,022,071																				
Number of awards made through CashBack Facilities annually	2014/15	6	<table border="1"> <caption>Number of awards made through CashBack Facilities annually</caption> <thead> <tr> <th>Year</th> <th>Number of awards</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>26</td> </tr> <tr> <td>2011/12</td> <td>2</td> </tr> <tr> <td>2012/13</td> <td>27</td> </tr> <tr> <td>2013/14</td> <td>29</td> </tr> <tr> <td>2014/15</td> <td>6</td> </tr> <tr> <td>2015/16</td> <td>4</td> </tr> </tbody> </table>	Year	Number of awards	2010/11	26	2011/12	2	2012/13	27	2013/14	29	2014/15	6	2015/16	4				
Year	Number of awards																				
2010/11	26																				
2011/12	2																				
2012/13	27																				
2013/14	29																				
2014/15	6																				
2015/16	4																				
Annual investment through Sport Facilities Fund	2014/15	£3,662,656	<table border="1"> <caption>Annual investment through Sport Facilities Fund</caption> <thead> <tr> <th>Year</th> <th>Value (£)</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td>4,987,775</td> </tr> <tr> <td>2011/12</td> <td>5,448,200</td> </tr> <tr> <td>2012/13</td> <td>8,279,888</td> </tr> <tr> <td>2013/14</td> <td>14,171,953</td> </tr> <tr> <td>2014/15</td> <td>7,220,764</td> </tr> <tr> <td>2015/16</td> <td>8,084,888</td> </tr> <tr> <td>2016/17</td> <td>4,904,221</td> </tr> <tr> <td>2017/18</td> <td>4,441,164</td> </tr> </tbody> </table>	Year	Value (£)	2010/11	4,987,775	2011/12	5,448,200	2012/13	8,279,888	2013/14	14,171,953	2014/15	7,220,764	2015/16	8,084,888	2016/17	4,904,221	2017/18	4,441,164
Year	Value (£)																				
2010/11	4,987,775																				
2011/12	5,448,200																				
2012/13	8,279,888																				
2013/14	14,171,953																				
2014/15	7,220,764																				
2015/16	8,084,888																				
2016/17	4,904,221																				
2017/18	4,441,164																				

Indicator	Last update	Value	Trend Chart																		
Number of awards made through Sports Facilities Fund annually	2014/15	34	<table border="1"> <caption>Number of awards made through Sports Facilities Fund annually</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>38</td></tr> <tr><td>2011/12</td><td>31</td></tr> <tr><td>2012/13</td><td>38</td></tr> <tr><td>2013/14</td><td>48</td></tr> <tr><td>2014/15</td><td>51</td></tr> <tr><td>2015/16</td><td>77</td></tr> <tr><td>2016/17</td><td>47</td></tr> <tr><td>2017/18</td><td>34</td></tr> </tbody> </table>	Year	Value	2010/11	38	2011/12	31	2012/13	38	2013/14	48	2014/15	51	2015/16	77	2016/17	47	2017/18	34
Year	Value																				
2010/11	38																				
2011/12	31																				
2012/13	38																				
2013/14	48																				
2014/15	51																				
2015/16	77																				
2016/17	47																				
2017/18	34																				
Annual investment through Active Places Fund	2014/15	£3,894,886	<table border="1"> <caption>Annual investment through Active Places Fund</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>£1,229,762</td></tr> <tr><td>2014/15</td><td>£4,461,207</td></tr> <tr><td>2016/17</td><td>£3,946,000</td></tr> </tbody> </table>	Year	Value	2010/11	£1,229,762	2014/15	£4,461,207	2016/17	£3,946,000										
Year	Value																				
2010/11	£1,229,762																				
2014/15	£4,461,207																				
2016/17	£3,946,000																				
Number of awards made through Active Places Fund annually	2014/15	81	<table border="1"> <caption>Number of awards made through Active Places Fund annually</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>21</td></tr> <tr><td>2014/15</td><td>87</td></tr> <tr><td>2016/17</td><td>81</td></tr> </tbody> </table>	Year	Value	2010/11	21	2014/15	87	2016/17	81										
Year	Value																				
2010/11	21																				
2014/15	87																				
2016/17	81																				

Opportunities

People will find that getting in to sport, progressing and achieving in sport and moving between sports will be easier.

- 44 sportsotland has responded to this change through its work in Active Schools, which is focused on ensuring there are more and higher quality opportunities to participate in sport within schools. The Active Schools evaluation showed that the quality of supported opportunities and activities was high with 74% of teachers, 89% of wider stakeholders and 95% of Active Schools coordinators saying the quality was good or very good. This was usually because of the: knowledgeable, enthusiastic, hard working and supportive teams involved; range of subsidised or free activities; good planning and organisation of activities; and, promotion of inter school activities, competition, events and festivals. The quality of opportunities was linked back to deliverers and it was highlighted that trained coaches provided the highest quality activity.
- 45 The evaluation also highlighted that it is difficult to describe what 'quality' looked like, and suggested that quality was largely assessed subjectively and qualitatively, based on the views and experiences of participants, parents and Coordinators. In terms of the links between schools and clubs, the evaluation showed that the strength and nature of these varied substantially. It identified the key characteristics of good quality links, including the club developing a genuine long-term relationship with the school and both parties acting in the best interest of children and young people. In terms of barriers to involvement in clubs, the evaluation noted a range of factors, including: affordability; transport; time; confidence amongst young people and a focus on competition in clubs.

- 46 We have also delivered a series of club sport projects, which all aim to offer a range of opportunities across sport clubs and ensure that talent is supported to progress. Through community sport hubs monitoring we have learned that the most common new activities at hubs include: new sessions for junior or youth teams, activities for women and girls, disability sessions and beginner sessions; running holiday programmes and activities for school age children; and, running taster sessions in schools. New clubs have approached hubs after hearing about the success of the CSH and benefits of being part of the hub. Hub officers have also targeted specific clubs in the local area and existing hub clubs have contacted other clubs to become involved. In some cases, clubs have been targeted or new clubs have been set up by the hub to fill in a particular gap.
- 47 During 2014-15 we invested £1.2m in 205 projects through Awards for All; £378k in 53 projects through Celebrate 2014; and £245k in 75 projects through sportsmatch.
- 48 In performance sport, teams of expert coaches and practitioners have worked together to manage and deliver individually tailored and cutting edge programmes for sports and athletes. We provided a wide range of services and where appropriate, we directly managed performance programmes to ensure athletes receive the support they need to achieve on the world stage.
- 49 Table 3 provides a selection of indicators of change for the opportunities change.

Table 3 – Selected indicators of change for opportunities

Indicator	Last update	Value	Trend Chart								
Number of Active Schools activity sessions	2013/14	312,043	<table border="1"> <caption>Number of Active Schools activity sessions</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>278,544</td> </tr> <tr> <td>2013/14</td> <td>279,489</td> </tr> <tr> <td>2014/15</td> <td>312,043</td> </tr> </tbody> </table>	Year	Value	2012/13	278,544	2013/14	279,489	2014/15	312,043
Year	Value										
2012/13	278,544										
2013/14	279,489										
2014/15	312,043										
Number of school/club links through Active Schools	2013/14	21,226	<table border="1"> <caption>Number of school/club links through Active Schools</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>14,146</td> </tr> <tr> <td>2013/14</td> <td>18,251</td> </tr> <tr> <td>2014/15</td> <td>21,226</td> </tr> </tbody> </table>	Year	Value	2012/13	14,146	2013/14	18,251	2014/15	21,226
Year	Value										
2012/13	14,146										
2013/14	18,251										
2014/15	21,226										
Number of sport clubs involved in community sport hubs that have started up to the end of the current financial year	2013/14	833	<table border="1"> <caption>Number of sport clubs involved in community sport hubs that have started up to the end of the current financial year</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>611</td> </tr> <tr> <td>2014/15</td> <td>833</td> </tr> </tbody> </table>	Year	Value	2013/14	611	2014/15	833		
Year	Value										
2013/14	611										
2014/15	833										

Indicator	Last update	Value	Trend Chart						
Cumulative number of clubs supported through Direct Club Investment	2014/15	86	<table border="1"> <caption>Trend Chart Data</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>55</td> </tr> <tr> <td>2014/15</td> <td>86</td> </tr> </tbody> </table>	Year	Value	2013/14	55	2014/15	86
Year	Value								
2013/14	55								
2014/15	86								

Participation

People will discover that making sport a part of life, throughout life, will feel more possible with more of their friends, family and colleagues involved in it.

- 50 sportsScotland has responded to this change by increasing opportunities for young people to motivate and inspire their peers through projects and programmes including Active Girls, Lead 2014, Young Ambassadors and the Young people's sport panel. Through Active Girls we have also increased opportunities for girls and young women to participate in sport.
- 51 Through Active Schools we have motivated and inspired children and young people to participate in sport. The evaluation explored the impact of Active Schools suggested that it has had a positive impact on attitudes to sport and health; confidence; volunteering and leadership opportunities; and the culture and ethos of schools. It has also contributed to changing school culture and ethos around sport and health. Some schools have seen improved behaviour and attendance as a result and others have seen more teacher and pupil joint working. Schools felt that Active Schools strongly contributed to the health and wellbeing outcomes within the Curriculum for Excellence.
- 52 The evaluation noted agreement across all stakeholders that introducing girls only activities made a big difference in encouraging participation of girls and young women in Active Schools. While many highlighted significant successes in engaging girls and young women, it was felt that this was an area which required ongoing attention to sustain and increase participation levels. Active Schools teams used a wide range of approaches to engage and involve young people with Additional Support Needs (ASN). Generally, approaches targeted at schools for young people with ASN were felt to work well, but there were some challenges to involving young people with ASN in mainstream schools, including: identifying pupils; parental permissions; and, transport, facilities and resources.
- 53 Our club sport projects and programmes have focused on ensuring more people take part in club sport across their lifespan and that communities are brought together by offering opportunities for people at different stages and backgrounds.
- 54 In terms of community engagement, the community sport hubs evaluation showed that hubs have used a range of methods to promote themselves and engage with clubs and the local community. The main community engagement has been with clubs and other sport organisations through local sports forums or hub meetings, but a number of hub officers have linked in themselves or clubs with local community meetings and local school meetings. Consultation with the community has taken place at specific community consultation events or at hub open days or launch events and feedback is mostly gathered through questionnaires.
- 55 In particular, there have been significant achievements in building strong relationships with schools. It was noted that community engagement can be challenging, particularly reaching those not already involved in sport. While schools and clubs have been the primary target for engagement to date, stakeholders have suggested that the wider community will be the next step in their engagement strategies.

56 To tailor actions to the needs of communities, hubs have: offered training sessions to address training needs from clubs; addressed facility issues from clubs; addressed issues around lack of information on activities available in the area; changed events based on feedback; and, offered new activities or changed current activities based on feedback. Programmes have also been set up for specific groups based on feedback, including activities for older people and parents of children attending sessions.

57 Table 4 outlines selected indicators of change for the participation change.

Table 4 – Selected indicators of change for participation

Indicator	Last update	Value	Trend Chart										
Annual number of Active Schools participant sessions	2013/14	5,846,872	<table border="1"> <caption>Annual number of Active Schools participant sessions</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>4,441,722</td> </tr> <tr> <td>2013/14</td> <td>4,468,827</td> </tr> <tr> <td>2014/15</td> <td>4,642,898</td> </tr> <tr> <td>2015/16</td> <td>4,758,872</td> </tr> </tbody> </table>	Year	Value	2012/13	4,441,722	2013/14	4,468,827	2014/15	4,642,898	2015/16	4,758,872
Year	Value												
2012/13	4,441,722												
2013/14	4,468,827												
2014/15	4,642,898												
2015/16	4,758,872												
Number of Active Schools male participants	2013/14	3,150,729	<table border="1"> <caption>Number of Active Schools male participants</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>2,421,888</td> </tr> <tr> <td>2013/14</td> <td>2,708,433</td> </tr> <tr> <td>2014/15</td> <td>2,788,729</td> </tr> </tbody> </table>	Year	Value	2012/13	2,421,888	2013/14	2,708,433	2014/15	2,788,729		
Year	Value												
2012/13	2,421,888												
2013/14	2,708,433												
2014/15	2,788,729												
Number of Active Schools female participants	2013/14	2,696,143	<table border="1"> <caption>Number of Active Schools female participants</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>2,019,899</td> </tr> <tr> <td>2013/14</td> <td>2,284,372</td> </tr> <tr> <td>2014/15</td> <td>2,468,145</td> </tr> </tbody> </table>	Year	Value	2012/13	2,019,899	2013/14	2,284,372	2014/15	2,468,145		
Year	Value												
2012/13	2,019,899												
2013/14	2,284,372												
2014/15	2,468,145												
Number of active sport club members involved in hubs that have started up to the end of the current financial year	2013/14	85,672	<table border="1"> <caption>Number of active sport club members involved in hubs that have started up to the end of the current financial year</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>64,586</td> </tr> <tr> <td>2013/14</td> <td>85,672</td> </tr> </tbody> </table>	Year	Value	2012/13	64,586	2013/14	85,672				
Year	Value												
2012/13	64,586												
2013/14	85,672												

Profile

People will see, hear and read more about sport in their communities and about Scottish athletes on the world stage.

58 Through all of our projects and programmes we sought to give greater recognition to young people for the contribution they make to influencing and leading sport. Through media

coverage on the Coaching, Officiating and Volunteering Awards we ensured profile and recognition of the contribution coaches and volunteers make.

59 Our club sport projects and programmes continued to raise the profile of club sport and its success. The community sport hubs evaluation suggests that awareness of hubs is highest amongst sport clubs and that some hubs have also had success raising awareness through schools. In general hubs are seen as a positive addition to communities; however, the nature and level of activity to engage the wider community varied between hubs and there was little evidence that the views of local people (beyond existing sport clubs) had been gathered in developing hubs. This will be a key focus for improvement going forward.

60 Table 5 outlines selected indicators of change for the profile change.

Table 5 – Selected indicators of change for profile

Indicator	Last update	Value	Trend Chart
No of Coaching, Officiating and Volunteering Awards media releases	2014/15	25	
No of hits on Coaching Volunteering Awards youtube promotional video	2014/15	1,035	

Foundations for change

61 This section outlines developments across our organisation in 2014-15, which are not directly attributable to the changes in our corporate plan; however, they represent improvements in the way we work that create a strong foundation to help us contribute to the changes.

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

- the procurement of a new financial system;
- responding to the findings from internal audit reports on health and safety, governance, financial systems, risk management, recruitment processes and the CRM system;
- considerable resource commitment to software development of the investment management systems to enhance internal workflows; and,
- the development of new data gathering and representation capacity for an on-line portal based system, which will facilitate more effective decision making through the visibility and application of data.

- 63 In addition, during the Commonwealth Games, sportscotland's business continuity systems and processes were enhanced, including supporting the relocation of services and staff to alternative premises for the period leading up to and during the Games.
- 64 The continued focus on applying effective procurement processes has resulted in cost savings and enhanced productivity. Examples of the former are the re-contracting process for mobile telephony which has achieved a 45% saving over previous arrangements and the use of the Scottish Government's framework agreements has achieved a 13% saving, equating to just under £100k over the year. An example of the latter is the retendering of the organisation's network ICT infrastructure which has achieved a ten-fold increase in bandwidth, greater stability and enhanced resilience for the same cost.
- 65 Organisational changes and new processes have enhanced our knowledge and helped improve our whole approach to performance sport planning. A high performance group is now applying performance knowledge modelling and thinking to the three key areas of athlete, performance and environments. As a result the quality of planning and presentations from SGBs has visibly increased and over 85% of our funded sports are using and engaging with us through the following:
- WITTW (What it takes to win)
 - GAP analysis
 - Mission 2014/18
- 66 We have also developed a meritocratic table of sports with clear investment principles and two major investment processes. A combination of our two performance data management systems, HPIT and Smartabase, enables all parties to benchmark our system performances and progress with programmed UK and International benchmarks. As a result we are now in a position to make better and more informed decisions.
- 67 Resources have been deployed to design, develop and procure external support for the launch of a new leadership development programme to enhance the leadership skills and competencies across the organisation and to aid succession planning. This new programme sits alongside the existing range of learning and development opportunities which are available to staff to help ensure they are fully competent to carry out their respective roles and to comply with legislative and policy requirements.
- 68 Support was provided to the Public Appointments Unit to support the recruitment and induction of new sportscotland Board members to help ensure they are fully prepared and able to contribute to the work of the Board as quickly as possible.
- 69 During 2014, with the Commonwealth Games on home soil our High Road Programme and Project Glasgow provided practical opportunities for our Scottish high performance team to gain experience within cutting edge high performance environments. Through our targeted projects and initiatives we saw an increase in knowledge sharing, skill development and knowledge transfer of staff.
- 70 New initiatives were introduced as part of an overall performance education exercise to upskill athletes and performance staff alongside ensuring we managed any potential risk that could prevent us achieving our headline goals and deliver success in Glasgow. Over 50 workshops were targeted covering selection and appeals, anti-doping education and anti-corruption. As a consequence of the workshops a new set of anti-corruption policies and educational materials have been adopted by sportscotland and are available as templates for use by SGBs.
- 71 To ensure the effective planning and procurement of the major redevelopment of the accommodation and sports facilities at the sportscotland National Centre Inverclyde, considerable project support has been deployed using a range of internal resources and expertise. This has been managed through an internal project board with representatives from across various work-streams set up to deliver clearly defined elements of this project within an agreed governance framework.

- 72 This project represents the largest single investment made in sportscotland's own estate and is being supported by an additional £6m investment from the Scottish Government to create a fully inclusive residential sports venue, with a particular focus on creating a world class para sports centre. This investment is being made alongside the development of a major new educational campus by North Ayrshire Council on the national centre's estate. These two major developments are being managed through a partnership board, representing both organisations.
- 73 This year saw the completion of a four-year programme established to ensure that the sportscotland estate is fully compliant with all regulations and is fit for purpose. This programme of continuous improvement will be further informed by an updated independent assessment to help inform future investments.

Our focus for 2015-16

- 74 During 2014-15 we undertook a strategic planning process to develop our new corporate plan 2015/19. The planning process involved consultation with staff and key partners and the final plan outlines ambitions that we believe our organisation and the sports sector can commit to. This was under-pinned by a business planning process for 2015/17.
- 75 Our corporate plan 2015/19 aims to build on the strong foundations created over the last four years for a world class sporting system. We put people and communities in Scotland at the heart of our thinking. Our mission, to build a world class sporting system for everyone in Scotland, uses world class as an expression of ambition and aspiration to be the best we can be at all levels in sport. We will drive this ambition by focusing on continuous improvement and measuring progress as we develop and support the system.
- 76 We have identified three priorities, which underpin the sporting system and are for the sports sector as a whole to drive improvement in the system over the next four years. These are: equalities and inclusion; people development; and, collaboration and impact. These priorities are embedded in the impact measures within our corporate plan, the portfolios within our business plan, and their associated programmes, projects and actions.
- 77 During 2015-16, we will develop a performance measurement framework for the 2015/19 corporate plan that outlines how we will track our progress against the impact measures we identified. We will also ensure our business plan 2015/17 is flexible enough to adapt as we become clearer about our contribution to Scottish Government priorities as well as address key areas for improvement across school and club sport, based on the learning identified within our Active Schools and community sport hubs evaluations.

RISKS

- 67 sportscotland achieves its risk management objectives by the continued use of a structured risk management process, designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed.

A more detailed understanding of the risk system and the significant risks identified is enclosed within the Annual Governance Statement on page 18.

SUSTAINABILITY

- 68 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

Social, Community issues and human rights

69 **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.

70 A breakdown of the number of persons of each gender who were part of the Boards at **sportscotland**, its Directors, Senior Managers and employees is as follows:-

	Men	Women
Boards	11	9
Directors	3	0
Senior Managers	12	5
Employees	155	147



Stewart Harris
Chief Executive & Accountable Officer

5 October 2015

Annual Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the delivery of sportscotland's policies, aims and objectives, as set out by the Scottish Government Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Accordingly, I can confirm that adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and minimising losses of funds were in place throughout 2014/15.

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 2014/15 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, Grant Thornton in their management letters and other reports.

The key components of the control 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). The Vice Chair position has been filled by Mel Young since February 2013. 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. During the year Mike Hay MBE and Susan Jackson were both recognised as advisors to the Board.

The attendance of the 12 nonexecutive members who held office during the year of the six meetings of 2014/15 was:

Louise Martin CBE	(6 of 6)	(Chair)
M Young	(6 of 6)	(Vice Chair)
D Sole OBE	(4 of 5)	(Until Dec 14)
G Marchbank	(4 of 5)	(Until Dec 14)
Prof G Jarvie	(5 of 6)	
D Gass	(5 of 6)	
R Stone	(5 of 6)	
D Cameron	(6 of 6)	
G Walker	(6 of 6)	
F Wood	(6 of 6)	
C Riddell	(2 of 2)	(From Dec 14)
Prof L Robinson	(2 of 3)	(From Oct 14)
Prof C Mahoney	(1 of 1)	(From Feb 15)
M Hay MBE	(3 of 6)	(Advisor)
S Jackson	(2 of 2)	(Advisor)

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

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

Council Member Committees

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

Group Audit Committee

Membership of the Group Audit Committee consists of five non executive Council members. The membership during the 2014/15 financial year is detailed below with their attendance record for the two meetings which took place.

The Audit Committee receives periodic reports from the Internal Auditors concerning internal control and these are reported to the Council. sportscotland utilise a professional firm of accountants, BDO LLP, as our internal auditors, who operate to standards defined in the *Government Internal Audit Public sectors Standards*. They submit 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 Group Audit Committee considers the appointment and fees of the external auditors and discusses the scope of the audit and its findings. It also considers the appointment and fees of the internal auditors and discusses the planned timetable of activity and findings as well as ensures 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	(2 of 2) (Chair)
G Marchbank	(0 of 1) (Until Dec 14)
M Young	(0 of 2) (Until Dec 14)
R Stone	(1 of 2)
G Walker	(2 of 2)

Group Remuneration Committee

The Group Remuneration Committee considers and approves the remuneration and benefits of the Chief Executive Officer and the overall pay framework for sportscotland. The Committee met on 25 February 2015. The Chair's remuneration is decided by the Scottish Government and thus she has no influence over her own pay award. Membership of the Remuneration Committee during 2014/15 comprised:

Prof G Jarvie	(1 of 1)
D Gass	(1 of 1) (Chair)

Group Ethics Committee

The Group Ethics Committee consists of three non executive Council members and is chaired by the sportscotland Vice Chair, Mel Young. The membership during the 2014/15 financial year is detailed below with their attendance record for the two meetings which took place.

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

M Young	(2 of 2) (Chair)
G Marchbank	(1 of 1) (Until Dec 14)
R Stone	(2 of 2)
G Walker	(2 of 2)
D Cameron	(2 of 2)
F Wood	(2 of 2)

Risk Management

sportscotland achieves its risk management objectives by the continued use of a structured risk management process, designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed.

The risk management system in place during 2014/15 continued the internal control process with the utilisation of seven Programme risk registers with relevant risks escalated to the Corporate Risk Register. Programme risk registers are included as standing agenda items across organisational meetings so that these can be reviewed on a regular basis, at least six monthly. The Programme registers are part of Covalent, a workflow and performance management system which prompts relevant individuals to update quarterly.

The Corporate Risk Register is reviewed by the sportscotland Board annually with the Audit Committee reviewing the register every six months. The outcomes of these meetings are the provision of a control strategy/mitigation for each of the significant risks. The highest level of risks are those that are still "red" after mitigating actions have been put in place and these risks are the focus of the Senior Management Team and Board's attention.

The significant risks, those which continue to be rated high after mitigation and therefore continue to require careful monitoring are:

1. Pension Liability requires increased funding. The sportscotland pension fund is in deficit and this could increase, particularly if markets do not provide adequate returns in the current economic climate.

Mitigation - Continue to monitor the pension liability at the end of each financial year.

2. Change in relationships with key partners at any level within sporting system.

Mitigation – Regular dialogue with all partners at all levels.

Information Security

During 2014/15, sportscotland continued to provide assurance that it was fully compliant with the Scottish Government Security Policy Framework, which seeks to ensure that appropriate systems are in place to manage risks associated with information security. In addition, Business Continuity and Data Disaster Recovery arrangements are in place. No significant lapses of data security were found during 2014/15.

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.

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 2014/15, sportscotland's Freedom of Information systems were fully operational and all requests received were completed within the statutory timescales.



Stewart Harris
Chief Executive & Accountable Officer
5 October 2015

Remuneration Report

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

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

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

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

Salaries and Allowances (**)

Name		Salary	Benefits	All pension related benefits	Total
		£000's	£000's	£000's	£000's
S G Harris	2015	90-95	-	35-37.5	130-135
	2014	90-95	-	77.5-80	170-175
S Ogg	2015	75-80	-	35-37.5	110-115
	2014 Restated	75-80	-	20-22.5	95-100
M Roberts	2015	75-80	3.3	32.5-35	110-115
	2014 Restated	75-80	3.2	22.5-25	100-105
M Whittingham*	2015	80-85	3.8	*	*
	2014	80-85	3.6	*	*
L Martin	2015	25-30	-	-	25-30
	2014	25-30	-	-	25-30

Pension Benefits (**)

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension at 60	Total Accrued Lump sum at 60	Cash equivalent transfer value 2015	Cash equivalent transfer value 2014	Real Increase in Cash Equivalent Transfer Value
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S G Harris **	2	-	41	112	822	796	25
S Ogg	2	-	9	23	151	121	28
M Roberts	1	-	11	23	120	99	19

*M Whittingham is not in a final salary scheme and company contributions of £16k, (2012/13, £16k) were made to a defined contribution scheme.

** S G Harris was previously enrolled in the Scottish Teachers Superannuation Scheme, and the pension benefits table therefore reflects these transfer values.

The salary entitlements of the most senior members of the sportscotland Group, shown within £5k bandings are as follows:

£	2015	2014
Range	No.	No.
50,001-55,000	4	3
55,001-60,000	10	16
60,001-65,000	1	1
65,001-70,000	0	0
70,001-75,000	0	0
75,001-80,000	2	2
80,001-85,000	2	2
85,001-90,000	0	1
90,001-95,000	1	0

Median Disclosure (**)

The median remuneration is £32,133 for staff, the ratio to the highest paid director is 2.88, as at the reporting period end date.

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

The split for the sportscotland Lottery Fund during 2014/15 was 40% (2013/14 40%) with the balance, 60% (2013/14 60%), being funded from Scottish Government resources.

The Chair, Louise Martin 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 £158 for each meeting attended, along with an £80 payment for preparation for a board meeting. Attendance at Committee meetings are paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2014/15 were £181k (2013/14 £170k).



Stewart Harris
Chief Executive & Accountable Officer
5 October 2015

Statement of Accountable Officer's Responsibilities

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

In preparing the accounts the sportscotland Lottery Fund is required to:

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

The Accountable Officer for the Health and Wellbeing Directorate has designated the Chief Executive of sportscotland as Accountable Officer for the sportscotland Lottery Fund. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Memorandum to Accountable Officers of other Public Bodies issued by the Scottish Government.



Stewart Harris
Chief Executive & Accountable Officer
5 October 2015

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

We have audited the financial statements of the Scottish Sports Council (the Council) for the year ended 31 March 2015 under the National Lottery Act 1993. The financial statements comprise Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2014-15 Government Financial Reporting Manual (the 2014-15 FReM).

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

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, irregularities, or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the 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 2015 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2014-15 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.

Opinion on regularity

In our 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.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

We have nothing to report in respect of these matters.



Joanne Brown, (for and on behalf of Grant Thornton UK LLP)
7 Exchange Crescent
Edinburgh
EH3 8AN
October 2015

sportscotland

Lottery Fund

Statement of Comprehensive Income for the year ended 31 March 2015

	Notes	2015 £000	2014 £000
Income			
National Lottery Fund proceeds		31,747	27,540
Interest receivable		14	7
Other operating income	2	69	53
		<u>31,830</u>	<u>27,600</u>
Expenditure			
Grants paid and committed during the year	3	8,762	11,906
Net grant commitments	3	13,577	12,190
Staff costs	4	3,727	2,753
Depreciation	5	9	15
Other operating charges	5	3,041	2,719
		<u>29,116</u>	<u>29,583</u>
Operating surplus / (deficit) before tax		2,714	(1,983)
Corporation tax	6	3	1
Increase / (decrease) in fund		<u>2,711</u>	<u>(1,984)</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 2015

	Notes	2015 £000	2014 £000
Non-current assets			
Property, plant, and equipment	7	11	20
Intangible assets	8	74	-
Total non-current assets		85	20
Current assets			
Cash and cash equivalents			
Investments – balance held in NLDF	9	58,676	53,901
Cash at bank	12	1,083	2,573
Trade and other receivables	10	44	36
Total current assets		59,803	56,510
Total assets		59,888	56,530
Current Liabilities			
Trade and other payables	11	19,280	18,532
Total current liabilities		19,280	18,532
Non-current assets plus net current assets		40,608	37,998
Non-current liabilities			
Provisions		-	101
Total non-current liabilities		-	101
Net assets		40,608	37,897
Taxpayers Equity			
General fund	14	40,608	37,897
		40,608	37,897

The Accountable Officer authorised these financial statements for issue on 5 October 2015



Stewart Harris
Chief Executive & Accountable
Officer



Louise Martin CBE
Chair

The notes to the accounts form part of these financial statements

sportscotland
Lottery Fund
Statement of Cashflow for the year ended 31 March 2015

	Notes	2015 £000	2014 £000
Cash flows from operating activities			
(Deficit) / surplus on ordinary activities before tax		2,714	(1,983)
<i>Adjustment for non-cash items</i>			
Depreciation on tangible and non-tangible fixed assets		9	15
<i>Movements in working capital</i>			
(Increase)/decrease in investments		(4,776)	(2,413)
(Increase)/decrease in trade and other receivables		(8)	(3)
(Decrease)increase in trade payables		1,460	6,082
<i>Movements in provisions</i>			
Increase/(decrease) in provisions for hard commitments		(812)	(1,402)
Taxation Paid		(3)	(1)
Net cash (outflow) / inflow from operating activities		(1,416)	295
Cash flows from investing activities			
Purchase of intangible assets		(74)	-
Net cash outflow from investing activities		(1,490)	295
Net (decrease) / increase in cash and cash equivalents		(1,490)	295
Cash and cash equivalents as at 1 April 2014		2,573	2,278
Cash and cash equivalents as at 31 March 2015	12	1,083	2,573

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 2015

	Balances held in NLDF £000	Balances at SLF £000	2015 Total £000	2014 Total £000
Opening balances	53,901	(16,004)	37,897	39,881
National Lottery Fund proceeds	31,747	-	31,747	27,540
Drawn down in year by SLF	(26,971)	26,971	-	-
Interest on cash balances	-	14	14	7
Other operating income	-	69	69	53
Grants paid	-	(8,762)	(8,762)	(11,906)
Net grant commitment	-	(13,577)	(13,577)	(12,190)
Expenditure	-	(6,780)	(6,780)	(5,488)
	<u>58,677</u>	<u>(18,069)</u>	<u>40,608</u>	<u>37,897</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 2015

1 Accounting policies

1.1 Basis of accounting

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

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

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

Comparative figures shown are for the year to 31 March 2014.

Going Concern

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

1.2 Accruals convention

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

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

Revenue recognition

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

Hard commitments

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

for hard grant commitments is shown on the Statement of Financial Position and is written down as the commitment matures.

Soft Commitments

These will occur when there is agreement in principle by sportscotland to fund a scheme. Once a formal offer and acceptance of the terms and conditions of the grant have been concluded will this become a hard commitment. The total soft commitments are shown in a note to the Statement of Financial Position. Changes in soft to hard commitments which arise after the accounting year end and before the publication of the Accounts will not be adjusting events in terms of IAS 10 (Events after the Reporting Period).

De-commitments

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

1.3 Property, plant, and equipment and depreciation

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

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

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

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

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

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

1.4 Intangible Assets

Intangible assets are valued at cost less straight line depreciation.

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

1.5 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the sportscotland Lottery Fund is as shown in the accounts and, at the Statement of Financial Position date, has been certified on an interim basis by the Secretary of State for Culture, Media & Sport as being available for distribution by the body in respect of current and future commitments. This balance is shown as an investment on the Statement of Financial Position and is stated at market value. The balance in the accounts is based on an Interim Statement of balance produced by the Department of Culture, Media and Sport (DCMS) which is subject to completion of the Statement of Assurance of Payments due to the National Lottery Distribution Fund for 2014/15 by the National Lottery Commission and the completion of the audit of the National Lottery Distribution Fund accounts for 2014/15 by the National Audit Office with an adjustment for the final balance being reflected in subsequent financial statements.

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

1.6 Taxation

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

1.7 Post retirement benefits

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

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

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

Scottish Teachers Superannuation Scheme (STSS).

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

Strathclyde Pension Fund (SPF).

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

1.8 Leases

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

1.9 Provisions

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

1.10 Lottery salary recharges

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

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

The Government Financial Reporting Manual does not require the following Standards and Interpretations to be applied in 2014-15, all of which are subject to consultation:

IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities

The application of the Standards as revised would not have a material impact on the accounts for 2014-15, were they applied in that year.

2 Income

2.1 Proceeds from the National Lottery

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

	2015 £000	2014 £000
2.2 Other operating income comprises:		
Miscellaneous income	<u>69</u>	<u>53</u>
	<u>69</u>	<u>53</u>

3 Grants paid and net grant commitment

	2015 £000	2014 £000
3.1 Annual grants paid and committed during the year		
Capital and Revenue	8,762	11,906
	2015 £000	2014 £000
3.2 Grants paid during year		
Paid and committed during year	8,762	11,906
Committed in previous years	10,302	10,428
	19,064	22,334
	2015 £000	2014 £000
3.3 Net grant commitments		
Hard commitments made during year	22,917	24,601
Less: amounts paid and committed during year	(8,762)	(11,906)
Less: amounts de-committed during year	(578)	(505)
Net grant commitment at 31 March	13,577	12,190
	2015 £000	2014 £000
3.4 Net grant commitments split		
Capital programmes	(843)	1,762
Revenue	14,420	10,428
	13,577	12,190
	2015 £000	2014 £000
3.5 Grants paid during the year by programme		
3.5.1 Capital Facilities		
Sports Facilities Programme	4,193	7,622
	4,193	7,622
	2015 £000	2014 £000
3.5.2 Revenue Funding		
Athlete Support	8,662	7,271
Scottish Athlete Awards & Support	272	908
Volunteers	145	151
Awards for All / Celebrate	1,528	1,915
Club Support	1,342	1,108
Coach Support	1,355	1,949
Sports Partnerships	1,567	1,410
Olympic Lottery Distribution Fund	-	-
	14,871	14,712
Total grants paid during the year	19,064	22,334

4 Employees

	2015 £000	2014 £000
4.1 Total staff costs comprise:		
Wages and salaries	2,944	2,176
Social security costs	242	187
Other pension costs	541	390
Aggregate staff costs	<u>3,727</u>	<u>2,753</u>

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

	2015 No.	2014 No.
4.2 The average staff numbers, including part-time and full-time employees, are as follows:		
	<u>80</u>	<u>65</u>

5 Other operating charges

The operating result is after charging:

	2015 £000	2014 £000
Administration expenses	2,712	2,374
Travel and subsistence	121	133
Auditors' remuneration	21	21
	6	21
Operating rentals	181	170
Depreciation	9	15
	<u>3,050</u>	<u>2,734</u>

6 Corporation tax

	2015 £000	2014 £000
Corporation tax	3	1

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

7 Property, Plant & Equipment

	Total £000	Fixtures and Fittings £000	Equipment £000
Cost at 1 April 2014	43	1	42
Additions during year		-	
Disposals during year	-	-	-
Cost at 31 March 2015	<u>43</u>	<u>1</u>	<u>42</u>
Aggregate depreciation at 1 April 2014	23	1	22
Charge for the year	9	-	9
Eliminated on disposal	-	-	-
Aggregate depreciation at 31 March 2015	<u>32</u>	<u>1</u>	<u>31</u>
Net Book Value at 31 March 2015	<u>11</u>	<u>-</u>	<u>11</u>
Net Book Value at 31 March 2014	<u>20</u>	<u>-</u>	<u>20</u>

8 Intangible assets

Computer software licences

	£000
Cost	
Opening balance 1 April 2014	309
Additions during year	74
Disposals during year	<u>-</u>
Closing balance 31 March 2015	<u>383</u>
Accumulated depreciation	
Opening balance 1 April 2014	309
Charge for year	-
Eliminated on disposal	<u>-</u>
Closing balance 31 March 2015	<u>309</u>
Net book value at 31 March 2015	<u>74</u>
Net book value at 31 March 2014	<u>-</u>

9 Investments

	2015 £000	2014 £000
National Lottery Distribution Fund	<u>58,676</u>	<u>53,901</u>

The balance shown at 31 March 2015 is the interim valuation from NLDF, the final audited balance for the value of investments as at 31 March 2014 was £53,901k.

10 Trade and other receivables

	2015 £000	2014 £000
Trade debtors	44	36
	<u>44</u>	<u>36</u>

Breakdown of Debtors by Category

	2015 £000	2014 £000
Other Central Government Bodies	-	-
Local Authorities	20	19
NHS Bodies	-	-
Public Corporations and Trading Funds	-	-
Other External Bodies	24	17
Total	<u>44</u>	<u>36</u>

11 Trade and other payables

	2015 £000	2014 £000
Trade creditors	71	1,766
Corporation tax	3	1
Hard commitments payable within one year	18,061	14,685
Intercompany - sportscotland	92	21
Accruals and deferred income	1,053	2,059
	<u>19,280</u>	<u>18,532</u>

Breakdown of Creditors by Category

	Group	
	2015 £000's	2014 £000's
Other Central Government Bodies	663	1,749
Local Authorities	3,062	4,803
NHS Bodies	-	-
Public Corporations and Trading Funds	-	-
Other External Bodies	15,555	11,980
Total	<u>19,280</u>	<u>18,532</u>

12 Cash and cash equivalents

	2015 £000	2014 £000
Cash and bank balance at 1 April	2,573	2,278
Net cash (outflow)/inflow	<u>(1,490)</u>	<u>295</u>
Cash and bank balance at 31 March	<u>1,083</u>	<u>2,573</u>

Financial Instruments (under IFRS)

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

13 Grant Commitments

	2015 £000	2015 £000	2014 £000
Capital			
Balance as at 1 April		3,079	6,014
Amounts committed during the year		<u>3,654</u>	<u>5,023</u>
Total hard commitments		6,733	11,037
Amounts paid during the year	(2,267)		
Amounts paid and committed during the year	(1,926)		
Amounts de-committed during the year	<u>(304)</u>	<u>(4,497)</u>	<u>(7,958)</u>
Hard capital commitments at 31 March		<u>2,236</u>	<u>3,079</u>

	2015 £000	2015 £000	2014 £000
Revenue			
Balance as at 1 April		11,707	7,010
Amounts committed during the year		<u>19,263</u>	<u>19,578</u>
Total hard commitments		30,970	26,588
Amounts paid during the year	(3,453)		
Amounts paid and committed during the year	(11,417)		
Amounts de-committed during the year	<u>(275)</u>	<u>(15,145)</u>	<u>(14,881)</u>
Hard revenue commitments at 31 March		<u>15,825</u>	<u>11,707</u>
Total hard commitments at 31 March		<u>18,061</u>	<u>14,786</u>

At 31 March 2015 a total of £18,061k (2013/14 £14,685k) is payable within one year and disclosed in Note 11. A further £nil (2013/14 £101k) is payable within two to five years and shown within the statement of financial position.

14 General Fund

	2015 £000	2014 £000
Represented by:		
Balance as at 1 April	37,897	39,881
Change in fund for the year	2,711	(1,984)
Balance as at 31 March	<u>40,608</u>	<u>37,897</u>

15 Soft capital grant commitments

	2015 £000	2015 £000	2014 £000
Balance as at 1 April		-	-
Amounts committed during the year		711	-
Total soft commitments		<u>711</u>	-
Amounts transferred to hard commitments	-		
Amount de-committed during the year	<u>-</u>		
Soft commitments at 31 March		<u>711</u>	<u>-</u>

16 Related party transactions

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

All transactions with related parties are conducted at arms length.

During the year **sportscotland** recharged salaries of £3,727k (2014: £2,753k). Within debtors there is an amount of £0k due from **sportscotland** (2014: £0k). Within creditors there is an amount of £92k due to **sportscotland** (2014: £21k).

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

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

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

	<u>2015</u>	<u>2014</u>
Awards for All (Big Lottery Fund)	£1,200,300	£1,173,957

The sportscotland member and the significant related party transactions with their associated organisations during the year to 31 March 2015 are detailed below:

Member	Organisation	Relationship	Value of transactions with sportscotland
			None

Details of awards made to governing bodies and amounts paid to individual sports are contained in the Annual Report.

17 Losses

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

18 Contingent Liabilities

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

SPORTSCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

- 1 The Scottish Ministers, in pursuance of Section 35 of Part II of the National Lottery etc. Act 1993, hereby give the following direction.
- 2 The statement of accounts which, it is the duty of sportscotland to prepare in respect of its **National Lottery distribution activities** for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
- 3 The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
- 4 Clarification of the additional disclosure requirements are set out in Schedule 1 attached.
- 5 The Statement of Comprehensive Income and Statement of Financial Position shall be prepared under the historical cost convention modified by the inclusion of:
 - 5.1 Fixed assets at their value to the business by reference to current costs; and
 - 5.2 Stocks valued at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.
- 6 This direction shall be reproduced as an appendix to the statement of accounts. The direction given December 2005 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated April 2010

SCHEDULE 1

ADDITIONAL DISCLOSURE REQUIREMENTS

1. This schedule details the non-standard accounting policies, any special treatment needed, and any additional disclosure requirements as agreed by the Scottish Ministers and sportscotland, in respect of its National Lottery Fund distribution activities.
2. The **Statement of Comprehensive Income** shall show inter alia:
 - a. the total amount of Lottery proceeds receivable;
 - b. any other income (detailed between bank interest, recoveries of grant and other income);
 - c. the total amount of new Lottery grants paid in the period (i.e. amounts paid in respect of projects which have been approved during the year);
 - d. the change in the provision for net grant commitments;
 - e. the total expenses incurred by the body in respect of its National Lottery distribution activities, separately identifying direct costs and costs initially incurred elsewhere in the organisation and apportioned to the National Lottery distribution activity. The calculation of the costs to sportscotland's National Lottery activities will be on a full cost recovery basis and should cover all costs that are directly and demonstrably related to Lottery activities.
3. The **Statement of Financial Position** shall show, inter alia:
 - a. within the heading "Cash and cash equivalents" the balance held on behalf of the body at the National Lottery Distribution Fund;
 - b. under the heading "Non-current liabilities" the provision for grants committed on a hard basis and falling due for payment after more than one year (see note 6 below on commitments)
 - c. under the heading " Represented by" the balance on the Statement of Comprehensive Income.
4. The **Notes to the Accounts** shall, inter alia, include:
 - a. a statement of the accounting policies. This must include a statement explaining the nature of the balances held on the body'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 Balance Sheet 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.";
 - b. an analysis of the income and expenditure relating to the Lottery;
 - c. an analysis of the "other operating charges" over appropriate subject headings (write-offs, audit fee, leasing charges, travel, subsistence and hospitality (costs for staff and body members should be separately identified) ;
 - e. the amounts "committed in respect of capital expenditure for administrative purposes", and "amounts authorised in respect of capital expenditure for administrative purposes but not contracted";

- f. the amounts committed in respect of National Lottery grants split between hard and soft commitments identifying the amount falling due (see note 5 below). Where these commitments exceed available resources shown on the Statement of Financial Position, there should also be a note explaining the rationale for the over-commitment in terms of the benchmark being applied and the assumptions behind it, taking into account any advice received from the Scottish Ministers as appropriate.
5. The nature of the Distributing Bodies' Lottery activities means that they will be making commitments for future expenditure which will need to be shown in the annual financial statements. Commitments should be categorised and shown as follows:

6. Soft Commitments

These will occur when there is agreement in principle by the sportscotland Lottery Fund to fund a scheme. Once a formal offer and acceptance of the terms and conditions of the grant has been concluded this will become a hard commitment. The total of soft commitments will be 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 publication of the Accounts will not be adjusting events in terms of IAS 10 (Events after the Reporting Period). A tabulation should accompany the Notes to the Accounts and show:

- i) Soft commitments brought forward;
- ii) Soft commitments transferred to hard commitments;
- iii) Soft de-commitments;
- iv) Soft commitments made;
- v) Balance of soft commitments outstanding carried forward.

a) 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 grant are met, and that the National Lottery continues to operate. For the purposes of recording a charge in the Statement of Comprehensive Income, a hard commitment arises when a firm offer of a grant from the National Lottery proceeds has been made by the sportscotland Lottery Fund 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 grant commitments should be shown on the Statement of Financial Position and would be written down as the commitments mature. As part of the notes to the Statement of Financial Position a tabulation illustrating the changes in hard commitments should be shown as follows:

- i) Hard commitments brought forward;
- ii) Hard commitments met in the last year;
- iii) Hard de-commitments (withdrawal of an offer);
- iv) Hard commitments made;
- v) Balance of hard commitments outstanding carried forward;
- vi) A breakdown of the provision for the grant commitments should be reported separately for each year up to and including 5 years and for over 5 years.

b) De-commitments

i) Soft Commitments

If a soft commitment fails to become hard for any reason and there is no prospect of a formal offer letter being issued and accepted then the soft commitment should be deleted from sportscotland Lottery Fund's records. It will be shown in the table accompanying the notes to the Statement of Financial Position in the soft de-commitments line.

ii) Hard Commitments

Should a hard commitment fail to become a cash payment within the expected time frame, and there is little possibility of it crystallising, sportscotland Lottery Fund may

withdraw the offer formally in writing. A reverse entry to the commitment should then be made in the Statement of Comprehensive Income. The table in the Notes to the Accounts will correspondingly be reduced.

c) Repayments

The circumstances of a grant repayment are as described in the Statement of Financial Requirements. A repayment will not affect a commitment unless the payment is part of a phased scheme for which commitments for later phases have been included in the Statement of Financial Position. A repayment will be reflected as an adjustment in the Statement of Comprehensive Income. If a repayment occurs after the year end but before the Accounts have been signed by sportscotland's Accountable Officer and is material (5% of the total grants paid in the year or £1m which ever is the lower,) it will be necessary to treat the repayment as an adjusting event in terms of IAS 10.

ISBN 978-1-4741-2621-2



9 781474 126212