

sportscotland Group

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

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

Laid before the Scottish Parliament
By the Scottish Ministers
November 2022

Annual Report & Accounts

sportscotland

CONTENTS	Page
<u>Minister's Foreword</u>	3
<u>Report to the Council</u>	4
<u>The Performance Report</u>	6
<u>Overview</u>	6
Chief Executive's Report	6
Purpose and activities of the organisation	7
Performance Summary	10
Going concern	17
<u>Performance Analysis</u>	18
Progress against our outcomes	18
Review of the Financial Results for the Year	25
Sustainability	26
<u>The Accountability Report</u>	27
<u>Corporate Governance Report</u>	27
Directors Report	27
Statement of Accountable Officer's Responsibilities	28
The Governance Statement	29
<u>Remuneration and Staff Report</u>	38
<u>Parliamentary Accountability and Audit Report</u>	44
<u>The Financial Statements</u>	51
Notes to the Accounts	56
Accounts Direction	82

Minister's Foreword

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

In last year's foreword I was hopeful that better times were coming. While the last twelve months have provided continuing challenges, this report highlights the considerable amount of great work that has taken place by the whole sport sector to support communities and people to be active, and made a difference to so many across Scotland. I've been thrilled to see more sport return and to be able to get out and meet those involved in delivering across the country.

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

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

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

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

REPORT TO THE COUNCIL

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

Foreword

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

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

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

Format of Accounts

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

Additional Sources of Funding

Lottery Sports Fund

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

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

Subsidiaries

The Scottish Sports Council Trust Company

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

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

The main objectives of the Trust Company are:

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

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

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

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

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

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

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

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

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

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

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

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

Stewart Harris, Chief Executive, **sportscotland**

Purpose and activities of the organisation

About us

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

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

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

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

A sporting system for everyone

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

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

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

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

Figure 1: A sporting system for everyone



Structure: Our environments

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

Schools and education

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

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

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

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

Clubs and communities

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

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

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

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

Performance sport

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

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

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

Making it happen

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

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

Performance summary

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

Playing our part in recovery from Coronavirus

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Clubs and communities

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

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

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

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

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

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

report, which highlights the impact and value of a Changing Lives approach for our communities.

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

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

Schools and education

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

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

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

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

We launched the Young Ambassador (YA) programme for the 2021-22 academic year. 270 schools across Scotland signed up for the programme which aims to equip young

people with the skills to promote and inspire other young people to get involved in sport within their schools and communities. This represents 64% of secondary schools in Scotland, up from 42% in 2020-21, resulting in 482 Young Ambassadors. We codeveloped webinars and social media resources to enable young people to attend and learn online.

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

Performance

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

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

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

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

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

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

Making it happen

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

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

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

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

National Centres

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

Inverclyde

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

The centre continued to be utilised as a vaccination site between April 2021 and July 2021 with the dining area as the primary venue until June 2021, with a limited number of dates in July 2021 using the indoor 3G facility. 18 Inverclyde staff continued to volunteer their own time to assist with stewarding duties to aid the mass vaccination rollout supporting the NHS teams working onsite. Over the course of the Inverclyde vaccination roll out, 19

vaccination days were held onsite delivering in excess of 18,000 first and second dose vaccines to the local population.

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

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

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

Glenmore Lodge

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

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

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

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

Principal Risks

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

Going Concern

The statement of the group financial position at 31 March 2022 shows net assets of £27.6million. Funding for 2022-23 has been approved by the Scottish Parliament and there is no reason to believe that future funding and budgetary approval will not be forthcoming. It has accordingly been considered appropriate to prepare these financial statements on a 'going concern' basis.

Stewart Harris

Stewart Harris

Chief Executive & Accountable Officer

26 October 2022

Performance analysis

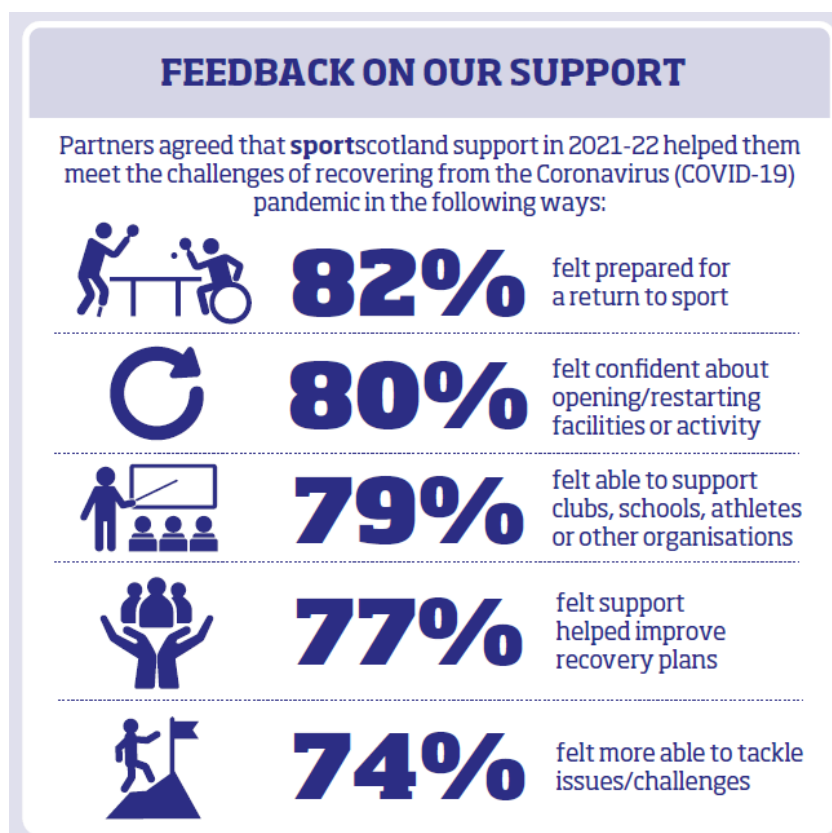
This report covers the third year of our corporate strategy, *Sport for Life*². In April 2021, we agreed our business plan for 2021 and beyond. Our business plan describes how we will deliver our commitment to our corporate strategy while supporting the sporting system to recover from the Coronavirus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

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

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

Progress against our outcomes

Playing our part responding to Coronavirus



² <https://www.sportforlife.org.uk/>


SUPPORT, TRAINING AND GUIDANCE FOR RECOVERY

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



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

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

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

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

FEEDBACK



89% said sport guidance was helpful or very helpful

IMPACT OF OUR SUPPORT ON SCHOOLS AND EDUCATION



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



69% said we listened to needs of the sector



59% said we responded to the needs of the sector

FEEDBACK



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

IMPACT OF OUR SUPPORT ON CLUBS AND COMMUNITIES



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



82%

said we listened to needs of the sector



73%

said we responded to the needs of the sector

FEEDBACK



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

IMPACT OF OUR SUPPORT ON PERFORMANCE SPORT



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



83%

said we listened to needs of the sector



78%

said we responded to the needs of the sector

FEEDBACK



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

Case studies

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

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

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

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

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

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

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

Lesley Stewart - Para shooter, Perth and Kinross

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

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

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

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

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

Slowly but surely, Lesley worked her way back towards her best. That hard work was rewarded in an all or nothing shoot at the World Shooting Para Sport World Cup in Peru. It was Lesley's last chance to qualify for Tokyo, and she took it winning a bronze medal. In 2021 she realised her dream of competing at a Paralympics.

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

Boots & Beards

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

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

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

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

Co-founder Nav Bakhsh says work will continue to expand the group's activities, he said: *"We are growing organically and are hoping to recruit some more staff. Since we started, we have had nearly 3,500 participants which is amazing to think about.*

"It gives people a bit more security to know there's lots of different people from similar backgrounds going out as one group. There's a massive social aspect to it."

Young carers Paddleboarding

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

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

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

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

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

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

Active Schools Aberdeen

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

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

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

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

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

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

Young people across the Aberdeen area are benefitting from the team's work. Care-experienced young people, vulnerable young people and pupils with other challenges who might find it hard to be engaged in school are seeing the benefits of sport and physical activity. The impact has been huge.

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

Future Plans

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

Review of the Financial Results for the Year

The accounts relate to the year ended 31 March 2022. Comparative figures are shown for the year to 31 March 2021 relating to **sportscotland** and the Trust Company. During the year **sportscotland** received grant-in-aid of £35,470k (2020-21 £38,600k). A further £3,453k (2020-21 £2,781k) was generated from its own activities, including through the trading operations of the Trust Company.

Expenditure of £19,386k (2020-21 £19,863k) was released for sports development and capital grants, £21,202k (2020-21 £17,881k) was deployed on revenue expenditure and £1,006k (2020-21 £428k) was deployed on capital expenditure. A full summary is shown in the accompanying Notes to the Accounts. Under IAS 19, the accounting standard which stipulates that an entity must show its pension liability or asset, the Group now shows a pension liability of £8,365k (2020-21 liability of £21,232k). See Note 1.11, Note 13 and the Remuneration Report for full details.

Group pension liability

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

Auditors - Remuneration for non-audit services

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

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

Property, plant and equipment

During the year additions to property, plant and equipment amounted to £1,006k (2020-21 £428k).

Research and Development

During the year **sportscotland** invested £12k (2020-21 £30k) on research and development across a range of projects, to support the review and development of its range of investment programmes.

Payment of Creditors

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

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

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

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

Retained Reserves

Accumulated funds totalling £27,589k (2020-21 £12,741k) were held on the Statement of Financial Position at the end of the year. The movement between years is primarily driven by the change in the pension fund valuation in 2021-22.

Sustainability

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

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

Stewart Harris

Stewart Harris
Chief Executive & Accountable Officer
26 october 2022

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

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

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

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

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

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

Personal data related incidents

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

Statement of Accountable Officer's Responsibilities

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

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

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

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

Statement that accounts are fair, balanced and understandable

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

Statement as to disclosure of information to auditors

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

The Governance Statement

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

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

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of **sportscotland's** policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The procedures have been in place throughout 2021-22 and have been reviewed during the year with a view to ensuring their effectiveness and improving their robustness.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and of the executive managers within **sportscotland** who have responsibility for the development and maintenance of the internal control framework. I receive a certificate of assurance from each executive director as part of this process. I am also informed by comments made by the external auditors, Audit Scotland in its Annual Report for 2020-21, and in its Annual Report for the current year, to those charged with Governance.

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

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

Governance Framework

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

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

The key components of the governance framework are detailed below:

sportscotland Council

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

All 12 non-executive members who held office during the year are considered by **sportscotland** to be independent in character and judgement, having no material relationship with the group. Council members are appointed by the Scottish Minister following a recruitment process managed by the Scottish Government with appointments normally being for an initial period of four years. Re-appointment for a further term (usually four years) is at the discretion of the Scottish Minister based on advice of the Chair of **sportscotland**.

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

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

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

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

Council Member Committees

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

Audit and Risk Committee

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

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

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

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

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

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

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

Group Remuneration and Succession Planning Committee

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

The Committee is also responsible for considering the application and impact of the Scottish Government's Public Appointments process for Board members and considering

how these can be enhanced by **sportscotland** to ensure that a wide- ranging and diverse talent pool is accessed whenever Board appointments are required.

The Committee met twice during 2021-22. The Chair's remuneration is decided by the Scottish Government and thus he has no influence over his own pay award. Membership of the Remuneration and Succession Planning Committee during 2021-22 comprised:

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

Information Security

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

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

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

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

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

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

Internal Control

The Council Members acknowledge that they are responsible for the Group's system of internal controls and for reviewing the effectiveness of these controls. The Council Members have delegated the detailed design of the system of internal control to the executive directors who review the internal control framework on an on-going basis.

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

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

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

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

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

System and process improvements

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

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

Operation of key systems and processes included:

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

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

Improving the sportscotland estate

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

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

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

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

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

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

Social, Community issues and human rights

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

Risk Management

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



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

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

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

Table 1: Significant risks facing sportscotland

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

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

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

Remuneration and Staff Report

Remuneration policy

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

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

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

Salaries and Allowances (Audited)

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

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

Directors' Pension Entitlements (Audited)

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

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

Fair Pay Disclosure (Audited)

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

The ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director is 3.10 (2020-21 3.16), as at the reporting period end date. This 3.5% reduction is due to an increase in salaries with no increase in the band for the highest paid director's salary.

Total pay and benefits:

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

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

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

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

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

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

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

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

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

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

Staff report

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

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

Total staff costs comprise (Audited)

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	9,362	9,417	6,425	6,261
Social security costs	1,068	935	800	659
Pension costs	1,754	1,884	1,338	1,390
IAS19 Adjustment	3,841	1,635	2,975	1,237
Aggregate staff costs	<u>16,025</u>	<u>13,871</u>	<u>11,538</u>	<u>9,547</u>

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

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

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

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

Sickness absence rate

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

People

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

Equal Opportunity in Employment and Disabled Employees

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

Employee Involvement

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

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

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

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

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

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

Staff policies applied during the year

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

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

Parliamentary Accountability and Audit Report

Regularity of expenditure

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

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

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

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

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

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

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

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

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

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

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

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

Fees and charges

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

	Inverclyde £000	Glenmore Lodge £000	2022 Total £000
Course Fees	610	730	1,340
Hires, Sales & Hospitality	375	146	521

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

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

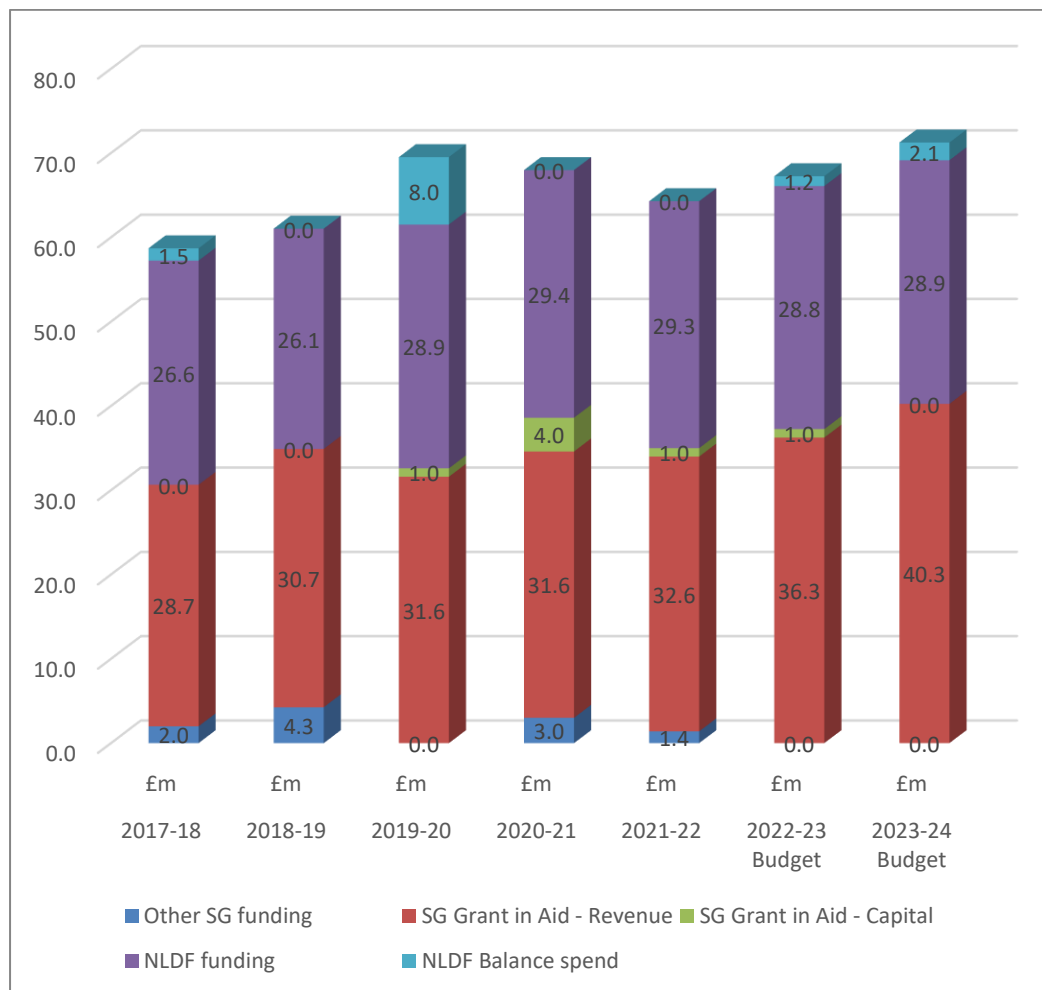
Contingent Liabilities

The company has two outstanding litigation claims at 31 March 2022, relating to two incidents that occurred during trading activities. Both claims were disclosed as contingent liabilities at 31 March 2021.

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

Long-term expenditure trends

sportscotland’s expenditure is driven by the funding provided by the Scottish Government (SG) through grant-in-aid and by the National Lottery distribution fund (NLDF). We set out below the funding received from these two entities over the last 5 years, together with the budget for 2022-23 and 2023-24:



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

Stewart Harris

Stewart Harris
 Chief Executive & Accountable Officer
 26 October 2022

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

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Sports Council and its group for the year ended 31 March 2022 under Article 15 of the Royal Charter of the Scottish Sports Council (the Royal Charter). The financial statements comprise the Group Statement of Comprehensive Net Expenditure, the Group Statement of Changes in Taxpayers' Equity, the Group Statement of Financial Position, the Group Statement of Cash Flows and notes to the accounts, including the statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2022 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 FReM; and
- have been prepared in accordance with the requirements of Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

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

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

[website](#).

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with Article 15 of the Royal Charter

and directions made thereunder by the Scottish Ministers; and

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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



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

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

		Group		sportscotland	
	Notes	2022	2021	2022	2021
		£000	£000	£000	£000
Income					
Income from Activities	2	2,378	1,473	-	-
Other operating income	2	1,075	1,308	1,123	1,126
		3,453	2,781	1,123	1,126
Expenditure					
Trust Company Funding	3	-	-	(4,802)	(4,778)
Sports development and capital grants	3	(19,386)	(19,863)	(19,386)	(19,863)
Staff costs	4	(16,025)	(13,871)	(11,538)	(9,547)
Other operating charges	5	(5,177)	(4,010)	(1,653)	(1,494)
		(40,588)	(37,744)	(37,379)	(35,682)
Net Expenditure		(37,135)	(34,963)	(36,256)	(34,556)
Interest receivable		6	-	6	-
IAS 19 interest	13	(474)	(193)	(388)	(155)
Gain on disposal of assets		-	-	-	-
Net Expenditure after interest		(37,603)	(35,156)	(36,638)	(34,711)
Corporation tax	18	(1)	-	(1)	-
Net Expenditure after taxation		(37,604)	(35,156)	(36,639)	(34,711)
Other Comprehensive Income / Expenditure					
Gain/(Loss) on revaluation of assets	6	(200)	(190)	(200)	(190)
Actuarial gain/(loss)	13	17,182	(11,832)	14,216	(9,958)
Total Comprehensive Net Expenditure		(20,622)	(47,178)	(22,623)	(44,859)

The notes to the accounts form part of these financial statements

Group Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

2022

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

2021

Group	General Fund	Revaluation reserve	Pension Reserve	Other Reserve	Total
	£000	£000	£000	£000	£000
Opening Balance	28,891	-	(7,572)	-	21,319
Net expenditure after taxation	(35,156)	-	-	-	(35,156)
Net gain/(loss) on asset revaluation	(190)	-	-	-	(190)
Remeasurement of Pensions	1,828	-	(13,660)	-	(11,832)
Transfers from reserves	-	-	-	-	-
Grant in Aid	38,600	-	-	-	38,600
Closing Balance	33,973	-	(21,232)	-	12,741

2022

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

2021

sportscotland	General Fund	Revaluation reserve	Pension Reserve	Total
	£000	£000	£000	£000
Opening Balance	4,500	-	(6,112)	(1,612)
Net expenditure after taxation	(34,711)	-	-	(34,711)
Net gain/(loss) on asset revaluation	(190)	-	-	(190)
Remeasurement of Pensions	1,392	-	(11,350)	(9,958)
Transfers from reserves	-	-	-	-
Grant in Aid	38,600	-	-	38,600
Closing Balance	9,591	-	(17,462)	(7,871)

The notes to the accounts form part of these financial statements

Group Statement of Financial Position at 31 March 2022

	Notes	Group		sportscotland	
		2022	2021	2022	2021
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	6	27,431	27,085	1,137	740
Investment property	6	1,800	2,000	1,800	2,000
Intangible Assets	7	-	6	-	6
Total non-current assets		29,231	29,091	2,937	2,746
Current assets					
Inventories	8	16	11	-	-
Trade and other receivables	9	1,208	1,118	1,124	1,067
Cash and cash equivalents	14	8,759	6,936	8,596	6,770
Total current assets		9,983	8,065	9,720	7,837
Total assets		39,214	37,156	12,657	10,583
Current Liabilities					
Trade and other payables	10	(2,041)	(1,788)	(944)	(870)
Total current Liabilities		(2,041)	(1,788)	(944)	(870)
Total assets less net current liabilities		37,173	35,368	11,713	9,713
Non-current liabilities					
Creditors over 1 year	10	(1,091)	(1,273)	-	-
Pension liability	13	(8,365)	(21,232)	(6,609)	(17,462)
Provisions	11	(128)	(122)	(128)	(122)
Total non-current liabilities		(9,584)	(22,627)	(6,737)	(17,584)
Assets less liabilities		27,589	12,741	4,976	(7,871)
Taxpayers' equity					
General fund excluding pension reserve	12	35,954	33,973	11,585	9,591
Other reserves					
Pension reserve	13	(8,365)	(21,232)	(6,609)	(17,462)
		27,589	12,741	4,976	(7,871)

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

Stewart Harris

Stewart Harris
Chief Executive & Accountable Officer
26 October 2022

Mel Young

Mel Young
Chair
26 October 2022

The notes to the accounts form part of these financial statements

Group Statement of Cash Flows for the year ended 31 March 2022

	Notes	Group		sportscotland	
		2022 £000	2021 £000	2022 £000	2021 £000
Cash flows from operating activities					
Net operating cost before Scottish Government funding		(37,604)	(35,156)	(36,639)	(34,711)
Adjustment for non-cash items					
IAS 19 adjustments	13	4,315	1,828	3,363	1,392
Depreciation of property, plant and equipment	6	660	677	42	90
Amortisation of intangible fixed assets	7	6	5	6	5
Net loss/(gain) on transfer of tangible fixed assets	6	-	-	(230)	-
(Increase) / decrease in inventories	8	(5)	21	-	-
(Increase) / decrease in trade and other receivables	9	(90)	62	(57)	271
Increase / (decrease) in trade payables	10	71	(246)	74	(233)
Increase/ (decrease) in provisions	11	6	1	6	1
Net cash outflow from operating activities		(32,641)	(32,808)	(33,435)	(33,185)
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(1,006)	(428)	(209)	-
Proceeds from sale of tangible assets	6	-	137	-	-
Purchase of intangible assets	7			-	
Net cash outflow from investing activities		(1,006)	(291)	(209)	-
Scottish Government funding for year		35,470	38,600	35,470	38,600
Net increase /(decrease) in cash and cash equivalents	14	1,823	5,501	1,826	5,415
Cash and cash equivalents as at 1 April 2021		6,936	1,435	6,770	1,355
Cash and cash equivalents as at 31 March 2022	14	8,759	6,936	8,596	6,770

The notes to the accounts form part of these financial statements

Notes to the accounts

1 Statement of accounting policies

1.1 Basis of preparation

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

1.2 Basis of accounting

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

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

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

Comparative figures shown relate to the year to 31 March 2021.

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

1.3 Key sources of judgement and estimation uncertainty

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

Going concern – In common with similar public bodies, the future financing of **sportscotland's** liabilities will be met by future grants in aid approved by the Scottish Parliament. The approval for amounts for 2022/23 has already been given and there is no reason to believe that future approvals will not be forthcoming. We have accordingly considered it appropriate to adopt a going concern basis for the preparation of these financial statements.

Pensions – The valuation carried out for the pension scheme is based on a number of complex judgements including the discount rate, salary increase rate, retirement ages, mortality rates and expected returns on pension fund assets. The uncertain market and financial conditions mean that this valuation carries a higher degree of subjectivity leading to a greater than normal range of uncertainty due to the impact of COVID-19 pandemic. Note 13 provides further information on the net pension liability.

Notes to the accounts (continued)

Property Valuations - Under International Accounting Standard 40: *Investment Property*, elements of Caledonia House in Edinburgh are classified as an investment property. At 31 March 2022 the Investment Property (Note 6.4) was valued by the District Valuer Service (DVS) .

1.4 Revenue recognition

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

1.5 Property, plant and equipment depreciation, revaluation and impairment

Land and buildings together with related equipment at the National Centres are provided by **sportscotland**. These assets are capitalised in these financial statements at the original cost to **sportscotland**. Land and Buildings are adjusted for subsequent revaluations, carried out by the District Valuer Service (DVS), normally every 5 years, with a desk exercise after the third year. The next desk exercise will be due on 31 March 2023 and the next full revaluation on 31 March 2025.

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

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

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

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

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

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

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

Notes to the accounts (continued)

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

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

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

1.6 Intangible Assets

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

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

1.7 Other income

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

1.8 Inventories

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

1.9 Taxation, including deferred taxation

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

1.10 Grants

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

1.11 Post-retirement benefits

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

Notes to the accounts (continued)

STSS

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

SPF

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

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

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

1.12 Research and development

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

1.13 Leases

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

1.14 Lottery salary recharges

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

Notes to the accounts (continued)

1.15 Government grants

During 2006/07 the Government Financial Reporting manual was amended to require NDPBs to treat grant-in-aid received for revenue purposes as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence to account for them as financing, i.e. by crediting them to the General Fund.

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

1.16 Investments

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

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

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

The implications of IFRS 16 Leases are being reviewed to prepare for implementation as noted below.

IFRS 16 Leases

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

An initial exercise on the impact on the accounts has indicated an increase in leased assets and corresponding liabilities of around £1.8m to £2m.

Notes to the accounts (continued)

2 Income

2.1 Income from activities

Income from the normal activities of the national sports centres:

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Course fees	1,340	84	-	-
Hires, sales and hospitality	521	72	-	-
HMRC Furlough income	288	1,098	-	-
Other income	229	219	-	-
	<u>2,378</u>	<u>1,473</u>	<u>-</u>	<u>-</u>

2.2 Other operating income comprises:

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Rental income	193	211	193	211
High performance income	647	843	647	843
Donations	182	250	-	68
Grants Repaid	33	-	33	-
Gain from transfer of Land and Buildings	-	-	230	-
Miscellaneous income	20	4	20	4
	<u>1,075</u>	<u>1,308</u>	<u>1,123</u>	<u>1,126</u>

2.3 Discontinued operations

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

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

**THE SCOTTISH SPORTS COUNCIL TRUST COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31
MARCH 2022**

	<u>Continuing Operations</u>			<u>Discontinuing Operations</u>			Total 2022 £000	Total 2021 £000
	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000		
Income from								
Donations and legacies	4,266	536	4,802	-	-	-	4,802	4,779
Income from other trading activities	501	-	501	16	-	16	517	1,317
Charitable activities	2,043	-	2,043	-	-	-	2,043	338
Total income	6,810	536	7,346	16	-	16	7,362	6,434
Expenditure on								
Expenditure on raising funds	(392)	-	(392)	(24)	-	(24)	(416)	(344)
Charitable activities	(7,455)	-	(7,455)	(456)	-	(456)	(7,911)	(6,535)
Total expenditure	(7,847)	-	(7,847)	(480)	-	(480)	(8,327)	(6,879)
Net (expenditure)/income	(1,037)	536	(501)	(464)	-	(464)	(965)	(445)
Transfers between funds	536	(536)	-	-	-	-	-	-
Net expenditure before other recognised gains and losses	(501)	-	(501)	(464)	-	(464)	(965)	(445)
Other recognised Gains/(losses)								
Actuarial gain/(loss) on defined benefit pension schemes	2,966	-	2,966	-	-	-	2,966	(1,874)
Net movement in funds	2,465	-	2,465	(464)	-	(464)	2,001	(2,319)
Total funds at 1 April 2021	20,612	-	20,612	-	-	-	20,612	22,931
Total funds at 31 March 2022	23,077	-	23,077	(464)	-	(464)	22,613	20,612

3 Grants paid

3.1 Sports development

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
Annually paid grants				
Schools & Education	13,228	11,812	13,228	11,812
Clubs & Communities	3,880	5,918	3,880	5,918
Performance	2,176	2,133	2,176	2,133
	19,284	19,863	19,284	19,863

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

3.2 Grants for capital facilities

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
National, including competition and training	102	-	102	-
Total Grants	102	-	102	-
Total revenue and capital grants	19,386	19,863	19,386	19,863

Notes to the accounts (continued)

3.3 Trust Company Funding

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Revenue	-	-	4,266	4,500
Capital	-	-	536	278
Total	-	-	4,802	4,778

4 Staff costs

4.1 Total staff costs comprise

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	9,362	9,417	6,425	6,261
Social security costs	1,068	935	800	659
Pension costs	1,754	1,884	1,338	1,390
IAS19 Adjustment	3,841	1,635	2,975	1,237
Aggregate staff costs	16,025	13,871	11,538	9,547

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

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

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Sports Development	1,531	1,458	1,531	1,458
High Performance	4,956	4,775	4,956	4,775
Corporate Services	2,076	2,077	2,076	2,077
Trust Company	3,621	3,926	-	-
IAS19 Adjustment	3,841	1,635	2,975	1,237
	16,025	13,871	11,538	9,547

Notes to the accounts (continued)

4.2 Average staff numbers

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

	Group	
	2022 Numbers	2021 Numbers
sportscotland	170	166
Trust Company	103	117
	273	283

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

5 Other operating charges

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
Operating result after charging:				
General operating costs	2,957	1,860	712	505
Travel and subsistence:				
Members of Council	1	-	1	-
Staff	8	6	8	6
Research	12	30	12	30
Accommodation costs	973	873	392	386
Auditors' remuneration – External	39	39	28	28
Auditors' remuneration – Internal	24	16	24	16
Operating lease rentals:				
Land & Buildings	234	225	234	225
Vehicles	230	247	187	203
Other Equipment	33	32	7	-
Depreciation of property, plant and equipment	660	677	42	90
Amortisation of intangible assets	6	5	6	5
	5,177	4,010	1,653	1,494

Notes to the accounts (continued)

6 Property, Plant & Equipment

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

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

Notes to the accounts (continued)

2021	Land and Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	Equipment £000	Motor Vehicles £000	Surplus Assets £000	Total £000
Cost/valuation at 1 April 2021	27,030	-	87	2,487	190	-	29,794
Additions to 31 March 2022	254	-	-	124	50	-	428
Transfers	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposals to 31 March 2022	(134)	-	(7)	(828)	-	-	(969)
Cost/valuation at 31 March 2022	27,150	-	80	1,783	240	-	29,253
Aggregate depreciation at 1 April 2021	-	-	87	2,148	88	-	2,323
Charge for the year	499	-	-	149	29	-	677
Revaluation	-	-	-	-	-	-	-
Disposals to 31 March 2022	-	-	(7)	(825)	-	-	(832)
Aggregate depreciation at 31 March 2022	499	-	80	1,472	117	-	2,168
Net Book Value at 31 March 2022	26,651	-	-	311	123	-	27,085
Net Book Value at 31 March 2021	27,030	-	-	339	102	-	27,471

Notes to the accounts (continued)

6.2 sportscotland

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

Notes to the accounts (continued)

2021	Land and Buildings £000	Fixtures & Fittings £000	Equipment £000	Total £000
Cost/Valuation at 1 April 2020	700	13	1,184	1,897
Additions to 31 March 2021	-	-	-	-
Revaluation	-	-	-	-
Disposals to 31 March 2021	-	-	-	-
Cost at 31 March 2021	<u>700</u>	<u>13</u>	<u>1,184</u>	<u>1,897</u>
Aggregate Depreciation at 1 April 2020	-	13	1,054	1,067
Charge for period to 31 March 2021	11	-	79	90
Revaluation	-	-	-	-
Disposals	-	-	-	-
Aggregate Depreciation at 31 March 2021	<u>11</u>	<u>13</u>	<u>1,133</u>	<u>1,157</u>
Net Book Value at 31 March 2021	<u>689</u>	<u>-</u>	<u>51</u>	<u>740</u>
Net Book Value at 31 March 2020	<u>700</u>	<u>-</u>	<u>130</u>	<u>830</u>

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

Notes to the accounts (continued)

6.3 Donated Assets Sales Proceeds

The direction of the Scottish Ministers requires these accounts to note that grants made by the Scottish Government Health and Wellbeing Directorate to **sportscotland** Group are made on the understanding that any tangible assets acquired by such grants could be available for clawback by returning the sale proceeds to Scottish Government, in the event of disposal or significant change of use.

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
Proceeds during year	-	137	-	-
	-	137	-	-

6.4 Investment Property

Under International Accounting Standard 40: Investment Property, elements of Caledonia House in Edinburgh are classified as an investment property. On 31 March 2022 **sportscotland** obtained from the District Valuer Service (DVS), a market value of the elements of Caledonia House considered investment property. Investment property held relates to the leased out parts of Caledonia House.

2022	Group	sportscotland
	£000	£000
Market value as at 1 April 2021	2,000	2,000
Revaluation	(200)	(200)
Market value as at 31 March 2022	1,800	1,800

2021	Group	sportscotland
	£000	£000
Market value as at 1 April 2020	2,190	2,190
Revaluation	(190)	(190)
Market value as at 31 March 2021	2,000	2,000

Notes to the accounts (continued)

6.5 Revaluation Summary

		Group	sportscotland	Trust Co
		£000	£000	£000
2022	Land & Buildings	-	-	-
	Investment Property	(200)	(200)	-
	Total	<u>(200)</u>	<u>(200)</u>	<u>-</u>
2021	Land & Buildings	-	-	-
	Investment Property	(190)	(190)	-
	Total	<u>(190)</u>	<u>(190)</u>	<u>-</u>

7 Intangible Assets

Computer software	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Cost				
Opening balance (1 April)	509	509	436	436
Additions during year	-	-	-	-
Derecognition	(343)	-	(343)	-
Closing balance (31 March)	<u>166</u>	<u>509</u>	<u>93</u>	<u>436</u>
Accumulated amortisation				
Opening balance (1 April)	503	498	430	425
Charge for year	6	5	6	5
Derecognition	(343)	-	(343)	-
Closing balance (31 March)	<u>166</u>	<u>503</u>	<u>93</u>	<u>430</u>
Net book value at 31 March	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>

8 Inventories

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods held for resale	7	5	-	-
Consumable stores	9	6	-	-
	<u>16</u>	<u>11</u>	<u>-</u>	<u>-</u>

9 Trade and other receivables

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	181	130	112	120
sportscotland Lottery Fund	522	403	522	403
Other debtors	112	121	154	127
Prepayments and accrued income	393	464	336	417
	<u>1,208</u>	<u>1,118</u>	<u>1,124</u>	<u>1,067</u>

Notes to the accounts (continued)

Breakdown by Category	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Other Central Government Bodies	-	-	-	-
Local Authorities	-	-	-	-
Other External Bodies	1,208	1,118	1,124	1,067
Total	1,208	1,118	1,124	1,067

10 Trade and other payables

Less than one year	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	486	318	251	82
Other taxation and social security	-	-	-	-
Other creditors	9	-	9	-
Accruals	1,546	1,470	684	788
Total	2,041	1,788	944	870

Breakdown by Category	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Other Central Government Bodies	45	53	45	53
Local Authorities	182	241	-	59
Other External Bodies	1,814	1,494	899	758
Total	2,041	1,788	944	870

Greater than one year	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Other creditors	1,091	1,273	-	-
Total	1,091	1,273	-	-

Breakdown by Category	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Local Authorities	1,091	1,273	-	-
Total	1,091	1,273	-	-

Notes to the accounts (continued)

10.1 Financial Instruments (under IFRS)

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

10.2 Creditors over 1 year

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

11 Provisions for liabilities and charges

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

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Balance at 1 April	122	121	122	121
Amount provided for during year	6	1	6	1
Balance at 31 March	128	122	128	122

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

Notes to the accounts (continued)

12 General fund

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Balance at 1 April	12,741	21,319	(7,871)	(1,612)
Net operating cost	(37,604)	(35,156)	(36,639)	(34,711)
Gain/(Loss) on revaluation of assets	(200)	(190)	(200)	(190)
Actuarial (Loss) /Gain on Defined benefit pension Scheme	17,182	(11,832)	14,216	(9,958)
Funding: Grant-in-Aid - Capital	-	-	-	-
- Revenue	35,470	38,600	35,470	38,600
Funding: Other grants from Scottish Government	-	-	-	-
Transfer from (to) other Reserves	-	-	-	-
Balance at 31 March	27,589	12,741	4,976	(7,871)
Pension reserve balance	8,365	21,232	6,609	17,462
General fund balance	35,954	33,973	11,585	9,591

13 Pension and similar obligations

All members of staff have the option of joining the Strathclyde Pension Fund (SPF). Existing employees are entitled to maintain their membership of the Scottish Teachers Superannuation Scheme (STSS). Both schemes are defined benefit schemes and **sportscotland** contributes 19.3% (2020/21 19.3%) of employee pensionable salaries to the respective schemes. The charge in the financial statements reflects the costs incurred by **sportscotland** during the year for the STSS £22k (2020/21 £13k) and SPF £1,885k (2020/21 £1,779k), which includes £664k apportioned to **sportscotland** Lottery Fund.

All employees of the former Scottish Institute of Sport were, and continue to be, eligible to join an employer sponsored money purchase scheme.

The scheme operates on a defined contribution basis with the employer contribution equivalent to 19.3% of gross basic salary for eligible employees. The scheme is fully insured with Aviva. The cost of contributions during the year was £95k (2020/21 £100k).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The latest actuarial valuation of the SPF scheme was at 31 March 2020. The STSS was last valued at 31 March 2016.

Notes to the accounts (continued)

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

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

The split for **sportscotland** pension contributions during 2021/22 was 65% (2020/21: 65%) with the balance, 35%, (2020/21: 35%) going to the **sportscotland** National Lottery Distribution Fund.

13.1 The Scottish Teachers Superannuation Scheme

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

The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last valuation was undertaken as at 31 March 2016. This valuation informed an increase in the employer contribution rate from 17.2% to 23.0% of pensionable pay from September 2019 and an anticipated yield of 9.4% employees contributions.

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

13.2 The Strathclyde Pension Fund

The **sportscotland** group which includes the Scottish Sports Council Trust Company participates in a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2020 for the group by a qualified independent actuary.

	2022	2021	2020
Rate of increase in salaries	3.85%	3.5%	2.9%
Rate of increase in pensions in payment and deferred pensions (CPI)	3.15%	2.8%	1.8%
Discount rate applied to scheme liabilities	2.75%	2.05%	2.3%

Notes to the accounts (continued)

13.3 Sensitivity Analysis

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

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

Change in assumptions at 31 March 2022	Approx. % increase to Defined Benefit Obligation	Approx. monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	2,949
1 year increase in member life expectancy	4%	4,773
0.1% increase in the Salary Increase Rate	0%	331
0.1% increase in the Pension Increase Rate (CPI)	2%	2,597

In order to quantify the impact of a change in the financial assumptions used, the actuary has calculated and compared the value of the scheme liabilities as at 31 March 2022 on varying bases.

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

The principle demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 4%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

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

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

13.4 Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model with an allowance for smoothing of recent mortality experiences and long term rates of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	19.6 years	22.4 years
Future pensioners	21.0 years	24.5 years

Notes to the accounts (continued)

13.5 Fair value of employer assets

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

Asset Category	31 March 2022				31 March 2021			
	Quoted prices in Active Markets £000	Quoted prices not in Active Markets £000	Total £000	%	Quoted prices in Active Markets £000	Quoted prices not in Active Markets £000	Total £000	%
Equity Securities:								
Consumer	5,193	5	5,198	5%	5,830	-	5,830	6%
Manufacturing	4,873	17	4,890	4%	5,728	48	5,776	6%
Energy & Utilities	1,146	9	1,155	1%	1,040	18	1,058	1%
Financial Institutions	3,045	11	3,056	3%	3,584	-	3,584	3%
Health & Care	3,697	12	3,709	3%	2,781	44	2,825	3%
Information Technology	6,444	-	6,444	6%	4,686	-	4,686	5%
Private Equity:								
All	-	21,723	21,723	20%	-	18,111	18,111	18%
Real Estate:								
UK Property	-	9,358	9,358	8%	-	8,204	8,204	8%
Investment funds and unit trusts:								
Equities	616	40,473	41,089	37%	954	34,463	35,417	35%
Bonds	-	11,207	11,207	10%	-	13,695	13,695	13%
Commodities	-	38	38	0%	-	43	43	0%
Infrastructure	-	97	97	0%	-	100	100	0%
Other	-	179	179	0%	-	211	211	0%
Derivatives:								
Other	-	-	-	-	18	-	18	0%
Cash and cash equivalents:								
All	2,786	37	2,823	3%	1,631	69	1,700	2%
Total	27,800	83,166	110,966	100%	26,252	75,006	101,258	100%

13.6 Reconciliation of fair value of employer assets

	2022 £000	2021 £000
Opening Fair Value of Employer Assets	101,258	80,939
Expected Return on Assets	2,094	1,882
Contributions by Members	813	817
Contributions by the Employer	2,405	2,309
Contributions in respect of Unfunded Benefits	24	25
Actuarial Gains/(Losses)	5,760	16,529
Estimated Unfunded Benefits Paid	(24)	(25)
Estimated Benefits Paid	(1,364)	(1,218)
Closing Fair Value of Employer Assets	110,966	101,258

Notes to the accounts (continued)

13.7 Reconciliation of defined benefit obligation

	2022	2021
	£000	£000
Opening Defined Benefit Obligation	122,490	88,511
Current Service Cost	6,197	3,965
Past Service Cost	73	4
Interest Cost	2,568	2,075
Contributions by Members	813	817
Actuarial Losses / (Gains)	(11,422)	28,361
Estimated Unfunded Benefits Paid	(24)	(25)
Estimated Benefits Paid	(1,364)	(1,218)
Closing Defined Benefit Obligation	<u>119,331</u>	<u>122,490</u>

13.8 Fund History

	2018	2019	2020	2021	2022
	£000	£000	£000	£000	£000
Present value of liabilities	(82,188)	(96,027)	(88,511)	(122,490)	(119,331)
Fair Value of Assets	<u>76,025</u>	<u>82,507</u>	<u>80,939</u>	<u>101,258</u>	<u>110,966</u>
Surplus/(Deficit) in the Fund	(6,163)	(13,520)	(7,572)	(21,232)	(8,365)

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

Unfunded liabilities for Pension Fund	(332)	(336)	(286)	(285)	(248)
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The liabilities show the underlying commitments that **sportscotland** has in the long run to pay post-employment (retirement) benefit.

13.9 Analysis of amounts included in Statement of Comprehensive Net Expenditure

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Expected return on pension scheme assets	2,094	1,882	1,741	1,574
Interest on pension scheme liabilities	(2,568)	(2,075)	(2,129)	(1,729)
Net Return	<u>(474)</u>	<u>(193)</u>	<u>(388)</u>	<u>(155)</u>

Notes to the accounts (continued)

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

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Current service cost	6,197	3,965	4,778	3,036
Past service cost	73	4	73	4
Contribution by employers	(2,405)	(2,309)	(1,852)	(1,778)
Contributions in respect of unfunded benefits	(24)	(25)	(24)	(25)
	3,841	1,635	2,975	1,237
Interest charged to Group Statement of Comprehensive Net Expenditure	474	193	388	155
Net Change in Cash Flows	4,315	1,828	3,363	1,392

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

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Actual return less expected return on scheme assets	5,760	16,529	4,789	13,583
Experience gains and losses arising on scheme liabilities	(279)	983	(230)	1,002
Changes in assumptions underlying present value of scheme liabilities	11,701	(29,344)	9,657	(24,543)
Actuarial (loss)/gain recognised in statement of changes in taxpayers' equity	17,182	(11,832)	14,216	(9,958)

13.12 History of Experience Gains and Losses

	2018	2019	2020	2021	2022
	%	%	%	%	%
Experience gains/(losses) on assets	3.4	3.0	(7.0)	16.3	5.2
Experience gains/(losses) on liabilities	(5.8)	0.0	(0.5)	(0.9)	0.2

Notes to the accounts (continued)

13.13 Movement in deficit during the year

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
Deficit in scheme at beginning of year	(21,232)	(7,572)	(17,462)	(6,112)
Current service cost	(6,197)	(3,965)	(4,778)	(3,036)
Past service cost	(73)	(4)	(73)	(4)
Contributions paid	2,405	2,309	1,852	1,778
Contributions in Respect of Unfunded Benefits	24	25	24	25
Net Return on Assets	(474)	(193)	(388)	(155)
Actuarial (loss)/ gain	17,182	(11,832)	14,216	(9,958)
Deficit in the scheme at end of year	(8,365)	(21,232)	(6,609)	(17,462)
The deficit is made up as follows				
sportscotland	(6,609)	(17,462)	-	-
sportscotland Trust Company	(1,756)	(3,770)	-	-
	(8,365)	(21,232)	-	-

It is estimated that employer's contributions required for the year to 31 March 2023 will be £2,299k (£1,770k for **sportscotland** and £529k for Trust Company) compared to costs of £2,405k this financial year (£1,852k & £553k respectively).

14 Analysis of changes in cash during the year

	Group		sportscotland	
	2022 £000	2021 £000	2022 £000	2021 £000
Cash and bank balance at 1 April	6,936	1,435	6,770	1,355
Net cash inflow/(outflow)	1,823	5,501	1,826	5,415
Cash and bank balance at 31 March	8,759	6,936	8,596	6,770

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

	Group	
	2022 £000	2021 £000
sportscotland	8,596	6,770
Scottish Sports Council Trust Company	163	166
	8,759	6,936

15 Capital and grant commitments

Capital

There are capital commitments of £929k (2020-21 £Nil) contracted or authorised as at 31 March 2022.

Notes to the accounts (continued)

Grants

Conditional on funds being made available by the Scottish Government Health and Wellbeing Department there were commitments to pay grants to various bodies and organisations of £22,737k (2020-21 £30,985k).

16 Related party transactions

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

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

During the year **sportscotland** had a number of material transactions with The Scottish Sports Council Trust Company which is controlled by **sportscotland**. **sportscotland** provided Capital funding of £536k (2021: £279k), revenue funding of £3,865k (2021: £4,140k), and support from corporate services of £401k (2021: £360k).

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

During the year the **sportscotland** National Lottery Distribution Fund had a number of material transactions with **sportscotland**. At the year end, within debtors there is an amount of £523k (2021: £403k) owed by **sportscotland** National Lottery Distribution Fund. During the year **sportscotland** recharged salaries of £4,477k (2021: £4,416k).

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

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

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

Notes to the accounts (continued)

17 Financial Commitments

At 31 March 2022 the Group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	690	558	663	498
Two to five years	811	909	803	874
Over five years	-	110	-	110
Total	1,501	1,577	1,466	1,482

18 Taxation

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

	Group		sportscotland	
	2022	2021	2022	2021
	£000	£000	£000	£000
Corporation Tax	1	-	1	-

19 Losses

sportscotland had no write-offs during the year (2021 £nil).

20 Events Since the Statement of Financial Position Date

After the date of the Statement of Financial Position, a decision was taken to sell the former watersports centre at Cumbrae. A process was started whereby a selling agent was appointed and the property was made available for sale. This process is ongoing, and the outcome is not certain and therefore any financial effect cannot be estimated. (2021 none).

DIRECTION BY THE SCOTTISH MINISTERS

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



SPORTSCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

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

Signed by the authority of the Scottish Ministers

Dated 31 March 2006