

# sportscotland Group

Annual Report and Accounts  
for the year ended 31<sup>st</sup> March 2021

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  
December 2021

**sportscotland**  
Annual Accounts 2020-21

# **Annual Report & Accounts**

sportscotland

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## **Minister's Foreword**

I'm delighted to be introducing this annual report as newly appointed Minister for Public Health, Women's Health and Sport.

Commenting on this report on a period in which we lived through a pandemic, is a moment to reflect on the great challenges that have faced sport and society in the last year. But writing in the summer of 2021 we can also be optimistic that better times are coming.

I want to thank **sportscotland** staff who worked tirelessly to mitigate the impact of the pandemic on sport and help to ensure as much sport as possible was able to continue when restrictions allowed.

More than that, I have been inspired by how the whole sport sector has worked together to keep people active, and by the sports organisations that found incredible and varied ways to support our communities. I know that Community Sport Hubs in my own constituency have supported the population to stay physically active and is just one of countless examples that could have been included in this report.

Staying active has certainly been crucial to maintaining my own mental wellbeing during the pandemic. I have been running a daily mile now for over three years, but I've particularly valued how being physically active and connecting with nature over the last year has contributed to my wellbeing.

As more sport returns, I am excited to enjoy the social benefits of participating with others. Looking ahead there is a great opportunity to put sport and physical activity at the centre of the preventative health agenda and to ensure that everyone can access these benefits. Reading this report, I have no doubt that **sportscotland** and the sport and physical activity sector is up to the challenge.

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](http://www.sportscotland.org.uk)).

Following on from an extensive, detailed business review, the Board took the difficult decision to discontinue operations at Cumbrae from 30 September 2020 and close the centre. Watersports will continue to be supported through the schools work at Inverclyde, through paddle sports at Glenmore Lodge and through partnership with RYA Scotland.

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 PERFORMANCE REPORT**

## **Overview**

### **Chief Executive's Report**

I would like to thank everyone who has gone the extra mile this year to put sport and physical activity at the heart of Scotland's recovery from the effects of the Coronavirus (COVID-19) pandemic. During long periods of restrictions to our way of life, sport and physical activity played a key role in helping people in communities across the country maintain their physical and mental wellbeing.

Between April 2020 and March 2021, we responded by developing a short-term action plan to replace the previous **sportscotland** business plan. With investment from Scottish Government and The National Lottery, measures were put in place to support the sector and protect jobs, taking a responsive and flexible approach to providing resources for local and national partners.

As this annual review illustrates, the sector responded to the crisis by going above and beyond to meet local need across Scotland in the face of a public health emergency. Active Schools and Community Sport Hub teams came to the aid of their communities, supporting childcare hubs and delivering essential supplies to those in need, while **sportscotland** National Training Centre Inverclyde hosted a vaccination centre.

With the successful rollout of the vaccination programme, we will see a return to sport. Throughout, **sportscotland** will continue to support the sector in every way possible and we look forward to developing our partnerships across sport and the wider public sector.

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<sup>1</sup>. 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 evolve.

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

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



**Figure 1: Scotland’s world class sporting system**



**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.

*Clubs and communities*

The clubs and communities environment offers local opportunities for participants and athletes to get started in sport and 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 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 good leadership, management and impact awareness across our high-performance system.

### *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 summarizing 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 short-term action plan<sup>2</sup>.

### *Clubs and communities*

Our major focus was supporting partners to help them plan for safe return of sport and physical activity, in line with Scottish Government guidelines. We provided a range of specific guidance, training and resources to partners, including professional staff, participants, athletes, facility operators, coaches, volunteers, deliverers, parents and carers. This included specific guidance to help owners and operators as they plan and prepare to re-open sports facilities<sup>3</sup> and guidance to help coaches, deliverers and instructors support the safe return of sport<sup>4</sup>.

We engaged directly with 80 SGBs and extended our support to other sports organisations looking for guidance. We developed a think tank to inform the clubs and communities working group on how SGBs and clubs can prepare for easing of restrictions. We also created scenario planning groups to assist SGBs with their COVID-19 planning and to produce sport-specific guidance. To date, we have supported the development and publication of over 450 guidance documents in response to the changes made to government restrictions, ensuring they were fully accessibility and GDPR compliant.

Throughout the pandemic, we provided vital information and support through our communication channels. We developed a COVID-19 information and resources section on our website<sup>5</sup> and increased the frequency of our internal and partner communications. We delivered targeted communications campaigns focusing on reassurance and responsibility about how we move as a sector to return to sport. We also worked with partners including the Scottish Association for Mental Health (SAMH) on campaigns to promote the benefits of sport and physical activity and to encourage people to stay connected during the pandemic within government guidelines. These campaigns received significant recognition from local NHS hubs and the wider sporting community.

We provided flexible investment to SGBs to ensure they retained staff and to help their organisations function. This allowed partners to plan for the short to medium term and focus on guidance for the recommencement of sporting activity. We developed three additional investment streams for national partners. We provided £450,000 to support three sports experiencing severe financial difficulty through the SGB COVID-19 Support Fund. We invested £1m to 10 organisations from across four sports from the £55m loss of spectator income funding announced by Scottish Government in December. We also committed over £1.75m to 12 ice rinks from the Scottish Government's £2m funding

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<sup>2</sup> <https://sportscotland.org.uk/coronavirus-covid-19-short-term-action-plan-2020-21/>

<sup>3</sup> [Getting your facilities fit for sport \(sportscotland.org.uk\)](#)

<sup>4</sup> [Getting coaches ready for sport \(sportscotland.org.uk\)](#)

<sup>5</sup> [Coronavirus \(COVID-19\) information and resources \(sportscotland.org.uk\)](#)

package to help ice rinks across the Scotland mitigate the impact of the pandemic, and ensure they are able to reopen safely when the time is right. Significant work was required to create the processes and support partners to develop their applications.

We approved investment of £2.39m into 32 projects through our Sports Facilities Fund. We prioritised our investment into projects that align with our priorities and have a clear focus on return to sport and inclusion. We continued to work with Tennis Scotland and the Lawn Tennis Association to understand the impact of COVID-19 on the nine prioritised Transforming Scottish Indoor Tennis Fund projects. We also worked with Scottish Cycling on the development of a strategic investment fund to deliver a network of cycling projects across Scotland, linked to the UCI 2023 Cycling World Championships. We launched the Fund in October 2020 and will work with Scottish Cycling to prioritise and progress these to the next stage of development.

We offered use of the **sportscotland** national training centre Inverclyde as a venue to support the local vaccination roll out for NHS Ayrshire & Arran. Seventeen of the Inverclyde team have volunteered as marshals to assist the NHS during this time.

We reprioritised the Changing Lives action plan in light of COVID-19. We reviewed the stakeholder engagement and communications plan with actions put in place to support further understanding and activation of Changing Lives. We continued to support projects receiving Changing Lives fund investment. In total, the partnerships have leveraged an additional £186k to support their activity. Three projects led by Scottish Sport Futures, Paths for All and Falkirk Football Community Foundation have secured funding to sustain their work on mental health, young people with learning disabilities and older people respectively.

We developed training and education tools and resources for safeguarding. This included an online safeguarding development tool for clubs and community groups based on the refreshed Standards for Child Wellbeing and Protection in Sport. There is now an average of 99.9% compliance with the Standards across all SGBs. We presented at a virtual EU conference to highlight the integrated, multi-agency approach to safeguarding children in sport in Scotland.

We supported SAMH with the delivery of online maintaining well-being workshops and sessions focusing on how to have a mental health conversation. These aim to help the professional workforce better understand mental health and wellbeing and signpost to available support. We also developed a COVID-19 Mental Health Awareness training module for coaches and volunteers.

We worked with the Chartered Institute for the Management of Sport and Physical Activity to establish the Scottish Professional Development Board (SPDB). The SPDB will act as a primary source of expertise and leadership for sport and physical activity professions in Scotland. We led the design and publication of four coaching qualifications as part of the Beyond 2020 coaching programme. We ensured these were integrated into the Higher National Certificate and Higher National Diploma for Sports Coaching and Development.

## ***Schools and education***

Early on in the pandemic, we took a flexible approach to our investment to local and national partners. This supported the employment status of professionals across the sector, ensuring the network could respond to local need and help support communities across Scotland.

In 28 local authorities, Active Schools teams quickly adapted to support 149 childcare hubs, set up for vulnerable children and the children of key workers. We received positive feedback that this support was vital to enable local authority partners to fulfil their commitments while ensuring hubs prioritised the delivery of sport and physical activity.

We hosted a series of online meetings with the Active Schools network to support them through the COVID-19 pandemic. We provided updates on all relevant guidance and provided opportunities for teams to share examples of the activity undertaken locally to support communities. We also offered training to all teams to help prepare them and their deliverers for returning to activity.

We provided support to the cohort of professional staff on the Scottish Sporting Leaders programme. This included additional coaching sessions and action learning sets delivered both as a collective and in groups of Active Schools and national partners to support the return to sport.

We supported the Scottish Women and Girls in Sport Week and delivered Active Girls Day. 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, exceeding performance of previous years.

We extended the Young Ambassadors programme registration period to allow schools to take up this opportunity. In spite of the pandemic, 177 schools 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 42% of secondary schools in Scotland. We supported the schools, mentors and young people with information packs and online and social media resources. We also provided regular communication via a dedicated Instagram channel which produced good engagement given the limited time secondary pupils spent in schools.

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 high-level information on the impact of COVID-19 across the sport and leisure sector.

We held strategic meetings with the senior management of all local authorities and leisure trusts. The main focus was to discuss the challenges they are facing from COVID-19 and the implications for the sport and leisure sector and workforce. We continued to review and adjust actions within our partnership agreements and work programmes to respond to local need. We provided a national overview of the reopening of local facilities to SGBs, clubs and community organisations to support them with their return to sport.

We worked with Education Scotland to align the physical education (PE) guidance with up to date return to sport and physical activity guidance. The PE guidance was designed to promote a consistent and equitable approach against the context of the current pandemic.

It also assists teachers and school leaders with risk assessment and decision making to prioritise the health, safety and wellbeing of all children, young people and staff.

We recognised the need to adapt what we do based on what's happening round us. With this context in mind, we brought together a strategic forum of key stakeholders from the sport and physical activity sector. The forum collectively developed a long-term recovery action plan and consistent messaging for the sector, with the overall aim of building resilience and responding to the challenges presented by the public health crisis. The forum produced a recommendations paper and shared this internally and with key networks.

### ***Performance***

Our overall headline goals remained centered around the Tokyo 2020 Summer Olympics and Paralympics, 2022 Birmingham Commonwealth Games, and Beijing 2022 Winter Olympics and Paralympics.

We focused our attention on the final preparations for Tokyo 2020. We created a new Olympic 2021 and Beyond project group to gather intelligence on the impact and implications of COVID-19 on the international stage and our Scottish and UK high-performance funded system. We maintain regular contact with key partners to inform the work of this group.

We continued to support athletes and sports to attain the appropriate qualification standards and get selected for Team GB and Paralympic GB. We will have between 75 and 85 Scottish athletes, as well as 12 **sportscotland** institute of sport staff, present in Tokyo as part of Team GB and Paralympic GB.

We revised our strategic and operational performance priorities for 2020-21. We provided a range of specific COVID-19 related support including:

- Clinical medicine and mental health and wellbeing support to our athletes and staff.
- Factsheets on specialist topics such as bereavement support and self-help targeted at specific groups.
- Our sports medicine network provided support for the NHS including frontline and regional hub work.

We prepared detailed return to training principles, risk assessment procedures and guidance for the high-performance system. These focus on sport-specific plans, facilities, environments, services and people and staff. We collectively supported, assessed, and approved 117 SGB resumption of performance training plans. This resulted in a total of 783 athletes training across 98 performance environments. We continued to deliver specialist support services remotely to sports and athletes where possible, subject to professional and Scottish Government direction. We offered expert advice to athletes and sports on competition, travel and quarantine rules.

We progressed our new Clean Sport strategic policy and its operational actions. We worked closely with UK Anti-Doping (UKAD) on the implementation of the new 2021 Anti-Doping Code which broadens their remit into the area of integrity. We also responded to

the UKAD consultation on the public disclosure of provisional suspensions and/or charges relating to anti-doping rule violations.

We continue to provide support for staff in their work with para-athletes through the development of our Para Education programme. These developments utilise our new virtual learning environment and will be rolled out across the performance system on a targeted basis. We also continued to support the delivery of the Commonwealth Games Scotland Birmingham 2022 Team Leader programme.

### ***Making it happen***

Throughout the pandemic, we ensured the health and wellbeing of our staff was 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. This included maintaining ICT systems, offering training and support on new ICT products; conducting and assessing a range of staff wellbeing and engagement surveys, signposting to our employee assistance programme and providing office resources to support health and safety related requests.

We commissioned independent research to help us to update, refresh and grow our equality evidence. The project aimed to update and extend existing equalities and sport evidence and understanding; engage directly with the Scottish sport sector to understand whether and how equalities are embedded; and identify recommendations to guide further work and improvements. The Equality and Sport Research 2020<sup>6</sup> has led to practical recommendations that will help the sector make progress on reducing inequalities, increasing diversity and embedding inclusion.

We developed a new equality, inclusion and diversity strategy aligned to Sport For Life and the Public Sector Equality Duty (PSED). Our new approach is about supporting change and ensuring inclusion is embedded in our work. It aims to bring to life our commitment to inclusion underpinning everything we do.

We developed a web-based application to share the data that SGBs provide through their annual review. This new app helps us analyse data over time and provide valuable insight to partners to assist in planning. We also set up SGB data forums to work closer with sports on data. 22 SGBs are now taking part and feedback has been very positive.

We helped celebrate 26 years of The National Lottery. We joined thousands via social media to say a collective #ThanksToYou to National Lottery players. We shared content on our social media from key stakeholders including athletes, SGB and national governing body sports, other sports bodies, and The National Lottery.

We held monthly #SportHour sessions across the year to discuss the incredible sporting landscape in Scotland. We involved our Young People's Sport Panel and an external individual or organisation linked to the monthly theme as co-hosts. Themes included supporting mental health, sport for all ages and empowering communities. Engagement and discussion were very strong across all topics with a potential reach of over 15 million and over 1,400 tweets in the empowering communities session, cohosted with the Scottish FA.

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<sup>6</sup> <https://sportscotland.org.uk/about-us/our-publications/archive/equality-and-sport-research-2020/>

## **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.

At Inverclyde, the close working relationship with North Ayrshire Council meant that we made ourselves available as a potential surge site for elderly patients requiring post hospital care (although we were not needed in the end) and made ourselves available as a vaccination centre, helping to implement the drive to vaccinate the population as quickly as possible, and furloughed staff volunteered to assist with the effort. In between time, the staff were maintaining the facilities and preparing plans for reopening.

At Glenmore Lodge, a small amount of training activity was able to take place during the late summer and autumn of 2020, before the second lockdown began. Senior staff continued to work closely with Sports Governing Bodies to provide support and content for online activities and engagement with their membership, whilst continuing to plan for various reopening scenarios.

At Cumbrae, the pandemic prevented the planned final summer season from taking place and the centre formally closed on 30 September 2020. Discussions are now under way with the local community to find a mutually beneficial use for the site on the island.

## **Going concern**

The statement of the group financial position at 31 March 2021 shows net assets of £12.8million. Funding for 2021-22 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

27 October 2021



## Performance analysis

This report covers the second year of our corporate strategy, [Sport for Life](#)<sup>7</sup>. One of the principles in Sport For Life is to be responsive. We continue to adapt what we do based on what is happening around us.

In August 2020, we put our business plan to one side. We developed a short term action plan to respond to the Coronavirus (COVID-19) crisis. We used this plan to drive our work for the remainder of 2020-21.

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

- infographics that demonstrate our progress against the strategic priorities in our short term action plan.
- case studies which highlight the impact of our collaborative work with partners across the system in the last year.

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<sup>7</sup> <https://www.sportforlife.org.uk/>

## Progress against our outcomes

### Playing our part responding to Coronavirus

#### FEEDBACK ON OUR SUPPORT

Partners agreed that **sportscotland** support in 2020-21 helped them meet the challenges of the Coronavirus (COVID-19) pandemic in the following ways:



**85%**

felt able to support clubs, schools, athletes or other organisations



**81%**

felt more able to tackle issues or challenges



**73%**

felt the support helped improve recovery plans



**81%**

felt confident about opening or restarting facilities or activity



**84%**

felt prepared for a return to sport

## TRAINING AND GUIDANCE



**37,352**

people accessed  
**sportscotland** COVID-19  
specific training opportunities

**83%**

found the training helpful or very helpful



**511,843**

views of COVID-19 section  
of **sportscotland** website

**89%**



of respondents found this  
section helpful or very helpful

**69%**



increase in **sportscotland**  
website users since 2019-20



**118**

Sport First articles about COVID-19  
support across the system



## FEEDBACK



**85%**

said sport-specific guidance  
was helpful or very helpful

## IMPACT OF OUR SUPPORT ON SCHOOLS AND EDUCATION



**61%**

of Active Schools delivered curriculum-time activity in schools when restrictions allowed



**35%**

delivered extra-curricular activity in schools



**97%**

delivered or facilitated online physical activity sessions

### FEEDBACK



**85%\*** satisfied or very satisfied with **sportscotland** support

\* Respondents: Active Schools and Further/Higher Education

## IMPACT OF OUR SUPPORT ON CLUBS AND COMMUNITIES



**84%**

of clubs were able to deliver sport or physical activity sessions face to face when restrictions allowed



**39%**

organised activities to support the local community



**51%**

delivered online sport or physical activity sessions

## FEEDBACK



**85%**

satisfied or very satisfied with **sportscotland** support

## IMPACT OF OUR SUPPORT ON PERFORMANCE SPORT



**85%**

of supported athletes felt they were helped to prioritise their health and wellbeing



**84%**

felt guidance and support helped them feel safe to return to facilities or training



**75%**

felt more able to tackle issues or challenges

### FEEDBACK



**93%**

satisfied or very satisfied with sportscotland support

## Case studies

### *CASE STUDY: Feel Good Festival | Katie Matthews*

The pandemic brought about immeasurable challenges for us all. For Katie Matthews, in the face of those challenges she witnessed greater teamwork and a joint determination to reconnect people with their communities and help them enjoy the positive effects of sport and physical activity.

The High Life Highland Community Sport Hub Officer was among those determined to use the long periods of lockdown to support mental health and wellbeing in rural areas. Based in Inverness, her first priority during lockdown was to maintain contact with the six Community Sport Hubs (CSH) across North Highland, namely Ullapool, Skye and Lochalsh, Thurso, Wick, Dingwall and Tain.

Katie, who has been a hub officer since 2018, said: “The main thing was communication. Everyone was anxious to find out how and if they could keep their activities going safely, so that’s where the initial focus was. It meant I was in close contact with hub members and also spending time engaging with new community partners.

“Due to the reduction in socialising and indoor exercise, we also had to find ways to help people reconnect and stay active so we linked up with a broad range of third sector and community organisations to tackle issues around social isolation, mental health and wellbeing.”

Katie also responded to local need, working within High Life Highland’s outdoor activities programme to keep children active.

One of the most important initiatives was the Feel Good Festival, organised by Ullapool CSH and High Life Highland to promote physical activity, mental health and wellbeing. Held at the end of November 2020, it saw 22 partners deliver 18 free, informal sessions ranging from mountain biking to mindfulness sessions, with a mix of virtual and outdoor activities.

Katie said: “We all felt very strongly that, as difficult as it was going to be, it was really important that the festival went ahead, albeit in a different format to the previous year. “We wanted to provide opportunities for people to socialise, take part in physical activities within their bubbles and connect with the community again.”

### *CASE STUDY: Performance Skiers Aiming for Glory in Beijing | Kirsty Muir and Neil Simpson*

For two young skiers aiming for glory in Beijing, the Coronavirus (COVID-19) lockdowns could have been a roadblock – but strong partnerships behind the scenes kept their dreams firmly on track.

Freestyle skier Kirsty Muir and alpine para skier Neil Simpson are both hoping to take to the slopes in China in 2022 for the Winter Olympics and Winter Paralympics respectively. When the first lockdown struck in March 2020, it looked like these hopes might be put on ice – but their sporting pathway continued thanks to the support of GB Snowsport (GBS), Snowsport Scotland (SSS) and the **sportscotland** institute of sport (SIS).

Kirsty, 17, explained: “When lockdown happened, I was training in Switzerland, so there was a sudden rush to get home. At the time, I had very limited gym equipment, so Dave Boyd at SIS made a home gym plan making use of what I had and I trained outside in the garden.

“GBS also helped with pilates and other online support to keep me going, which was really useful and I was also supported with nutrition, which I hadn’t done much of before.” For Neil, from Aberdeenshire, the online support he received during first lockdown was also invaluable. The visually-impaired 18-year-old said: “Lockdown put a real damper on

things but it did allow me to focus entirely on strength and conditioning while I was at home.

“I had remote catch-ups with [SIS senior physical preparation coach] Dave Boyd, which were really helpful. We had workarounds for some exercises because we didn’t have the equipment, but overall it worked well.

“GBS also provided mental health awareness and support sessions, along with yoga and interview training.

Thanks to this combined support, the duo were able to stay on track with their training – and when restrictions eased they were able to hit the slopes again.

The hard work paid off when Kirsty picked up silver in the ski slopestyle event at the World Cup in Aspen, Colorado, in March 2021. While Neil’s success came at the Para Alpine World Cup in Leogang, Austria in January 2021, where he won three golds and one silver medal.

#### ***CASE STUDY: Parent Volunteer Coach at Wicketz | Wilson Dallas***

For Wilson Dallas, cricket isn’t just a way for him and his young family to have fun – it’s helped them find their feet in a new country and became a vital lifeline during lockdown. The father of two arrived in Glasgow as a refugee from Pakistan, settling in the Springburn area of Glasgow with son Liam, 12, and eight-year-old daughter Candice. Keen to get them involved in sport, his son’s classmates recommended the local Wicketz hub, which uses free cricket sessions to drive social inclusion and engagement in ethnically diverse communities. Created and funded by Lord’s Taverners charity and delivered by Cricket Scotland, the initiative is part-funded by Changing Lives Through Sport and Physical Activity.

The 41-year-old said: “It was great to see lots of kids from different backgrounds and cultures playing together. There was a lot of social activity where they could mingle together and play their own sports, so I was really happy and knew I wanted Liam to be involved.”

After Wilson enrolled Liam in the sessions at the hub, his own enthusiasm for the game meant that he soon became involved as a volunteer coach.

He said: “I knew I wanted to be more involved and become part of such a great initiative. “I’d played a lot in Pakistan but had never done any coaching so I knew this was a great opportunity. I was given details of classes and a course to help me develop, which were absolutely amazing. It’s definitely expanded my own experience of cricket.”

As well as helping with his own development, Wilson says Wicketz has given his children a new love of the game – and really came into its own during lockdown in 2020, with Cricket Scotland lending them laptops so Liam and Candice could take part in online activities.

Wilson added: “Wicketz really brought us out of what could have been a depressing time. Because Glasgow was new to us, we thought we were alone but it helped us feel involved and achieve a different state of mind.”

#### ***CASE STUDY: Supporting the Sector | Karin Sharp***

In the early days of the Coronavirus (COVID-19) national lockdown, **sportscotland** made it a crucial priority to elevate support for the Scottish governing bodies of sport (SGBs). This support was designed to protect the workforce that underpins Scotland’s world class sporting system and make sure the population of an active Scotland would continue to benefit from sport.



Golf was one of the first sports permitted to resume when restrictions were eased, and golfers in Scotland have been continuously active from 29 May 2020. But the resumption of play in hundreds of clubs across the country was complex.

Scottish Golf, with assistance from **sportscotland**, succeeded in keeping members engaged and active throughout lockdown, before benefiting from membership growth and increased participation when players were allowed back on course.

Karin Sharp, Chief Operating Officer (COO) of Scottish Golf, recalled: “Throughout 2020 we focused on building stronger partnerships within the golfing industry and across the sporting sector. Support from **sportscotland** was invaluable during this critical time to make sure we were at the forefront of the return to sport and try to make sure there would be positive outcomes for the clubs”.

Scottish Golf’s response to the health emergency included channeling more funding and resources to supporting clubs.

Initiatives such as an affiliation rebate, a club relief fund and a Coronavirus (COVID-19) fixed cost grant were welcomed by clubs and COVID-19 officer training was also provided.

SGBs and local partners across the sporting system were provided with six months of their annual investment (£16.4m) by **sportscotland** in May 2020. This helped protect an estimated 1,600 jobs across the sector including more than 1,000 in SGBs. Targets and outcomes attached to funding were also relaxed.

The final six months of annual investment (£16m) was provided in August also without the usual targets and outcomes attached.

This investment allowed SGBs to continue to support staff, clubs and members across the country throughout the pandemic.

#### ***CASE STUDY: Young People’s Sport Panel #WalkAndTalk | Nicola and Panashe***

Nicola McDonald and Panashe Muzambe were 21 and 24 respectively when Coronavirus (COVID-19) was declared a pandemic.

Like all young adults, their busy personal and professional lives were interrupted when the first national lockdown was imposed.

One source of continuity, reassurance and focus at this confusing time was their shared membership of the [Young People’s Sport Panel](#).

Led by **sportscotland** and supported by [Young Scot](#), the #SportPanel is designed to represent the voice of young people across Scotland. It gives panellists the chance to shape and influence sport in Scotland and raise the profile of sport.

In May the panel started brainstorming with the Scottish Association for Mental Health (SAMH) – and together they came up with a stunningly simple way to spread their message online and help people stay active and connected.

#WalkAndTalk was born.

Panashe recalled: “We were brainstorming about what we could do, a lot of the online challenges were fizzling out. As a group we came up with #WalkAndTalk and I think we all bought into it straight away.

“The idea was fantastic. It was really important at that time for people to cut down on their screen time, and this was an easy way to do it.”

Nicola added: “People were allowed to go outside for one hour a day, and this was especially vital for people living in flats who maybe didn’t have gardens. The other thing the Scottish Government was pushing was to stay connected, so we just thought it made sense to put the two together.

“I saw people doing it everywhere from Shetland to the Borders. Active Schools coordinators were able to target people who weren’t following us on social media, and that created a trickle effect.”

The popularity of #WalkAndTalk spread beyond sport and the idea was adopted by some NHS Hubs as the mental health benefits of physical activity became more widely publicised amid a public health emergency.

***CASE STUDY: Active Schools South Ayrshire | Kayleigh Haggo, Ryan Douglas and Steven Noble***

In March 2020 Active Schools teams across the country were forced to drastically rethink how they supported their communities.

The Active Schools team in South Ayrshire supported some of the most disadvantaged communities in Scotland throughout the pandemic. They responded to the needs of the community by helping with food deliveries and helped school children across the region – including care-experienced and disability groups – to remain engaged in sport.

For World and European champion racerunner Kayleigh Haggo, her role at Girvan Community Sport Hub changed dramatically. The focus turned to working remotely with young people and families to help them stay active, Kayleigh’s efforts were to prove invaluable for many families.

Kayleigh said: “We had a young boy who went from being active three or four times a week to not doing anything. It really affected his legs, eventually he couldn’t walk at all. His mum contacted me saying she was really struggling and asking what she could do to get him moving.

“We got him a frame running bike. He was able to go out on that with his mum and his sister to get his legs moving.”

In the South Ayrshire Active Schools team, Steven Noble and Ryan Douglas volunteered to be redeployed to deliver food during the first lockdown.

Ryan said: “It was one of the most rewarding jobs we’ve ever done because the people were really in need of this food for various reasons.”

As restrictions gradually eased, Ryan and Steven began working with care-experienced people who had been identified as potentially feeling socially isolated.

This grew from football and tennis in the park, to night-time orienteering, canoeing and sailing.

In the last 12 months over 100 care-experienced people had the opportunity to take part in a specific sport.

Steven said: “It’s been lovely to see a child who turns up and they need quite a lot of care and attention, all of a sudden they’re sailing a boat out on the sea.”

## Review of the Financial Results for the Year

The accounts relate to the year ended 31 March 2021. Comparative figures are shown for the year to 31 March 2020 relating to **sportscotland** and the Trust Company. During the year **sportscotland** received grant-in-aid of £38,600k (2019-20 £32,600k). A further £2,781k (2019-20 £5,879k) was generated from its own activities, including through the trading operations of the Trust Company.

Expenditure of £19,863k (2019-20 £19,228k) was released for sports development and capital grants, £17,881k (2019-20 £21,062k) was deployed on revenue expenditure and £428k (2019-20 £884k) 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 £21,232k (2019-20 liability of £7,572k). 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 2020-21 the appointed auditors were Audit Scotland.

During 2020-21 no non-audit fees were paid to Audit Scotland.

### **Property, plant and equipment**

During the year additions to property, plant and equipment amounted to £291k (2019-20 £884k).

### **Research and Development**

During the year **sportscotland** invested £30k (2019-20 £29k) 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 2021 the **sportscotland** Group paid 80% (2019-20 92%) 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 £12,741k (2019-20 £21,319k) 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 2020-21.

## **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](http://www.sportscotland.org.uk)

*Stewart Harris*

Stewart Harris  
Chief Executive & Accountable Officer

27 October 2021

# **THE ACCOUNTABILITY REPORT**

## **Corporate Governance Report**

### **Directors Report**

#### **Members of the Council**

The Members of the **sportscotland** Council at 31 March 2021, all of whom have been Members throughout the year, are listed below:

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

F Wood and S Sandilands are representatives of the **sportscotland** Trust Company.

The Chief Executive is Stewart Harris.

A full list of the company directorships and other significant interests held by the Council members can be found on the **sportscotland** website at [www.sportscotland.org.uk](http://www.sportscotland.org.uk)

#### **Personal data related incidents**

During 2020-21 **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 2020-21.

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 2020-21 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 2019-20, and in its Annual Report for the current year, to those charged with Governance.

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

Staff have 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**.

All meetings in the 2020-21 financial year were held remotely, using Microsoft Teams. The attendance of the 12 non-executive members who held office during the year of the six meetings of 2020-21 was:

M Young	(6 of 6) (Chair)
D Cameron	(5 of 6)
G Walker	(6 of 6)
F Wood	(6 of 6)
C Bain	(4 of 6)
Prof C Mahoney	(6 of 6)
C Grant	(6 of 6)
S Sandilands	(5 of 6)
K U'ren	(5 of 6)
M Campbell	(5 of 6)
S Lindsay	(5 of 6)
M Munro	(5 of 6)

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

Responsibility for the day-to-day operational management of the **sportscotland** Group is delegated to the Chief Executive and his executive directors. To enable the Council to discharge its duties, all Council members receive appropriate and timely information. The Council papers are distributed 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 2020-21 financial year is detailed below with their attendance record for the six 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	(6 of 6) (Chair)
G Walker	(6 of 6)
Prof C Mahoney	(6 of 6)
C Bain	(3 of 6)
S Lindsay	(6 of 6)

Due to the exceptional circumstances of the pandemic, David Cameron's Board membership has been extended by a year to April 2022 and he will continue to Chair the Audit and Risk Committee through to that date.

## **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 did not meet during 2020-21. 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 2020-21 comprised:

G Walker (Chair)  
C Grant  
K U'ren  
M Campbell

### **Group Ethics Committee**

The Group Ethics Committee consisted of three non-executive Council members and was chaired by the **sportscotland** Chair, Mel Young.

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

The Committee met according to need and as such it did not have a regular timetable. No meetings were held during 2020-21.

At the April 2021 **sportscotland** Board meeting it was agreed to disband this Committee as these matters are now dealt with through the **sportscotland** Board.

The membership during the 2020-21 financial year is detailed below.

M Young (Chair)  
F Wood  
C Bain

### **Information Security**

Robust information systems and ICT functions have been critical in supporting **sportscotland** to maintain core business functions during the pandemic.

Our existing, well established remote working infrastructure allowed the organisation to transition to working from home without issue. Post transition, the Information Communication Technology Team (ICT) has focused on maintaining business continuity by ensuring systems availability and facilitating remote collaboration between staff and partners through technology.

With offices unavailable to staff, cyber resilience measures have had to be adapted to support long term distributed working. Much of this work has focused on shifting dependencies from office-based infrastructure to services that ICT can deliver via the cloud, such as distributing critical updates to user end devices.

Guidance on cyber resilience and information governance while working from home has been issued to all staff. The ICT team and the **sportscotland** Data Protection Officer (DPO) issued regular updates to staff and senior leadership through emails, articles within the organisation's internal newsletter, and a monthly report to the **sportscotland** leadership group.

The ICT team continued to use resources provided by the National Cyber Security Centre (NCSC) and Scottish Government's Defence, Security and Cyber Resilience Division to stay current on best practice in cyber resilience and emerging cyber threats.

Technical staff participated in a facilitated NCSC Exercise in a Box session focusing on a simulated ransomware attack. Material and the format for this session was then adapted and used to deliver cyber resilience workshops to staff from across the business.

The **sportscotland** DPO oversaw significant progress in the implementation of an organisational Information Asset Register. Initial tasks involved reducing the amount of data (personal and non-personal) the organisation holds overall, rationalising the number of places where data could be stored, and ensuring that appropriate automated retention was applied where possible. The DPO also delivered staff training and issued guidance on identifying and registering information assets.

The Information Governance Steering Group continued to oversee issues and improvements around cyber resilience and information governance. Meetings of this group included the **sportscotland** DPO and Chief Operating Officer, as well as representation from ICT, HR, Finance and Legal teams.

## **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.

During the course of the year, reports on two of our systems identified areas for significant improvement around the documentation and governance relating to those systems. The relevant areas of the business will work with our IT Team to implement these recommendations where they relate to the current systems and to update our procedures where they relate to the approach to future projects.

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 2020-21, **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 have had a significant impact on the way staff work and communicate.

Systems and processes have been adapted to take account of home working throughout the year, 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. Hard copy documentation was then scanned into the finance system when access to the offices was possible;
- 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 contact management ensured that **sportscotland** and its suppliers continued to operate together as effectively as possible. **sportscotland** continues to make use of the Scottish Government's framework agreements where possible in order to benefit from the commercial benefits that they can deliver.

## 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.

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

We achieve our risk management objectives by applying our risk management framework and process, which is designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed. We review the risk management framework and process regularly. It was most recently updated in 2019-20 using evidence from internal audit, internal consultation, and the Audit and Risk Committee.



The Coronavirus (COVID-19) pandemic and subsequent restrictions continue to significantly 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. We categorise risk by five levels: very high; high; medium; low and very low.

At the end of 2020-21, there were five significant risks rated high (three) or very high (two) shown in table 1. This did not exceed **sportscotland**'s corporate risk appetite. Both the Audit and Risk Committee and **sportscotland** Board reviewed the risk register in relation to the impact of COVID-19. Consequently, further planned action has been noted for each of the significant risks.

**Table 1: Significant risks facing sportscotland**

Risk	Mitigation	Further action in relation to Coronavirus (COVID-19)
<p>Failure to deliver high priority and high-profile projects (such as community sport hubs, Active Schools, sport facilities projects, workforce development and performance sport) adversely affects the reputation of <b>sportscotland</b>.</p>	<p>Regular monitoring and reporting to Board and key stakeholders including both the National Lottery and Scottish Government (Preventative)</p> <p>Successful performance outcomes at Summer and Winter Olympic/Paralympic Games and Commonwealth Games (Preventative)</p> <p>Progress of key priority / high profile projects reported and managed through operational groups to ensure delivery. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>Developed a short-term action plan and revised our budget to ensure delivery of priority activities during COVID (Preventative)</p>	<p>We formalised our communications with Scottish Government regarding the impact of Covid on delivery (Residual).</p> <p>We will continue to provide advice, guidance and expertise to partners directly and through the <b>sportscotland</b> website to ensure they are effectively supported. (Preventative)</p>
<p>Change in external policies or reduced funding by key stakeholders adversely effects the ability to deliver <b>sportscotland</b>'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</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>to allow appropriate responses to be developed. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p><b>sportscotland's</b> contribution to Active Scotland Outcomes reported through corporate strategy indicators and wider evaluation work (Preventative)</p> <p>Updated Corporate Strategy now more closely aligned with Scottish Government's Active Scotland Outcomes (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>Failure of partners to deliver agreed outcomes linked to <b>sportscotland</b> 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>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.Tokyo, Beijing, Birmingham and Paris) (Preventative and remedial)</p> <p>Enhanced child protection support to SGBs using Children First (Preventative)</p> <p>Audit of internal <b>sportscotland</b> corporate and operational child protection policies and practices completed and signed off by SMT, with new policy shared with Children 1st (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>Reduced funding challenges local authorities' ability to deliver their plans /</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community</p>	<p>We will work with the Convention of Scottish Local Authorities (COSLA), CLUK and individual local authorities and leisure trust leaders to</p>

<p>outcomes for sport, which may impact on <b>sportscotland's</b> ability to deliver its corporate strategy outcomes.</p>	<p>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>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 <b>sportscotland's</b> 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 ensure that National Lottery funding is profiled as appropriate (Preventative)</p> <p>Developed a short-term action plan and revised our budget to ensure delivery of priority activities during COVID (Preventative)</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

The salary and pension entitlements of the most senior members of the **sportscotland** Group are as follows. The total figure has been audited as part of the annual audit review:

Name		Salary	Benefits	All pension related benefits	Total
<b>DIRECTORS</b>		£000's	£000's	£000's	£000's
S Harris	<b>2021</b>	<b>110-115</b>	-	<b>35.0-37.5</b>	<b>145.0-147.5</b>
	2020	105-110	-	12.5-15.0	117.5-120.0
F Dunlop	<b>2021</b>	<b>85-90</b>	-	<b>27.5-30.0</b>	<b>112.5-115.0</b>
	2020	75-80	-	22.5-25.0	102.5-105.0
M Roberts	<b>2021</b>	<b>90-95</b>	-	<b>32.5-35.0</b>	<b>122.5-125.0</b>
	2020	90-95	-	30.0-32.5	122.5-125.0
M Whittingham*	<b>2021</b>	<b>90-95</b>	-	*	*
	2020	90-95	-	*	*
<b>BOARD MEMBERS</b>					
M Young	<b>2021</b>	<b>15-20</b>	-	-	<b>15-20</b>
	2020	15-20	-	-	15-20
D Cameron	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
G Walker	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
F Wood	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
C Bain	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
C Grant	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
S Sandilands	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
K U'ren	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
M Campbell	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
C Mahoney	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
S Lindsay	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5
M Munro	<b>2021</b>	<b>0-5</b>	-	-	<b>0-5</b>
	2020	0-5	-	-	0-5

## Directors' Pension Entitlements

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension	Total Accrued Lump sum	Cash equivalent transfer value 2021	Cash equivalent value 2020	Real Increase in Cash Equivalent Transfer Value
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S Harris	0-2.5	(0-2.5)	50-55	110-115	1,203	1,074	129
F Dunlop	0-2.5	n/a	0-5	n/a	37	16	21
M Roberts	0-2.5	0-2.5	20-25	5-10	323	289	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 (2019-20, £17k) were made to a defined contribution scheme.

## Fair Pay Disclosure

The median remuneration for **sportscotland's** staff is £35,602 (2019-20 - £35,121).

The ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director is 3.16 (2019-20 3.08), as at the reporting period end date

Pay for **sportscotland** employees, excluding the highest paid Director, ranges between £18,085 and £98,854.

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 £176.82 for each meeting attended, along with an £88.41 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 2020-21 were £322k (2019-20 £359k).

**sportscotland** made payments of £53k to consultants during 2020-21 (2019-20 £22k).

## 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
<b>Boards</b>	7	n/a	5	n/a
<b>Directors</b>	4	0	0	0
<b>Senior Managers</b>	13	0	6	0
<b>Employees</b>	162	14	135	14

## Total staff costs comprise

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	9,417	9,694	6,261	6,550
Social security costs	935	958	659	680
Pension costs	3,519	4,357	2,627	3,311
Aggregate staff costs	<u>13,871</u>	<u>15,009</u>	<u>9,547</u>	<u>10,541</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

Exit package band	2021	2021	2021	2020
	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	1	-
£10,000 - £25,000	-	-	-	1
£25,000 - £50,000	-	-	-	3
>£50,000	-	-	-	-
Total number of exit packages	-	1	1	4
Total resource cost (£000)	-	8	8	133

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

## Sickness absence rate

Sickness absence rate during the year was 3.2% (2019-20 1.2%), the increase reflecting the effect of the pandemic.

## 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.

## Employee Involvement

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

Facility time statistics as required by the Trade Union (Facility Time Publication Requirements) Regulations 2017 are shown below:

- Relevant Union Officials – total number of employees who were relevant union officials during the relevant period – 3 employees (3.0 FTE).
- Percentage of time 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 – 0.03%
- Paid trade union activities - Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 100%

## 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 will commence in June 2021. A relaunch of our Leadership Development programme will also be 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 2020-21 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 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 2020-21 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	Cumbrae	Glenmore Lodge	2021
	£000	£000	£000	£000
Course Fees	23	-	61	<b>84</b>
Hires, Sales & Hospitality	239	-	15	<b>254</b>

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.

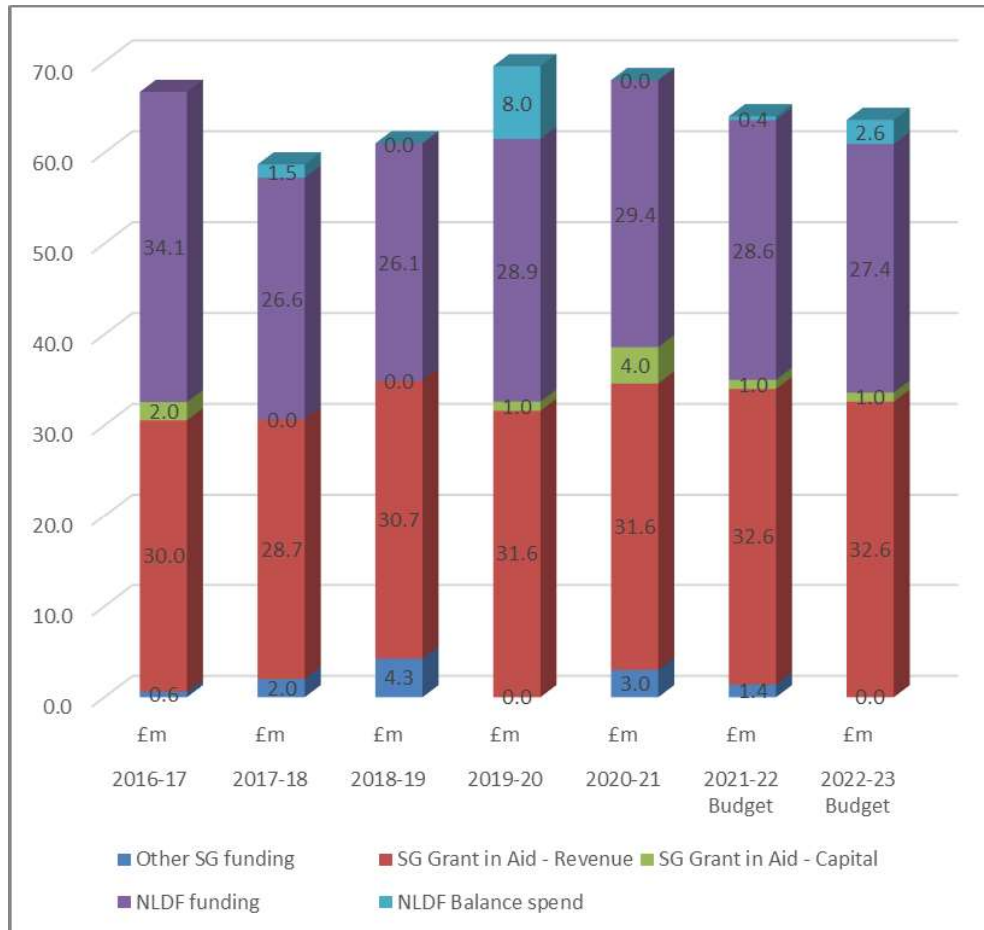
## Contingent Liabilities

The company has two outstanding litigation claims at 31 March 2021, relating to two incidents that occurred during trading activities.

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.

### 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 2021-22 and 2022-23:



Note: SG Funding for 2021-22 is based on a current Grant in Aid letter. SG Funding for 2022-23 will not be known until later in 2021-22 and so the value for 2021-22 has been used as an indicative amount. NLDF Funding for 2021-22 and 2022-23 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

27 October 2021



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

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

I have audited the financial statements in the annual report and accounts of the Scottish Sports Council (the Council) and its group for the year ended 31 March 2021 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 Tax Payers' Equity, the Group Statement of Financial Position, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 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 affairs of the body and its group as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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**

[ 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 20 January 2021. The period of total uninterrupted appointment is 1 year. 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 and its group'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.

## **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), 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 deemed inappropriate.

## **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 economic 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on regularity**

### **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 to detect material misstatements in the financial statements in respect of irregularities, 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.

### **Statutory other information**

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory 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 statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in 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 statutory 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 statutory 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.

*Alasdair Craik*

Alasdair Craik  
Senior Audit Manager  
Audit Scotland  
102 Westport  
Edinburgh  
EH3 9DN

27 October 2021

**Group Statement of Comprehensive Net Expenditure  
for the year ended 31 March 2021**

	Notes	Group		sportscotland	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Income</b>					
Income from Activities	2	1,473	3,459	-	-
Other operating income	2	1,308	2,420	1,126	2,239
		<u>2,781</u>	<u>5,879</u>	<u>1,126</u>	<u>2,239</u>
<b>Expenditure</b>					
Trust Company Funding	3	-	-	(4,778)	(4,578)
Sports development and capital grants	3	(19,863)	(19,228)	(19,863)	(19,228)
Staff costs	4	(13,871)	(15,009)	(9,547)	(10,541)
Other operating charges	5	(4,010)	(6,053)	(1,494)	(2,101)
		<u>(37,744)</u>	<u>(40,290)</u>	<u>(35,682)</u>	<u>(36,448)</u>
<b>Net Expenditure</b>		<b>(34,963)</b>	<b>(34,411)</b>	<b>(34,556)</b>	<b>(34,209)</b>
Interest receivable		-	31	-	31
IAS 19 interest	13	(193)	(370)	(155)	(304)
Gain on disposal of assets		-	10	-	-
<b>Net Expenditure after interest</b>		<b>(35,156)</b>	<b>(34,740)</b>	<b>(34,711)</b>	<b>(34,482)</b>
Corporation tax	18	-	(6)	-	(6)
<b>Net Expenditure after taxation</b>		<b>(35,156)</b>	<b>(34,746)</b>	<b>(34,711)</b>	<b>(34,488)</b>
<b>Other Comprehensive Income / Expenditure</b>					
Gain/(Loss) on revaluation of assets	6	(190)	691	(190)	(417)
Actuarial gain/(loss)	13	(11,832)	8,853	(9,958)	7,352
<b>Total Comprehensive Net Expenditure</b>		<b>(47,178)</b>	<b>(25,202)</b>	<b>(44,859)</b>	<b>(27,553)</b>

The notes to the accounts form part of these financial statement

## Group Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

2021

Group	General Fund	Revaluation reserve	Pension Reserve	Other Reserve	Total
	£000	£000	£000	£000	£000
<b>Opening Balance</b>	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
<b>Closing Balance</b>	<b>33,973</b>	<b>-</b>	<b>(21,232)</b>	<b>-</b>	<b>12,741</b>

2020

Group	General Fund	Revaluation reserve	Pension Reserve	Other Reserve	Total
	£000	£000	£000	£000	£000
<b>Opening Balance</b>	27,397	-	(13,520)	44	13,921
Net expenditure after taxation	(34,746)	-	-	-	(34,746)
Net gain/(loss) on asset revaluation	691	-	-	-	691
Remeasurement of Pensions	2,905	-	5,948	-	8,853
Transfers from reserves	44	-	-	(44)	-
Grant in Aid	32,600	-	-	-	32,600
<b>Closing Balance</b>	<b>28,891</b>	<b>-</b>	<b>(7,572)</b>	<b>-</b>	<b>21,319</b>

**2021**

<b>sportscotland</b>	<b>General Fund</b>	<b>Revaluation reserve</b>	<b>Pension Reserve</b>	<b>Total</b>
	£000	£000	£000	£000
<b>Opening Balance</b>	<b>4,500</b>	-	<b>(6,112)</b>	<b>(1,612)</b>
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
<b>Closing Balance</b>	<b>9,591</b>	-	<b>(17,462)</b>	<b>(7,871)</b>

**2020**

<b>sportscotland</b>	<b>General Fund</b>	<b>Revaluation reserve</b>	<b>Pension Reserve</b>	<b>Total</b>
	£000	£000	£000	£000
<b>Opening Balance</b>	<b>4,466</b>	-	<b>(11,125)</b>	<b>(6,659)</b>
Net expenditure after taxation	(34,488)	-	-	(34,488)
Net gain/(loss) on asset revaluation	(417)	-	-	(417)
Remeasurement of Pensions	2,339	-	5,013	7,352
Transfers from reserves	-	-	-	-
Grant in Aid	32,600	-	-	32,600
<b>Closing Balance</b>	<b>4,500</b>	-	<b>(6,112)</b>	<b>(1,612)</b>

The notes to the accounts form part of these financial statements

## Group Statement of Financial Position at 31 March 2021

	Notes	Group		sportscotland	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Non-current assets</b>					
Property, plant and equipment	6	27,085	27,471	740	830
Investment property	6	2,000	2,190	2,000	2,190
Intangible Assets	7	6	11	6	11
<b>Total non-current assets</b>		<b>29,091</b>	<b>29,672</b>	<b>2,746</b>	<b>3,031</b>
<b>Current assets</b>					
Inventories	8	11	32	-	-
Trade and other receivables	9	1,118	1,180	1,067	1,338
Cash and cash equivalents	14	6,936	1,435	6,770	1,355
<b>Total current assets</b>		<b>8,065</b>	<b>2,647</b>	<b>7,837</b>	<b>2,693</b>
<b>Total assets</b>		<b>37,156</b>	<b>32,319</b>	<b>10,583</b>	<b>5,724</b>
<b>Current Liabilities</b>					
Trade and other payables	10	(1,788)	(1,853)	(870)	(1,103)
<b>Total current Liabilities</b>		<b>(1,788)</b>	<b>(1,853)</b>	<b>(870)</b>	<b>(1,103)</b>
<b>Total assets less net current liabilities</b>		<b>35,368</b>	<b>30,466</b>	<b>9,713</b>	<b>4,621</b>
<b>Non-current liabilities</b>					
Creditors over 1 year	10	(1,273)	(1,454)	-	-
Pension liability	13	(21,232)	(7,572)	(17,462)	(6,112)
Provisions	11	(122)	(121)	(122)	(121)
<b>Total non-current liabilities</b>		<b>(22,627)</b>	<b>(9,147)</b>	<b>(17,584)</b>	<b>(6,233)</b>
<b>Assets less liabilities</b>		<b>12,741</b>	<b>21,319</b>	<b>(7,871)</b>	<b>(1,612)</b>
<b>Taxpayers' equity</b>					
General fund excluding pension reserve	12	33,973	28,891	9,591	4,500
Other reserves		-	-	-	-
Pension reserve	13	(21,232)	(7,572)	(17,462)	(6,112)
		<b>12,741</b>	<b>21,319</b>	<b>(7,871)</b>	<b>(1,612)</b>

The Accountable Officer authorised these financial statements for issue on 27 October 2021

*Stewart Harris*

*Mel Young*

Stewart Harris  
Chief Executive & Accountable Officer

Mel Young  
Chair

The notes to the accounts form part of these financial statements

27 October 2021

27 October 2021



**Group Statement of Cash Flows for the year ended 31 March 2021**

	Notes	Group		sportscotland	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Cash flows from operating activities</b>					
Net operating cost before Scottish Government funding		(35,156)	(34,746)	(34,711)	(34,488)
Adjustment for non-cash items					
IAS 19 adjustments	13	1,828	2,905	1,392	2,339
Depreciation of property, plant and equipment	6	677	695	90	101
Amortisation of intangible fixed assets	7	5	15	5	15
Movements in working capital		-	-	-	-
(Increase) / decrease in inventories	8	21	(3)	-	-
(Increase) / decrease in trade and other receivables	9	62	48	271	(78)
Increase / (decrease) in trade payables	10	(246)	(625)	(233)	(170)
Movements in provisions		-	-	-	-
Increase/ (decrease) in provisions	11	1	3	1	3
<b>Net cash outflow from operating activities</b>		<b>(32,808)</b>	<b>(31,708)</b>	<b>(33,185)</b>	<b>(32,278)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	6	(428)	(884)	-	(51)
Proceeds from sale of tangible assets	6	137	-	-	-
Purchase of intangible assets	7	-	-	-	-
<b>Net cash outflow from investing activities</b>		<b>(291)</b>	<b>(884)</b>	<b>-</b>	<b>(51)</b>
<b>Scottish Government funding for year</b>		<b>38,600</b>	<b>32,600</b>	<b>38,600</b>	<b>32,600</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	14	<b>5,501</b>	<b>8</b>	<b>5,415</b>	<b>271</b>
Cash and cash equivalents as at 1 April 2020		1,435	1,427	1,355	1,084
Cash and cash equivalents as at 31 March 2021	14	6,936	1,435	6,770	1,355

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 2020.

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 2021/22 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 (cont'd)

**Property Valuations** - Under International Accounting Standard 40: *Investment Property*, elements of Caledonia House in Edinburgh are classified as an investment property. At 31 March 2021 the Investment Property (Note 6.5) was valued by the District Valuer Services (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 Services (DVS), normally as a desk exercise every 3 years with a full revaluation every 5 years.

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 (cont'd)

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 has been undertaken as a desk top exercise in 2021-22.

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

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. The amount relating to this excess is the realised gain on revaluation and is transferred from the revaluation reserve to the general fund.

### 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. Costs of producing free issue publications are written off to the Statement of Comprehensive Net Expenditure in the year of purchase.

### 1.9 Taxation, including deferred taxation

**sportscotland** is assessed to corporation tax, annually, based on bank interest and rental incomes received. The small companies' rate of corporation tax 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 (cont'd)

### 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 (cont'd)

### 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 entries 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 (cont'd)

### 2 Income

#### 2.1 Income from activities

Income from the normal activities of the national sports centres:

	<b>Group</b>		<b>sportscotland</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£000	£000	£000	£000
Course fees	84	1,925	-	-
Hires, sales and hospitality	72	1,423	-	-
HMRC Furlough income	1,098	-	-	-
Other income	219	111	-	-
	<u>1,473</u>	<u>3,459</u>	<u>-</u>	<u>-</u>

#### 2.2 Other operating income comprises:

	<b>Group</b>		<b>sportscotland</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£000	£000	£000	£000
Rental income	211	220	211	220
High performance income (UK Sport)	843	1,926	843	1,926
Donations	250	181	68	-
Grants Repaid	-	40	-	40
Miscellaneous income	4	53	4	53
	<u>1,308</u>	<u>2,420</u>	<u>1,126</u>	<u>2,239</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. 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 2021**

	<u>Continuing Operations</u>			<u>Discontinuing Operations</u>			<b>Total 2021</b>	<b>Total 2020</b>
	<b>Un- restricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Un- restricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Income from</b>								
Donations and legacies	4,500	279	4,779	-	-	-	4,779	4,578
Income from other trading activities	1,022	-	1,022	295	-	295	1,317	121
Charitable activities	338	-	338	-	-	-	338	3,530
<b>Total income</b>	<b>5,860</b>	<b>279</b>	<b>6,139</b>	<b>295</b>	<b>-</b>	<b>295</b>	<b>6,434</b>	<b>8,229</b>
<b>Expenditure on</b>								
Expenditure on raising funds	(298)	-	(298)	(46)	-	(46)	(344)	(424)
Charitable activities	(5,661)	-	(5,661)	(874)	-	(874)	(6,535)	(8,062)
<b>Total expenditure</b>	<b>(5,959)</b>	<b>-</b>	<b>(5,959)</b>	<b>(920)</b>	<b>-</b>	<b>(920)</b>	<b>(6,879)</b>	<b>(8,486)</b>
<b>Net (expenditure)/income</b>	<b>(99)</b>	<b>279</b>	<b>180</b>	<b>(625)</b>	<b>-</b>	<b>(625)</b>	<b>(445)</b>	<b>(257)</b>
Transfers between funds	279	(279)	-	-	-	-	-	-
<b>Net expenditure before other recognised gains and losses</b>	<b>180</b>	<b>-</b>	<b>180</b>	<b>(625)</b>	<b>-</b>	<b>(625)</b>	<b>(445)</b>	<b>(257)</b>
<b>Other recognised Gains/(losses)</b>								
Gain on revaluation of assets	-	-	-	-	-	-	-	1,108
Actuarial gain/(loss) on defined benefit pension schemes	(1,874)	-	(1,874)	-	-	-	(1,874)	1,501
<b>Net movement in funds</b>	<b>(1,694)</b>	<b>-</b>	<b>(1,694)</b>	<b>(625)</b>	<b>-</b>	<b>(625)</b>	<b>(2,319)</b>	<b>2,352</b>
Total funds at 1 April 2020	22,931	-	22,931	-	-	-	22,931	20,579
<b>Total funds at 31 March 2021</b>	<b>21,237</b>	<b>-</b>	<b>21,237</b>	<b>(625)</b>	<b>-</b>	<b>(625)</b>	<b>20,612</b>	<b>22,931</b>

### 3 Grants paid

#### 3.1 Sports development

	<b>Group</b>		<b>sportscotland</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Annually paid grants				
Schools & Education	11,812	12,081	11,812	12,081
Clubs & Communities	5,918	4,056	5,918	4,056
Performance	2,133	3,051	2,133	3,051
	<b>19,863</b>	<b>19,188</b>	<b>19,863</b>	<b>19,188</b>

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



## Notes to the accounts (cont'd)

### 3.2 Grants for capital facilities

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
National, including competition and training	-	40	-	40
Total Grants	-	40	-	40
<b>Total revenue and capital grants</b>	19,863	19,228	19,863	19,228

### 3.3 Trust Company Funding

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Revenue	-	-	4,500	3,770
Capital	-	-	278	808
<b>Total</b>	-	-	4,778	4,578

## 4 Staff costs

### 4.1 Total staff costs comprise

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	9,417	9,694	6,261	6,550
Social security costs	935	958	659	680
Pension costs	1,884	1,822	1,390	1,276
IAS19 Adjustment	1,635	2,535	1,237	2,035
Aggregate staff costs	13,871	15,009	9,547	10,541

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	
	2021	2020	2021	2020
	£000	£000	£000	£000
Sports Development	1,458	1,747	1,458	1,747
High Performance	4,775	4,966	4,775	4,966
Corporate Services	3,314	3,828	3,314	3,828
Trust Company	4,324	4,468	-	-
	13,871	15,009	9,547	10,541

## Notes to the accounts (cont'd)

### 4.2 Average staff numbers

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

	Group	
	2021 Numbers	2020 Numbers
<b>sportscotland</b>	166	174
Trust Company	117	138
	283	315

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

## 5 Other operating charges

	Group		<b>sportscotland</b>	
	2021 £000	2020 £000	2021 £000	2020 £000
Operating result after charging:				
General operating costs	1,860	3,702	505	999
Travel and subsistence:				
Members of Council	-	3	-	3
Staff	6	148	6	148
Research	30	29	30	29
Accommodation costs	873	928	386	367
Auditors' remuneration – External	39	37	28	27
Auditors' remuneration – Internal	16	21	16	21
Operating lease rentals:				
Land & Buildings	225	161	225	161
Vehicles	247	272	203	230
Other Equipment	32	42	-	-
Depreciation of property, plant and equipment	677	695	90	101
Amortisation of intangible assets	5	15	5	15
	4,010	6,053	1,494	2,101

## Notes to the accounts (cont'd)

### 6 Property, Plant & Equipment

6.1 Group	Land and Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	Equipment £000	Motor Vehicles £000	Total £000
2021	27,030	-	87	2,487	190	29,794
Cost/valuation at 1 April 2020	254	-	-	124	50	428
Additions to 31 March 2021	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation	(134)	-	(7)	(828)	-	(969)
Disposals to 31 March 2021	-	-	-	-	-	-
Cost/valuation at 31 March 2021	27,150	-	80	1,783	240	29,253
Aggregate depreciation at 1 April 2020	-	-	87	2,148	88	2,323
Charge for the year	499	-	-	149	29	677
Revaluation	-	-	-	-	-	-
Disposals to 31 March 2021	-	-	(7)	(825)	-	(832)
Aggregate depreciation at 31 March 2021	499	-	80	1,472	117	2,168
Net Book Value at 31 March 2021	26,651	-	-	311	123	27,085
Net Book Value at 31 March 2020	27,030	-	-	339	102	27,471

## Notes to the accounts (cont'd)

	Land and Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	Equipment £000	Motor Vehicles £000	Total £000
2020						
Cost/valuation at 1 April 2019	26,599	389	87	2,294	149	29,518
Additions to 31 March 2020	428	143	-	252	61	884
Transfers	532	(532)	-	-	-	-
Revaluation	(529)	-	-	-	-	(529)
Disposals to 31 March 2020	-	-	-	(59)	(20)	(79)
Cost/valuation at 31 March 2020	27,030	-	87	2,487	190	29,794
Aggregate depreciation at 1 April 2019	975	-	87	2,037	88	3,187
Charge for the year	505	-	-	170	20	695
Revaluation	(1,480)	-	-	-	-	(1,480)
Disposals to 31 March 2020	-	-	-	(59)	(20)	(79)
Aggregate depreciation at 31 March 2020	-	-	87	2,148	88	2,323
Net Book Value at 31 March 2020	27,030	-	-	339	102	27,471
Net Book Value at 31 March 2019	25,624	389	-	257	61	26,331

## Notes to the accounts (cont'd)

### 6.2 sportscotland

	Land and Buildings £000	Fixtures & Fittings £000	Equipment £000	Total £000
2021				
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	700	13	1,184	1,897
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	11	13	1,133	1,157
Net Book Value at 31 March 2021	689	-	51	740
Net Book Value at 31 March 2020	700	-	130	830

## Notes to the accounts (cont'd)

2020	Land and Buildings £000	Fixtures & Fittings £000	Equipment £000	Total £000
Cost/Valuation at 1 April 2019	900	13	1,192	2,105
Additions to 31 March 2020	-	-	51	51
Revaluation	(200)	-	-	(200)
Disposals to 31 March 2020	-	-	(59)	(59)
Cost at 31 March 2020	700	13	1,184	1,897
Aggregate Depreciation at 1 April 2019	32	13	1,023	1,068
Charge for period to 31 March 2020	11	-	90	101
Revaluation	(43)	-	-	(43)
Disposals	-	-	(59)	(59)
Aggregate Depreciation at 31 March 2020	-	13	1,054	1,067
Net Book Value at 31 March 2020	700	-	130	830
Net Book Value at 31 March 2019	868	-	169	1,037

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

## Notes to the accounts (cont'd)

### 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		<b>sportscotland</b>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Proceeds during year	137	-	-	-
	<u>137</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 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 2021 **sportscotland** obtained from the District Valuer Services a market value of the elements of Caledonia House considered investment property. Investment property held relates to the leased out parts of Caledonia House.

2021	Group	<b>sportscotland</b>
	£000	£000
Market value as at 1 April 2020	2,190	2,190
Revaluation	(190)	(190)
Market value as at 31 March 2021	<u>2,000</u>	<u>2,000</u>
2020	Group	<b>sportscotland</b>
	£000	£000
Market value as at 1 April 2019	2,450	2,450
Revaluation	(260)	(260)
Market value as at 31 March 2020	<u>2,190</u>	<u>2,190</u>

## Notes to the accounts (cont'd)

### 6.5 Revaluation Summary

		<b>Group</b>	<b>sportscotland</b>	<b>Trust Co</b>
		£000	£000	£000
<b>2021</b>	Land & Buildings	-	-	-
	Investment Property	(190)	(190)	-
	<b>Total</b>	<u>(190)</u>	<u>(190)</u>	<u>-</u>
<b>2020</b>	Land & Buildings	951	(157)	1,108
	Investment Property	(260)	(260)	-
	<b>Total</b>	<u>691</u>	<u>(417)</u>	<u>1,108</u>

## 7 Intangible Assets

	<b>Group</b>		<b>sportscotland</b>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Computer software				
<b>Cost</b>				
Opening balance (1 April)	509	509	436	436
Additions during year	-	-	-	-
Disposals during year	-	-	-	-
Closing balance (31 March)	<u>509</u>	<u>509</u>	<u>436</u>	<u>436</u>
<b>Accumulated amortisation</b>				
Opening balance (1 April)	498	483	425	410
Charge for year	5	15	5	15
Eliminated on disposal	-	-	-	-
Closing balance (31 March)	<u>503</u>	<u>498</u>	<u>430</u>	<u>425</u>
Net book value at 31 March	<u>6</u>	<u>11</u>	<u>6</u>	<u>11</u>

## 8 Inventories

	<b>Group</b>		<b>sportscotland</b>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Goods held for resale	5	20	-	-
Consumable stores	6	12	-	-
	<u>11</u>	<u>32</u>	<u>-</u>	<u>-</u>

## 9 Trade and other receivables

	<b>Group</b>		<b>sportscotland</b>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	130	196	120	119
<b>sportscotland Lottery Fund</b>	403	431	403	431
Other debtors	121	246	127	528
Prepayments and accrued income	464	307	417	260
	<u>1,118</u>	<u>1,180</u>	<u>1,067</u>	<u>1,338</u>



## Notes to the accounts (cont'd)

Breakdown by Category	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Other Central Government Bodies	-	11	-	-
Local Authorities	-	39	-	-
Other External Bodies	1,118	1,130	1,067	1,338
<b>Total</b>	<b>1,118</b>	<b>1,180</b>	<b>1,067</b>	<b>1,338</b>

## 10 Trade and other payables

Less than one year	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	318	224	82	80
Other taxation and social security	-	354	-	354
Other creditors	-	37	-	37
Accruals	1,470	1,238	788	632
<b>Total</b>	<b>1,788</b>	<b>1,853</b>	<b>870</b>	<b>1,103</b>

Breakdown by Category	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Other Central Government Bodies	53	436	53	436
Local Authorities	241	182	59	-
Other External Bodies	53	436	53	436
<b>Total</b>	<b>241</b>	<b>182</b>	<b>59</b>	<b>-</b>

Greater than one year	Group		sportscotland	
	2021	2021	2020	2020
	£000	£000	£000	£000
Other creditors	1,273	1,454	-	-
<b>Total</b>	<b>1,273</b>	<b>1,454</b>	<b>-</b>	<b>-</b>

Breakdown by Category	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Local Authorities	1,273	1,454	-	-
<b>Total</b>	<b>1,273</b>	<b>1,454</b>	<b>-</b>	<b>-</b>

## Notes to the accounts (cont'd)

### 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.

## 11 Provisions for liabilities and charges

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

	Group		<b>sportscotland</b>	
	2021	2020	2021	2020
	£000	£000	£000	£000
Balance at 1 April	121	118	121	118
Amount provided for during year	1	3	1	3
Balance at 31 March	122	121	122	121

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 (cont'd)

### 12 General fund

	Group		sportscotland	
	2021 £000	2020 £000	2021 £000	2020 £000
Balance at 1 April	21,319	13,877	(1,612)	(6,659)
Net operating cost	(35,156)	(34,746)	(34,711)	(34,488)
Gain/(Loss) on revaluation of assets	(190)	691	(190)	(417)
Actuarial (Loss) /Gain on Defined benefit pension Scheme	(11,832)	8,853	(9,958)	7,352
Funding: Grant-in-Aid - Capital	-	1,000	-	1,000
- Revenue	38,600	31,600	38,600	31,600
Funding: Other grants from Scottish Government				
Transfer from (to) other Reserves	-	44	-	-
Balance at 31 March	12,741	21,319	(7,871)	(1,612)
Pension reserve balance	21,232	7,572	17,462	6,112
General fund balance	33,973	28,891	9,591	4,500

### 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% (2019/20 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 £13k (2019/20 £12k) and SPF £1,779k (2019/20 £1,772k), which includes £662k 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 £100k (2019/20 £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 (cont'd)

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 2020/21 was 65% (2019/20: 70%) with the balance, 35%, (2019/20: 30%) 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 four-yearly 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 2017 for the group by a qualified independent actuary.

	31 March 2021	31 March 2020	31 March 2019
Rate of increase in salaries	3.5%	2.9%	3.6%
Rate of increase in pensions in payment and deferred pensions	2.8%	1.8%	2.4%
Discount rate applied to scheme liabilities	2.05%	2.3%	2.5%
Inflation assumption (CPI)	2.8%	1.8%	2.4%

## Notes to the accounts (cont'd)

### 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 2021	Approx. % increase to Defined Benefit Obligation	Approx. monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	15,770
0.5% increase in the Salary Increase Rate	1%	1,831
0.5% increase in the Pension Increase Rate (CPI)	11%	13,601

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 2021 on varying bases.

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

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

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

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

### 13.4 Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2020 model with an allowance for smoothing of recent mortality experiences and long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	19.8 years	22.6 years
Future pensioners	21.2 years	24.7 years

## Notes to the accounts (cont'd)

### 13.5 Fair value of employer assets

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

Asset Category	31 March 2021				31 March 2020			
	Quoted prices in Active Markets £(000s)	Quoted prices not in Active Markets £(000s)	Total £(000s)	%	Quoted prices in Active Markets £(000s)	Quoted prices not in Active Markets £(000s)	Total £(000s)	%
<b>Equity Securities:</b>								
Consumer	5,830	-	5,830	6%	5,183	14	5,197	6%
Manufacturing	5,728	48	5,776	6%	4,199	14	4,213	5%
Energy & Utilities	1,040	18	1,058	1%	1,082	-	1,082	1%
Financial Institutions	3,584	-	3,584	4%	3,489	-	3,489	4%
Health & Care	2,781	44	2,825	3%	2,051	21	2,071	3%
Information Technology	4,686	-	4,686	5%	2,668	1	2,669	3%
<b>Debt Securities</b>	-	-	-	0%	2,540	-	2,540	3%
<b>Private Equity:</b>								
All	-	18,111	18,111	18%	-	9,672	9,672	12%
<b>Real Estate:</b>								
UK Property	-	8,204	8,204	8%	-	7,328	7,328	9%
<b>Investment funds and unit trusts:</b>								
Equities	954	34,463	35,417	35%	22,988	1,992	24,980	31%
Bonds	-	13,695	13,695	14%	3,539	5,831	9,370	12%
Commodities	-	43	43	0%	41	-	41	0%
Other	-	211	211	0%	-	104	104	0%
<b>Derivatives:</b>								
Other	18	-	18	0%	1	-	1	0%
<b>Cash and cash equivalents:</b>								
All	1,631	69	1,700	2%	4,166	4,016	8,182	10%
<b>Total</b>	<b>26,252</b>	<b>75,006</b>	<b>101,258</b>	<b>100%</b>	<b>51,946</b>	<b>28,993</b>	<b>80,939</b>	<b>100%</b>

### 13.6 Reconciliation of fair value of employer assets

Year Ended:	31 Mar 2021	31 Mar 2020
	£000	£000
Opening Fair Value of Employer Assets	80,939	82,507
Expected Return on Assets	1,882	2,087
Contributions by Members	817	785
Contributions by the Employer	2,309	2,265
Contributions in respect of Unfunded Benefits	25	25
Actuarial Gains/(Losses)	16,529	(5,629)
Estimated Unfunded Benefits Paid	(25)	(25)
Estimated Benefits Paid	(1,218)	(1,076)
Closing Fair Value of Employer Assets	101,258	80,939
<b>Net pension liability</b>	<b>(21,232)</b>	<b>(7,572)</b>

## Notes to the accounts (cont'd)

### 13.7 Reconciliation of defined benefit obligation

Year Ended:	31 Mar 2021	31 Mar 2020
	£000	£000
Opening Defined Benefit Obligation	88,511	96,027
Current Service Cost	3,965	4,825
Past Service Cost	4	-
Interest Cost	2,075	2,457
Contributions by Members	817	785
Actuarial Losses / (Gains)	28,361	(14,482)
Estimated Unfunded Benefits Paid	(25)	(25)
Estimated Benefits Paid	(1,218)	(1,076)
Closing Defined Benefit Obligation	<u>122,490</u>	<u>88,511</u>

### 13.8 Fund History

	31 March 2017 £000	31 March 2018 £000	31 March 2019 £000	31 March 2020 £000	31 March 2021 £000
Present value of liabilities	(87,060)	(82,188)	(96,027)	(88,511)	(122,490)
Fair Value of Assets	70,642	76,025	82,507	80,939	101,258
Surplus/(Deficit) in the Fund	(16,418)	(6,163)	(13,520)	(7,572)	(21,232)

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

Unfunded liabilities for Pension Fund	(346)	(332)	(336)	(286)	(285)
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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		<b>sportscotland</b>	
	2021 £000	2020 £000	2021 £000	2020 £000
Expected return on pension scheme assets	1,882	2,087	1,574	1,750
Interest on pension scheme liabilities	(2,075)	(2,457)	(1,729)	(2,054)
Net Return	<u>(193)</u>	<u>(370)</u>	<u>(155)</u>	<u>(304)</u>

## Notes to the accounts (cont'd)

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

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Current service cost	3,965	4,825	3,036	3,885
Past service cost	4	-	4	-
Contribution by employers	(2,309)	(2,265)	(1,778)	(1,825)
Contributions in respect of unfunded benefits	(25)	(25)	(25)	(25)
	1,635	2,535	1,237	2,035
Interest charged to Group Statement of Comprehensive Net Expenditure	193	370	155	304
Net Change in Cash Flows	1,828	2,905	1,392	2,339

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

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Actual return less expected return on scheme assets	16,529	(5,629)	13,583	(4,720)
Experience gains and losses arising on scheme liabilities	983	420	1,002	420
Changes in assumptions underlying present value of scheme liabilities	(29,344)	14,062	(24,543)	11,652
Actuarial (loss)/gain recognised in statement of changes in taxpayers' equity	(11,832)	8,853	(9,958)	7,352

### 13.12 History of Experience Gains and Losses

	31 March 2017 %	31 March 2018 %	31 March 2019 %	31 March 2020 %	31 March 2021 %
Experience gains/(losses) on assets	15.7	3.4	3.0	(7.0)	16.3
Experience gains/(losses) on liabilities	0.0	(5.8)	(0.0)	(0.5)	(0.9)



## Notes to the accounts (cont'd)

### 13.13 Movement in deficit during the year

	Group		sportscotland	
	2021 £000	2020 £000	2021 £000	2020 £000
Deficit in scheme at beginning of year	(7,572)	(13,520)	(6,112)	(11,125)
Current service cost	(3,965)	(4,825)	(3,036)	(3,885)
Past service cost	(4)	-	(4)	-
Contributions paid	2,309	2,265	1,778	1,825
Contributions in Respect of Unfunded Benefits	25	25	25	25
Net Return on Assets	(193)	(370)	(155)	(304)
Actuarial (loss)/ gain	(11,832)	8,853	(9,958)	7,352
Deficit in the scheme at end of year	(21,232)	(7,572)	(17,462)	(6,112)
The deficit is made up as follows				
<b>sportscotland</b>	(17,462)	(6,112)		
<b>sportscotland Trust Company</b>	(3,770)	(1,460)		
	(21,232)	(7,572)		

It is estimated that employer's contributions required for the year to 31 March 2022 will be £1,637k (£1,108k for **sportscotland** and £529k for Trust Company) compared to costs of £1,884k this financial year (£1,390k & £494k respectively).

### 14 Analysis of changes in cash during the year

	Group		sportscotland	
	2021 £000	2020 £000	2021 £000	2020 £000
Cash and bank balance at 1 April	1,435	1,427	1,355	1,084
Net cash inflow/(outflow)	5,501	8	5,415	271
Cash and bank balance at 31 March	6,936	1,435	6,770	1,355

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

	Group	
	2021 £000	2020 £000
<b>sportscotland</b>	6,770	1,355
Scottish Sports Council Trust Company	166	80
	6,936	1,435

### 15 Capital and grant commitments

#### Capital

There were no capital commitments contracted or authorised in the last two years.

## Notes to the accounts (cont'd)

### 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 £30,985k (2019-20 £49,425k).

## 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 £279k (2020: £808k), revenue funding of £4,140k (2020: £3,475k), and support from corporate services of £360k (2020: £295k).

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 £403k (2020: £431k) owed by **sportscotland** National Lottery Distribution Fund. During the year **sportscotland** recharged salaries of £4,416k (2020: £4,104k).

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** web-site at <https://sportscotland.org.uk/about-us/investment-reporting/>

## Notes to the accounts (cont'd)

### 17 Financial Commitments

At 31 March 2021 the Group had annual commitments under non-cancellable operating leases as follows:

	Group		sportscotland	
	2021	2020	2021	2020
Operating leases which expire	£000	£000	£000	£000
Within one year	558	492	498	432
Two to five years	909	1,126	874	1,030
Over five years	110	205	110	205
Total	1,577	1,823	1,482	1,667

### 18 Taxation

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

	Group		sportscotland	
	2021	2020	2021	2020
Corporation Tax	£000	£000	£000	£000
	-	6	-	6

### 19 Losses

sportscotland had no write-offs during the year (2020 £nil).

### 20 Events Since the Statement of Financial Position Date

There are no events since the Statement of Financial Position date that need to be noted (2020 one).

### 21 Contingent Liabilities

The company has two outstanding litigation claims at 31 March 2021, relating to two incidents that occurred during trading activities.

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.

Notes to the accounts (cont'd)

**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