

# **sportscotland** **Group**

**Annual Report and Accounts  
for the year ended 31<sup>st</sup> March 2020**

**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  
19 November 2020**



**sportscotland**  
Annual Accounts 2019-20

# **Annual Report & Accounts**



**sportscotland**

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## **Minister's Foreword**

I am writing this foreword during unusual times. While the coronavirus pandemic has had a major impact on how we all live our lives, it has highlighted the importance of being physically active and that it is essential for both a healthy mind and body. I have been delighted with the way sportscotland and the whole sporting system has responded to help people remain physically active during this period. I have also been pleased with sportscotland's clear and supportive communication with the sector, as well as their focus on supporting people's mental health through the #WeAreHere campaign.

This marks the first year of sportscotland's new corporate strategy, Sport for Life. The case studies and data in this report help to evidence the inherent benefits gained from participation in sport, such as feeling healthier and fitter, developing skills and improving confidence. The report also highlights the wider benefits it can bring, such as making people feel more connected to the community they live in and helping to reduce loneliness. These are issues that are likely to be of increased importance as restrictions are lifted following the coronavirus outbreak. Sport and physical activity will continue to have an important role in people's lives and in helping to bring communities back together.

I commend sportscotland for their progress so far and look forward to working with them in the coming year to bring positive change to people's lives through sport and physical activity.

Joe FitzPatrick – Minister for Public Health, Sport and Wellbeing

# **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**. 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, Inverclyde, at Largs and Great Cumbrae 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. Further integration is being achieved through regular National Working Group meetings between management from all centres and through the implementation of a common booking system, which will enable a consistent approach to managing and reporting booking and sales information.



# **THE PERFORMANCE REPORT**

## **Overview**

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

In May 2019, sportscotland unveiled a new corporate strategy, Sport For Life, built around our vision for an active Scotland where everyone benefits from sport.

Working with our partners, we embedded the Active Scotland Outcomes across schools and education, clubs and communities and performance sport, giving people the opportunity to take part at all levels.

Towards the end of our first year of implementing Sport For Life, the vast majority of sporting activity came to a standstill due to the Coronavirus (COVID-19) pandemic and the vital measures put in place by the government to halt its spread. The aim of this summary of progress is to highlight the work that was done between April 2019 and March 2020 to help the people of Scotland get the most from the sporting system – a mission we will all look forward to resuming when the time is right.

I would like to thank everyone who has contributed to this annual review, either by answering a survey or sharing their personal experiences through a case study. Without you, it would not be possible for us to measure the impact of sport across every community in Scotland and promote how we play our part, through partnership work and investment through both the Scottish Government and the National Lottery.

I am very proud of the vital work being done by the people who underpin our sporting system, never more so than at this time of crisis. This first Sport For Life Summary of Progress is your story. I hope you will find it uplifting and inspiring.

Stewart Harris, Chief Executive, sportscotland

## **Purpose and activities of the organization**

### **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 we 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 evolves.

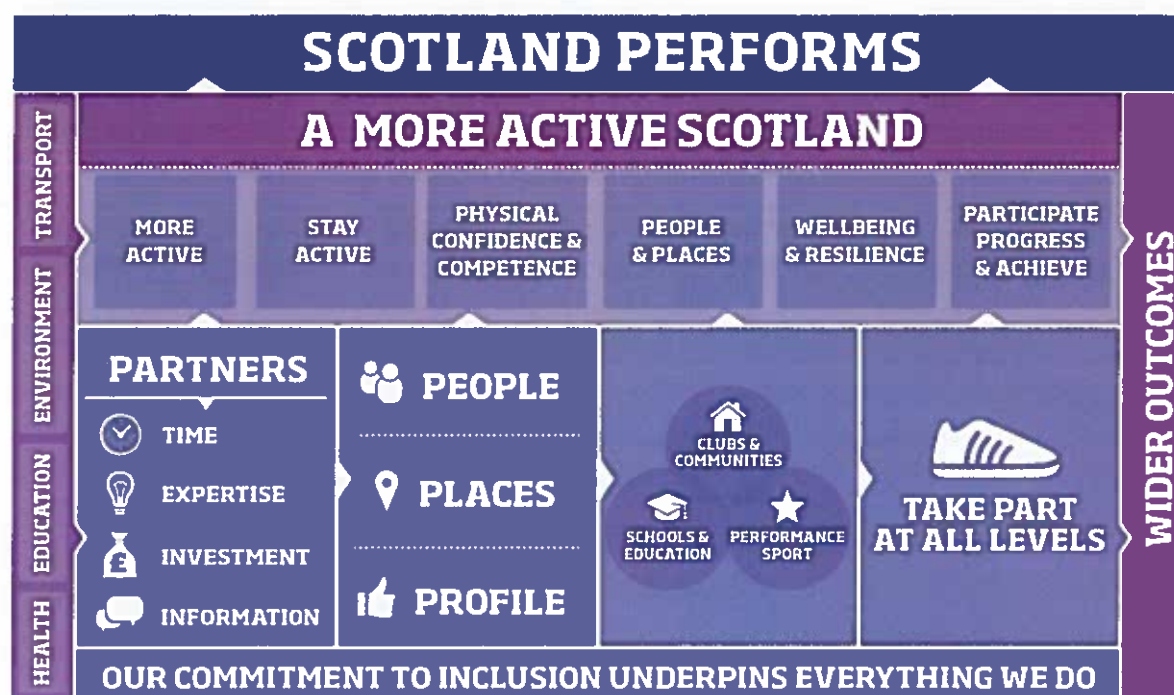
The sporting system shows how resources are invested by various organisations and partners to promote sport and develop the people and places that create sporting opportunities which are delivered in the schools and education, clubs and communities and performance sport environments.

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

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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 six outcomes in our corporate strategy, Sport for Life <https://sportforlife.org.uk/>.

### ***Clubs and communities***

We worked with partners to deliver 201 active community sport hubs against a target of 200 by 2020. More than half (61%) of active hubs are based in schools. Hubs continue to bring together sports clubs and local partners to develop and grow sport and physical activity in communities across Scotland. They engage with the local sporting and non-sporting infrastructures to ensure sustainable, community-led approaches.

We launched Child Wellbeing and Protection in Sport (CWPS) training to replace Safeguarding and Protection in Sport training. The CWPS training includes e-learning and is better tailored to meet the needs of modern-day learners. There is now an average of 99% compliance with the Standards for Child Wellbeing and Protection in Sport across all SGBs.

We supported 38 invested posts from SGBs, local authorities and leisure trusts to complete the Changing Lives Champions programme, provided by the Changemakers Partnership. The programme included training on inclusion; community engagement and understanding; and, sustainability of delivery. The Champions are now available to support clubs who have an ambition and will to change people's lives through sport.

We continue to work closely with clubs across Scotland to support direct club investment (DCI) business cases. Our investment prioritises projects that provide more and better opportunities for girls and young women, people with disabilities and people living in our most disadvantaged communities. We invested over £656,000 to 23 clubs this year. This investment has leveraged an additional £830,000 from the clubs and from other local partners.

We invested £6.5 million into the construction of the Dundee Regional Performance Centre for Sport. This was officially opened in February 2020, on time and on budget. We continue to support our partners to ensure the centre meets the needs of SGBs and community users.

We worked with Scottish Cycling to develop the strategic investment legacy fund for cycling projects across Scotland, linked to the UCI 2023 World Championships. We continued to work with Tennis Scotland and the Lawn Tennis Association (LTA) on the implementation of the Transforming Scottish Indoor Tennis Fund. We approved investment of £1.71m into three, stage two applications.

We developed two web-based applications to help people use data for planning. The Active Schools App allows users to analyse all available data in an interactive way. The Sharing and Learning App gives supported posts in Active Schools, community sport hubs and SGB regional posts the opportunity to share their work and find out what activity is being delivered

in specific areas or with particular groups. We delivered a series of training sessions on the Apps and used feedback to improve their functionality.

We delivered the Sunday Mail **sportscotland** Sports Awards which received excellent local and national coverage. The hashtag #ScottishSportsAwards had a reach on Twitter of 3.9 million, with 391 users of the hashtag and 1,127 retweets and shares. We also provided communications and media support to several partner events. These included the Street Soccer Scotland International Women's Day gala lunch, the Mental Health in Scottish Sport Conference and the Scottish Sports Futures awards.

In October 2019 the Scottish Government announced £50,000 of funding to support access to free sanitary products in sports clubs. We managed the distribution of this fund, supporting 497 sport clubs to provide free sanitary products to their members, participants and visitors. These grants will help clubs across Scotland ensure all members feel included, comfortable and dignified when they take part in sport and physical activity.

### ***Schools and education***

We worked with local authority partners to increase the number, range and quality of opportunities for school pupils to take part in sport through Active Schools. We provided greater leadership to the Active Schools network to encourage and support them to be more inclusive in their approach.

Nationally, Active Schools continues to have an impact on girl's physical activity levels. For example:

- 149,840 girls participated in sport and physical activity through Active Schools sessions last year. This was 44.2% of the female school roll, up from 43.9% the previous year.
- Girls made 3.4 million visits to Active Schools sessions last year, 46% of all visits to the programme.
- There were 27,055 more visits by girls to Active Schools in 2018-19, up by 0.8% from the previous year. On average, each girl made 23 visits across the year.

We provided each partner with their own press release and infographic of Active Schools data for the 2018-19 academic year.

We continue to support local partners on a needs basis as they develop their thinking and plans around girl's specific delivery. This year we supported City of Edinburgh with an improvement plan for female participation, as part of their new sport and physical activity strategy. We also helped them establish a think tank to drive forward women and girl's participation.

Active Girls Day took place on 4 October 2019. This provides an opportunity to profile girls and young women being active and engaging positively in sport and physical activity. We worked with our Young People's Sport Panel to develop a set of downloadable resources to support partners with their engagement on the day. We also raised the profile of the

activity delivered through our network, with 799 users sending 1,684 tweets using #ActiveGirls.

A record 399 schools achieved a Gold School Sport Award, an increase from 284 last year. A further 277 schools achieved Silver and 74 achieved Bronze. The School Sport Awards are designed to encourage schools to continuously improve physical education and school sport opportunities.

### ***Performance***

Our major headline goal is the Tokyo Olympics and Paralympics which is now due to take place in 2021. We continued to support athletes and sports to attain the appropriate qualification standards and get selected for Team GB and Paralympic GB.

We provided specialist support to all players selected for the European Solheim Cup Team. This included performance nutrition, recovery, hydration, sleep and energy requirements. Catriona Matthew became the first Scottish woman to captain the European Solheim Cup Team as they defeated the USA at Gleneagles.

Our financial investment and allocation of expert support services was a key factor in the Scottish women's national team successfully qualifying for its first ever Football World Cup in France. We provided specialist support to the Scottish team in France, at its pre-Games Camp and throughout the competition.

We achieved the highest ever share of Scottish athletes (14.9%) and para athletes (13.6%) in receipt of UK Sport World Class Podium and World Class Podium Potential funding.

We designed and delivered a conference focusing on effective coach and athlete curriculum to 10 sports. This aimed to foster a collaborative approach across those responsible for athlete and coach development. We also completed our performance pathway consultation. Over 400 parents and carers completed the survey and attended focus groups to share their views on how the pathway can be improved.

We successfully piloted a new para practitioner programme. This uses a range of innovative interventions including athlete voices, mentoring, reflective learning and observed practice to help practitioners better support para athletes. We are planning to roll this out across the performance network next year.

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

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of 3.9 million, with 391 users of the hashtag and 1,127 retweets and shares. We also provided communications and media support to several partner events. These included the Street Soccer Scotland International Women's Day gala lunch, the Mental Health in Scottish Sport Conference and the Scottish Sports Futures awards.

We enhanced our equality reporting. We produced a suite of designed reports, including a shorter summary report, to better profile our equality activity and maximise engagement with key stakeholders. We used the reports to review progress against our equality outcomes and inform our internal planning.

We successfully piloted a refreshed corporate induction programme. We then completed a review of employee relations policies in partnership with Advisory, Conciliation and Arbitration Service (ACAS) and Public and Commercial Services Union (PCS).

## **Going concern**

The statement of the group financial position at 31 March 2020 shows net assets of £21.3million. Funding for 2020-21 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 August 2020



## Performance analysis

In this section, we use:

- infographics to demonstrate our progress against the outcomes in our new corporate strategy, Sport for Life<sup>2</sup>.
- case studies which evidence the impact of our collaborative work with partners across the system in the last year, before the Coronavirus (COVID-19) pandemic.

The data<sup>3</sup> outlined in this section is from our:

- routine, internal monitoring
- national school survey – 9,000 responses
- national club survey – 11,000 responses

The surveys used “convenience samples”. We weighted the responses to make them as representative of people taking part in the programmes we invest in as possible. Those taking part include:

- *Active Schools participants - 312,808*
- *Athletes receiving support from the sportscotland institute of sport - 672*
- *Members of Scottish Governing Bodies of sport (SGBs) and clubs supported by sportscotland through community sport hubs, SGB regional posts and direct club investment - 626,689*

We were unable to collect equality or ASOF outcome data from supported athletes due to the disruption caused by coronavirus (covid-19). However, these are a very small portion of the total, and would not affect the overall results.

In addition, the figures for people taking part in the programmes we invest in, and people accessing sportscotland learning and development, are not distinct. For example, an Active School participant may also be a member of a supported club or a person may have attended more than one learning and development opportunity.

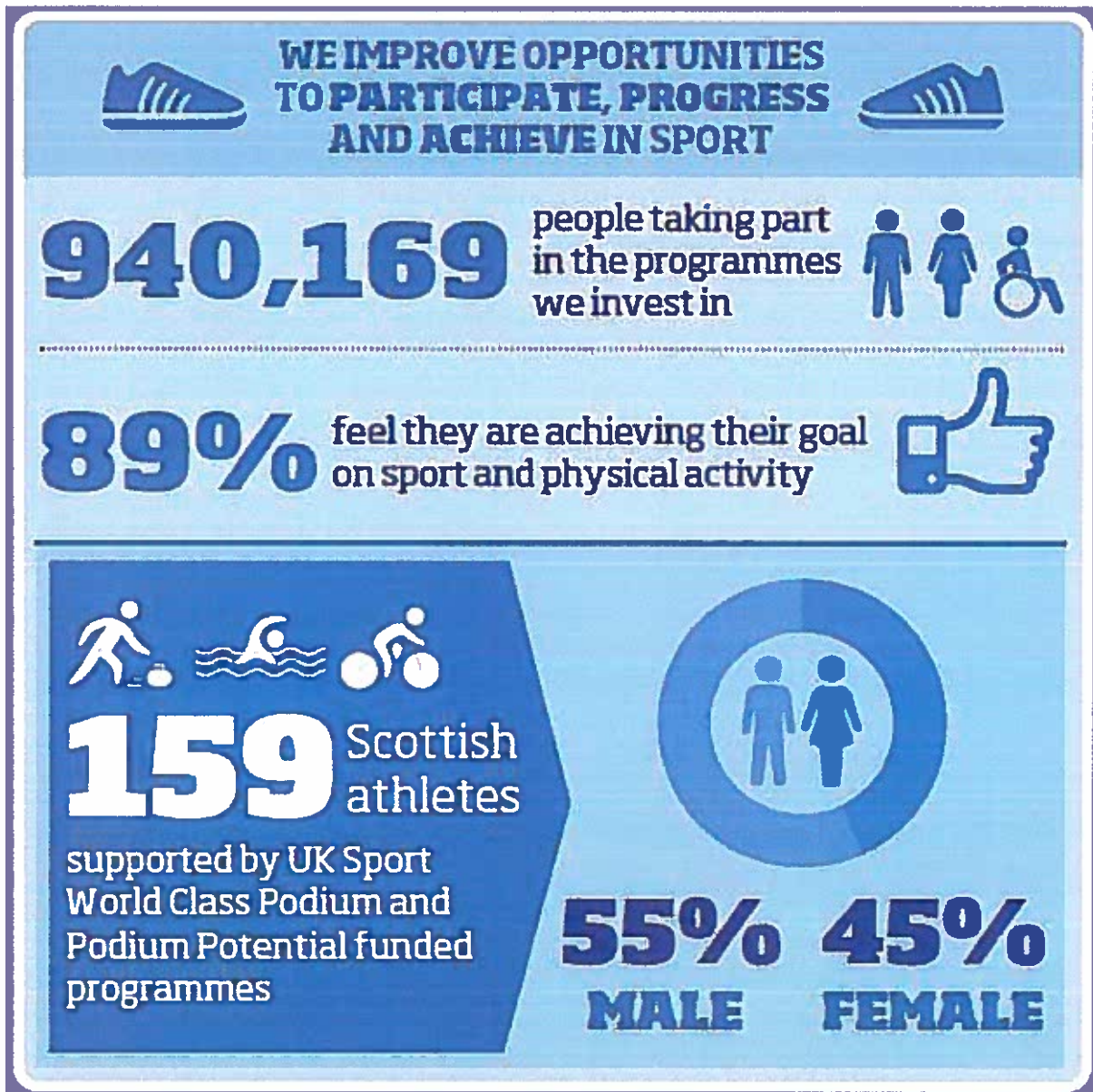
Please note that due to changes in the methodology, data is not directly comparable to previous years.

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<sup>2</sup> <https://www.sportforlife.org.uk/>

<sup>3</sup> <https://sportscotland.org.uk/about-us/our-publications/>

## Our outcomes



### CASE STUDY: CALLUM HAWKINS - MARATHON RUNNER

World class athlete Callum Hawkins broke the Scottish record at the London Marathon in April 2019 and then finished fourth at the IAAF World Championships in Doha to secure qualification for the Tokyo 2020 Olympic Games.

It was an emotional return for the 28-year-old, who had collapsed with heat exhaustion while leading the marathon at the Gold Coast 2018 Commonwealth Games. Callum said: "It was good to break the record and show what I'm still capable of. Doha was a bit tough as I wanted a medal, but one of my main goals for 2019 was to run quick in London and then do well enough to get pre-selection for Tokyo, so to achieve both took the weight off my shoulders."

One thing that contributed to this double success was the support Callum received from the sportscotland institute of sport, working in collaboration with physical preparation coach Barry Jones.

Callum said: "Before, I probably dipped in and out of strength and conditioning, but Barry made me fully buy into it and it seems to have worked. I'm now in the gym twice a week where possible and I also do a lot through massage and physiotherapy."

Also key was the prevention of a recurring hamstring injury, with the institute again playing a key role. Callum said: "I used to get hamstring issues once a year, so we worked hard to make me more robust. They haven't gone since and I feel stronger, so having a good year of consistent training has made a huge difference."

Callum has qualified and been pre-selected for Tokyo 2020, which is now due to take place in 2021.

#### ***CASE STUDY: KIRKWALL GRAMMAR SCHOOL - CAROLYNN LESLIE, ACTIVE SCHOOLS COORDINATOR***

Sport is now firmly embedded as part of the culture and ethos of Kirkwall Grammar School – and it's all thanks to a commitment to continuous improvement.

The Orkney school was awarded Gold status in sportscotland's National Lottery-funded School Sport Award programme in January 2020, completing its journey through Bronze and Silver to the top of the podium.

In her role as Active Schools Coordinator, Carolynn Leslie works hard to provide more and better opportunities for pupils to participate and progress in sport. Using the School Sport Award structure to continually improve, she worked closely with the PE department at Kirkwall Grammar on the Gold Award application.

Kirkwall native Carolynn, 27, said: "The PE Department decided at the beginning of the academic year, to aim for a Gold Award. Together, we started the application early and news soon spread around the school. We were overwhelmed with the support that we received from management, teachers and school staff".

"Teachers offered to run additional extracurricular clubs, take school trips, organise school sport competitions and more. This increased opportunities for pupils to get involved in sport and physical activity."

In becoming the fourth school in Orkney to achieve the Gold Award, Kirkwall Grammar reaffirmed the commitment to sport that has been established as a priority by the Department of Education at Orkney Islands Council.

Carolynn, who also worked at schools in Moray before returning home, added: "I'm always amazed at the number of pupils who want to take part in sport and physical activity, at school and in the community. It's overwhelming when you think about how much sport goes on in Orkney.

"There's endless opportunities for pupils and adults to get involved in a huge variety of clubs and we have some amazing facilities too."



**WE SUPPORT WELLBEING AND RESILIENCE  
IN COMMUNITIES THROUGH PHYSICAL  
ACTIVITY AND SPORT**



**94%**

of adults and  
children feel  
healthier



**88%**

of children  
have made  
friends



**76%**

of adults  
feel close to  
other people



**69%**

of adults feel  
more involved in  
their community

**CASE STUDY: WELLBEING AMBASSADORS – CHLOE LAWSON**

Chloe Lawson knows first-hand that getting involved with sport can change your life – and is now helping to raise awareness among other young people across Scotland. The 18-year-old from Glasgow is a driving force behind the Wellbeing Ambassadors project, in which 20 volunteers explain to their peers how physical activity can support their mental health and help them become more resilient.

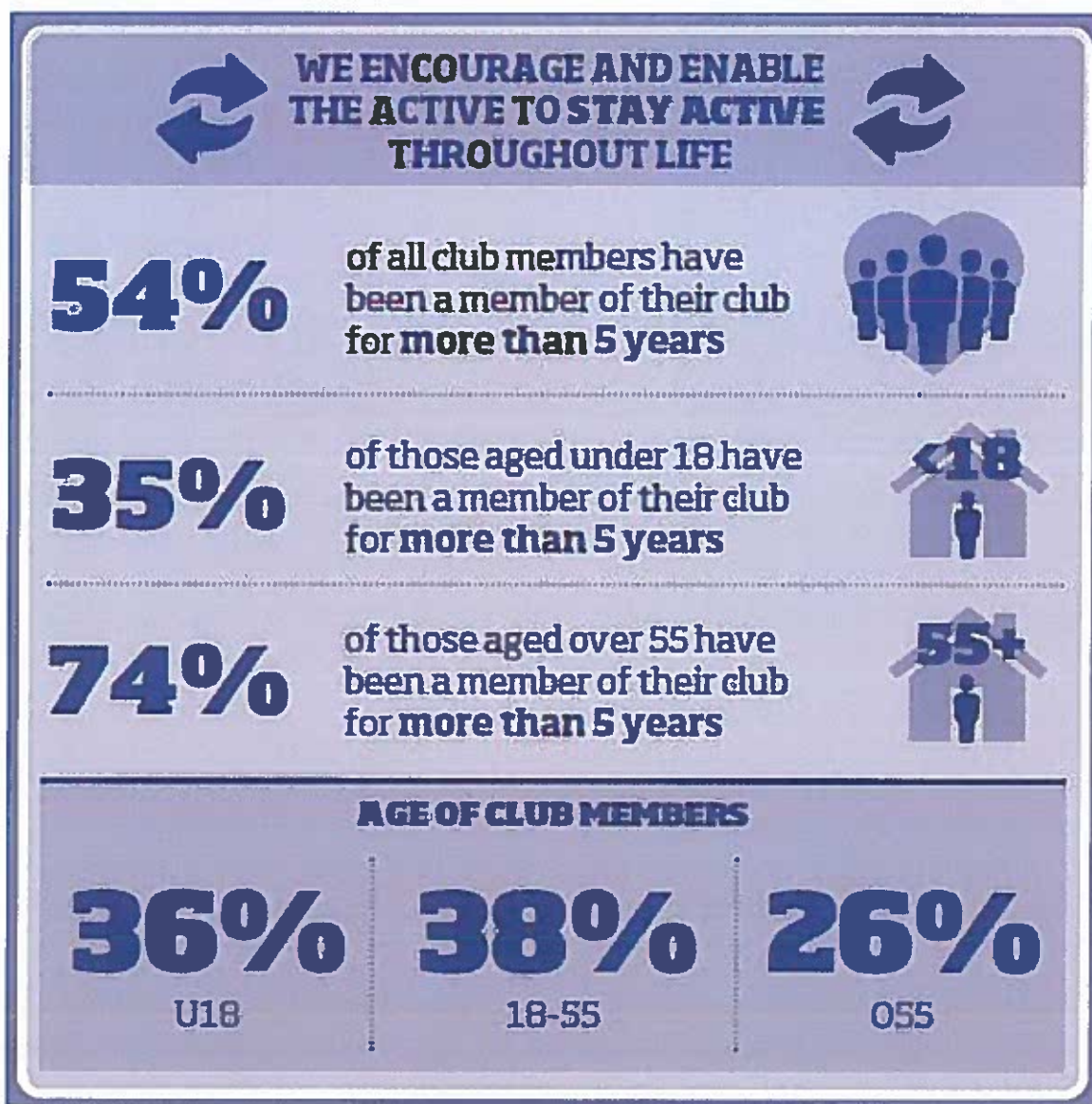
Built around the Shell Twilight initiative, the inclusive project has reached more than 2,300 people in 16 communities around Scotland thanks to the 65 workshops delivered by Chloe and her fellow ambassadors.

Chloe said: "A lot of young people tell us they don't want to open up about mental health because they're scared of being judged. But when they see other young people like us talking about the same things, it really hits home and has a kind of ripple effect. Linking sport with the mental health workshops works really well – the team feeling you get from sport is a huge lift"

The project is a joint initiative between Scottish Sport Futures (SSF) and the Scottish Association for Mental Health (SAMH) and received investment via Changing Lives through Sport and Physical Activity Fund, a partnership with sportscotland, Scottish Government, The Robertson Trust and Spirit of 2012.

Award-winning Chloe, the 2020 SSF Ambassador of the Year, believes that becoming a Wellbeing Ambassador and engaging with SSF for several years has helped with her own self-esteem and resilience.

She said: "I was about 13 when I went to an Active East session with a friend. At the time I was struggling with my mental health, didn't really have many friends and didn't enjoy school. Yet as soon as I walked in, I thought, 'I've finally found something I want to be a part of'. Since then I've grown, become more confident and can manage my own mental health better. I've also got a lot more friends now."



### **CASE STUDY: ST MADDOES ACTIVE SPORT HUB**

In a small purpose-built community centre in Perthshire, a thriving sports hub gives local people the opportunity to take part in sport and physical activity throughout their lives.

The Madoch Centre, set up by St Madoes and Kinfauns Parish Church and home to the St Madoes Active Sports Hub (SMASH), opens its doors in Carse of Gowrie to more than 400 people every week. From pre-school children and their parents to older adults including people with dementia, there is something for everyone - sports on offer include mini-tennis, badminton and netball, seated yoga, social aerobics and Zumba.

Gemma Simpson, community sport hub development officer, said: "What I love about the Madoch Centre is their person-centred approach to physical activity, and the way they create opportunities for taking part no matter your ability, age or stage of life. "It's such a welcoming environment and wonderful to see families in the sensory room, or older people who might just have been in for a cup of tea pick up a table-tennis paddle for a short rally or take part in a chair-based exercise class."

Prior to the hub opening, 40 adults aged 70 and over said they were not participating in organised exercise activities. Now more than 60 participants in this age group are taking part in activity each week. There were 876 sessions in 2019/20 with an average of 11 participants, two-thirds of them female.

Although the hub has received funding for a full-time sports outreach worker, volunteering has been central to its success along with close collaboration between the church, St Madoes Primary School, three local sports clubs and Live Active Leisure.

Twelve volunteers have recently achieved badminton leader awards, 14 completed in-house boccia training, five passed a boccia leader's course and two passed the jog leader course.



**WE IMPROVE OUR  
ACTIVE INFRASTRUCTURE  
- PEOPLE AND PLACES**



**8,301**

people accessing  
**sportscotland**  
learning and  
development  
opportunities



across **27**

projects (external)



**24** **facilities awards**  
**in 2019-20...**

investing  
**£1.23m**

and enabling investment of

**£7.72m**



**CASE STUDY: CHARLOTTE WATSON- HOCKEY PLAYER**

For Scotland and Great Britain hockey striker Charlotte Watson, world class facilities like Dundee's Regional Performance Centre (RPC) help her stay on top of her game.

Having enjoyed high-quality coaching throughout her career, the 22-year-old now has access to sportscotland institute of sport services at the £32 million facility, which opened in 2019. Charlotte uses the RPC when she returns to her home city from Kent, where she currently lives and plays with Holcombe Hockey Club, and she sees it as a vital asset for all performance athletes in Tayside & Fife.

She said: "The RPC is a fantastic facility and I've used it a lot. The whole place is brilliantly kitted out, with plenty of gym racks and other equipment, which means you can train properly. The better the facilities, the more it supports you and helps you improve. It really helps me

keep fit when I come home, using the hall and athletics track for running sessions and in the gym with a coach from the institute.”

Charlotte's journey, which began when she took up the sport aged five at Dundee Wanderers Hockey Club, culminated in a spectacular 2019 season. She gained her 50th cap for Scotland, scored in the Women's FIH Series Finals in Banbridge, received her first call-up for Great Britain and was selected for the provisional GB squad for the Tokyo 2020 Olympic Games which is now due to take place in 2021. The 22-year-old also scored the winning goal for Scotland against Italy in the final of the Women's EuroHockey Championship II in Glasgow.

Charlotte said: "It was an amazing year – I couldn't have imagined everything that happened. It's everyone's dream to go to the Olympics but I never thought I could potentially get picked for Tokyo."





*CASE STUDY: COMMUNITY STRIDES – NASREEN CHOUDHRY*

Mother-of-three Nasreen Choudhry has never looked back since taking part in organised sport for the first time.

It was a gentle nudge from her sister, and a growing feeling that she wanted to improve her physical and mental health, that led her to attend an introductory running session in Dundee. Nasreen, 50, now runs regularly with the Tayside Smilers group and is enjoying the many benefits of being more active.

She recalled: “I had tried gyms, but I found it to be quite a lonely experience. Working full time and with all my family commitments, I found it difficult to get motivated. I wanted to be fitter and to feel like I was part of a group. I think when you’re from an ethnic minority you feel more comfortable going out in pairs or a group”,

“I’d been suffering from an underactive thyroid for five or six years and the weight was coming on. At the end of the day I would feel completely floored. But with the running, I’ve managed to cope better with it.”

Nasreen’s introductory session at the Dundee International Women’s Centre was part of Community Strides – a collaboration between jogscotland and the Scottish Association for Mental Health (SAMH) that supports inactive people across Scotland to become more active.

She admits she was “very apprehensive” ahead of her first run, but the team from jogscotland – the recreational running arm of scottishathletics – provided an inclusive and person-centred environment that put her at ease.

Nasreen added: “The group is amazing. We talk about work and family and children, everything. I can’t praise the ladies enough. I love the social aspect and the feeling that I’ve achieved something for myself.

“I think the best part of being active is that you feel good about yourself. When you’re happy in yourself it has a positive impact on your family life, too.”



**WE DEVELOP PHYSICAL CONFIDENCE  
AND COMPETENCE FROM  
THE EARLIEST AGE**



**People taking part in programmes  
we invest in have grown in  
confidence or learned new skills**



**67%**

feel they have  
become **better**  
at sport or other  
activities



**55%**

feel they have  
learned a  
**new skill**



**59%**

feel more  
**confident** in  
sport or physical  
activity

**CASE STUDY: DEAF FRIENDLY CURLING – SANDRA BLACK**

When Sandra Black first tried curling, little did she know it would prove to be an icebreaker that would help transform her life.

The 52-year-old, who is deaf, tried the sport for the first time through Scottish Curling's British Sign Language (BSL) and D/deaf programme. She was introduced by partner Mike Girdwood, himself a wheelchair curler and coach who is proficient in BSL.

Sandra, from Kirkcaldy in Fife, said: "I hadn't really taken part in any other sports beforehand but I'd been to a few games and competitions with Mike, so I decided to give it a try and see if it was for me. I was nervous when I first stepped on to the ice but I was looking forward to meeting other deaf people and understanding why Mike enjoyed the sport".

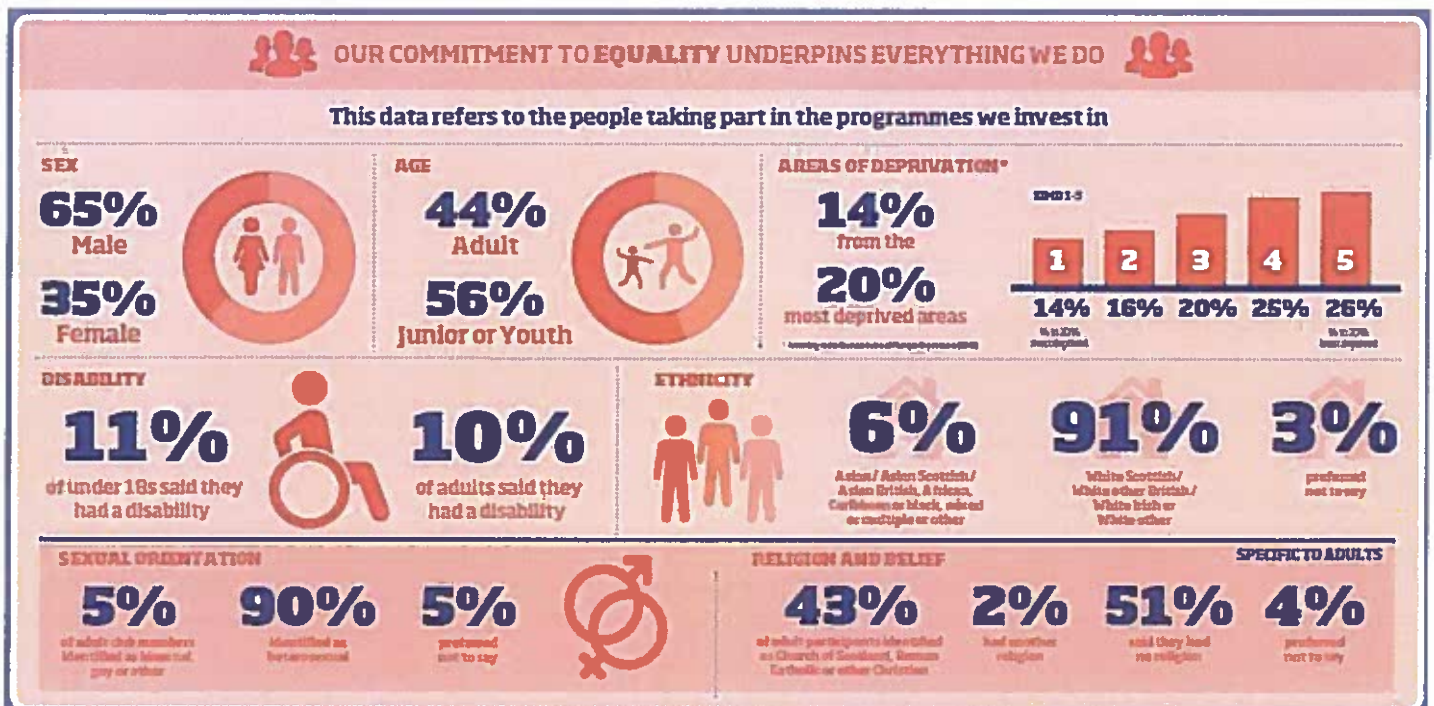
"The first session was just basic, getting to know the ice, the rules and how to use some of the equipment, but I really enjoyed it and couldn't wait for the next session to develop my skills."

Developed by Scottish Curling, the programme is one example of how being inclusive and person-centred can support disabled people, helping develop physical confidence and competence.

Sandra was one of 76 deaf curlers who took part in five sessions at the National Curling Academy in Stirling between October 2019 and March 2020. To help them understand some of the sport's more technical terms, the curlers were taught new BSL signs developed in partnership with Heriot-Watt University.

Sandra added: "I really enjoyed it, my confidence soared, and I was keen to explain to others what I'd learned in such a short space of time. I'd recommend it to everyone, whether they're disabled, deaf or not. It's such a fantastic way to get out of the house, unwind and spend time with friends and learn a new skill."

## Equality breakdown



## Review of the Financial Results for the Year

The accounts relate to the year ended 31 March 2020. Comparative figures are shown for the year to 31 March 2019 relating to **sportscotland** and the Trust Company. During the year **sportscotland** received grant-in-aid of £32,600k (2018-19 £34,900k). A further £5,879k (2018-19 £6,003k) was generated from its own activities, including through the trading operations of the Trust Company.

Of this £19,228k (2018-19 £22,257k) was released for sports development and capital grants, £21,062k (2018-19 £20,903k) was deployed on revenue expenditure and £884k (2018-19 £726k) 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 £7,572k (2018-19 liability of £13,520k). See Note 1.11, Note 15 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 2019-20 the appointed auditors were Audit Scotland.

During 2019-20 no non-audit fees were paid to Audit Scotland.

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

During the year additions to property, plant and equipment amounted to £884k (2018-19 £726k).

### **Research and Development**

During the year **sportscotland** invested £29k (2018-19 £36k) 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 2020 the **sportscotland** Group paid 92% (2018-19 89%) 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; we currently pay all within 20 days.

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

### **Retained Reserves**

Accumulated funds totalling £21,319k (2018-19 £13,921k) 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 2019-20.

### **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 August 2020

# **THE ACCOUNTABILITY REPORT**

## **Corporate Governance Report**

### **Directors Report**

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

The Members of the **sportscotland** Council at 31 March 2020, all of whom have been Members throughout the year, with the exception of those indicated otherwise, 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	(joined 26 June 2019)
S Lindsay	(joined 26 June 2019)
M Munro	(joined 26 June 2019)

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 2019-20 **sportscotland** was required to report a data breach to the Information Commissioner's Office for the first time. The ICO was satisfied with the remedial action taken by **sportscotland** and saw no requirement to take further action.

## **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 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 2019/20.

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 2019/20 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 2018/19, 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 the 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**.

The attendance of the 12 non-executive members who held office during the year of the six meetings of 2019-20 was:

M Young	(6 of 6) (Chair)
D Cameron	(6 of 6)
G Walker	(6 of 6)
F Wood	(6 of 6)
C Bain	(4 of 6)
Prof C Mahoney	(4 of 6)
C Grant	(5 of 6)
S Sandilands	(6 of 6)
K U'ren	(5 of 6)
M Campbell	(4 of 6)
S Lindsay	(6 of 6)
M Munro	(6 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 by the Executive office at least one week before Council meetings.

### **Council Member Committees**

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

Ethics Committee and the Financial Resources Committee, which was established in April 2017.

### **Audit and Risk Committee**

Membership of the Audit and Risk Committee consists of five non-executive Council members. The membership during the 2019-20 financial year is detailed below with their attendance record for the four meetings which took place during the financial year.

The Audit and Risk Committee receives periodic reports from the Internal Auditors concerning internal control and these are reported to the Council. **sportscotland** utilises a professional firm of accountants, BDO LLP, as its internal auditors, who operate to standards defined in the *Government Internal Audit Public Sector Standards*. BDO LLP submits regular reports, which include an independent opinion on the adequacy and effectiveness of **sportscotland's** systems of internal control, together with recommendations for improvement. The contract with BDO LLP ended in 2020 and they were replaced by Scott-Moncrieff.

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

D Cameron	(4 of 4) (Chair)
G Walker	(4 of 4)
Prof C Mahoney	(2 of 4)
C Bain	(2 of 4)
S Lindsay	(2 of 2)

### **Group Remuneration and Succession Planning Committee**

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

The Committee is also responsible for considering the application and impact of the Scottish Government's Public Appointments process for Board members and considering how these can be enhanced by **sportscotland** to ensure that a wide- ranging and diverse talent pool is accessed whenever Board appointments are required.

The Committee met once during 2019-20. 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 2019-20 comprised:

G Walker	(1 of 1) (Chair)
C Grant	(1 of 1)
K U'ren	(1 of 1)
M Campbell	(1 of 1)

### **Group Ethics Committee**

The Group Ethics Committee currently consists of three non-executive Council members and is chaired by the **sportscotland** Chair, Mel Young. The membership during the 2019-20 financial year is detailed below.

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

The Committee will meet according to need and as such it does not have a regular timetable. No meetings were held during 2019-20.

M Young	(Chair)
F Wood	
C Bain	

### **Financial Resources Committee (Disbanded December 2019)**

In recognition of the ongoing pressures on Government finances and the reduction in National Lottery income over the last 3 years, the **sportscotland** Board established a Financial Resources Committee to explore potential additional sources of finance to invest in Scottish sport alternative to those provided by the Scottish Government and the National Lottery. The Committee was made up of four independent non-executive Board members, and two independent Trust Company board members, supported by senior members of the management team.

The Committee considered that it had responded to the original remit set, explored a range of ideas and has now reached its natural conclusion. As such the Committee recommended that it should be disbanded recognising it could be re established in the future if required, the Board supported this decision.

Membership of the Financial Resources Committee during 2019-20 comprised:

M Young (Chair)	(1 of 1)
C Grant	(1 of 1)
K Morrison	(1 of 1)
S Sandilands	(1 of 1)
G Walker	(1 of 1)
P Woodman	(0 of 1)

## **Information Security**

**sportscotland** continues to make incremental improvements to the functionality, security and resilience of its information systems. These improvements will assist the organisation in meeting its aims by enhancing operational effectiveness and ensuring the safety of our information assets.

By implementing many of the controls set out in NCSC's: '10 Steps to Cyber Security' and the Scottish Government's Cyber Resilience Public Sector Action Plan, **sportscotland** has attained Cyber Essentials Plus accreditation for the third year running.

Cloud computing continues to be an essential component of **sportscotland** digital strategy. While the cloud is undoubtedly a great enabling tool, it also comes with its own associated risk, such as unintentional data sharing. To help mitigate this new set of risks, **sportscotland** has extended the functionality of existing Data Loss Prevention software into the cloud by implementing a Cloud Access Security Broker solution.

Information Governance is a key element of Information Security. In recognition of this, **sportscotland** has recruited an Information Governance and Data Protection Officer who will assist in the implementation of best practice around information governance and data protection and help ensure **sportscotland** meets its legal obligations under GDPR.

Two new organisational groups have been formed to support the work of this new role: the Information Governance Steering Group, which includes senior staff and the **sportscotland** Chief Operating Officer; and the Information Governance and Cyber Resilience Group, whose membership is made up of relevant operational staff representatives from across the organisation.

**sportscotland** continues to invest in staff training around Information Security. Mandatory GDPR e-learning has now been followed up by the rollout of classroom based training/workshops around staff responsibilities under GDPR. Cyber resilience awareness training, consisting of video links sent in a monthly email, has been well received and has seen high levels of user engagement.

During 2019-20 **sportscotland** was required to report a data breach to the Information Commissioner's Office for the first time. The ICO was satisfied with the remedial action taken by **sportscotland** and saw no requirement to take further action.

## **Internal Control**

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

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

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

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

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

Throughout 2019-20, **sportscotland's** Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

### **System and process improvements**

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

- the ongoing development of processes and further standard reports for the finance system as well as giving enhanced portal access to budget holders;
- the ongoing implementation of the HR and payroll system;
- the ongoing implementation of regular reviews by the CEO with the Trust Company Centres and the development of associated reporting for management;
- Upgrading of authorisation and payment process for all investment payments and documentation of the system;
- review of IT processes to ensure compliance with Scottish Government cyber resilience requirements; and
- ongoing review and improvement of processes and documentation to ensure ongoing compliance with GDPR.

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

### **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 Programme Board 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 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 will provide the key input to the planned maintenance and replacement work and enable **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.

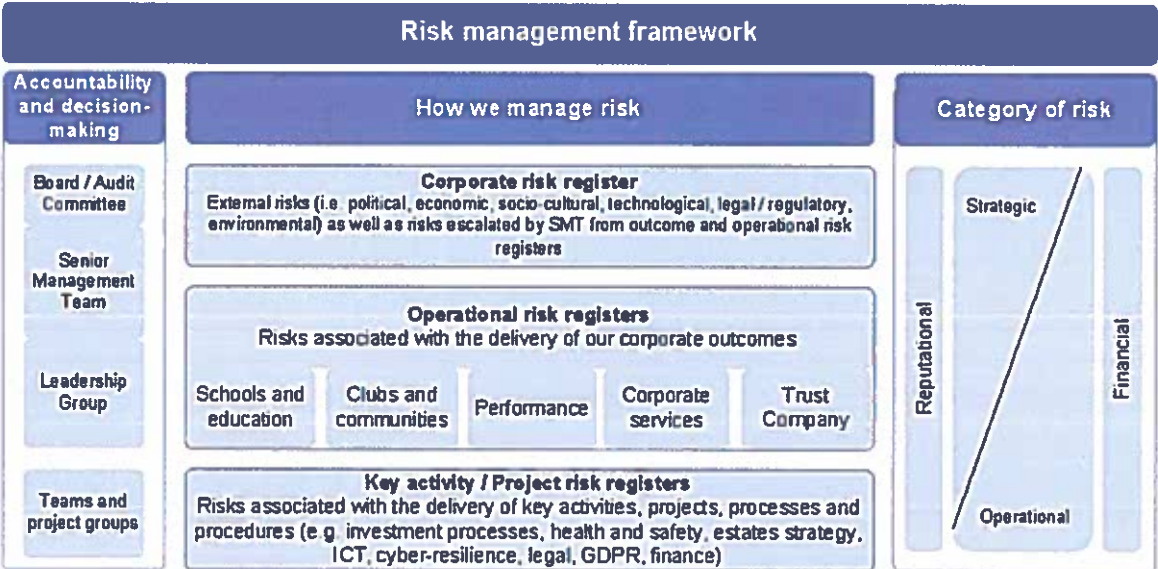
The National Centres' Principal and Head of Centre are responsible for the delivery of the actions as appropriate to their sites in line with the strategy. It is recognised that the delivery of the strategy and associated projects will require a range of appropriately skilled and knowledgeable people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

**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.



Our risk management approach is in line with the structure of our corporate strategy and business plan. It focuses on three aspects of risk:

- **Corporate risks** – Focus on the external environment that affects **sportscotland**. These are normally outside our control, but action can be taken to mitigate the risk. Corporate risks also include risks that have been escalated from the environment risk registers. These are captured in the corporate risk register and managed by the senior management team (SMT), Audit and Risk Committee and **sportscotland** Board.
- **Operational risks** – Focus on the operating environment that affects **sportscotland**. Operational risks challenge our ability to deliver on our corporate strategy outcomes. These are captured in operational risk registers and are managed by the leadership group.
- **Key activity and project risks** – Focus on current, internal operations of **sportscotland**. They are associated with the projects, processes and procedures that deliver outputs. These are captured on risk registers appropriate to the scope and scale of the area of work.

The corporate risk register is reviewed annually by the **sportscotland** Board and the Audit and Risk Committee. The outcomes of these meetings provide control strategies and mitigation for risks rated high. Significant risks are those that are still rated high after mitigating actions have been put in place and these risks are monitored by the Senior Management Team and Board.

Due to delays caused by the Coronavirus (COVID-19) pandemic, the Audit and Risk Committee and **sportscotland** Board reviewed the corporate risk register in June 2020. Five significant risks rated high or very high were agreed and further planned action in relation to COVID-19 were noted. These are shown in table 1.

**Table 1: Significant risks facing sportscotland**

Risk	Mitigation	Further action in relation to Coronavirus (COVID-19)
Failure to deliver high priority and high-profile projects (such as 200 community sport hubs, Active Schools, facilities projects, workforce development and performance sport) adversely affects the reputation of <b>sportscotland</b> .	<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 Winter Olympic/Paralympic and Commonwealth Games (Preventative)</p> <p>2019-21 business plan development process designed to ensure greater scrutiny of operational plans (Preventative)</p>	<p>Formalise our communications with Scottish Government regarding the impact of COVID-19 on delivery (Residual).</p> <p>Review and reset our business plan to focus on priority areas, including reworking our budget. (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>Change in external policies or reduced funding by key stakeholders adversely effects the ability to deliver sportscotland's corporate strategy.</p>	<p>Continue regular dialogue with Government regarding the most appropriate policy for Scottish sport. (Preventative)</p> <p>Continue to gather evidence with partners regarding potential changes to allow appropriate responses to be developed. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>sportscotland's contribution to Active Scotland Outcomes reported through corporate strategy indicators and wider evaluation work (Preventative)</p> <p>Updated Corporate Strategy now more closely aligned with Scottish Government's Active Scotland Outcomes (Preventative)</p> <p>Financial Resources Committee established and development of plans to secure other sources of funding. (Preventative)</p>	<p>Work with all partners to understand the impact on them over a short, medium- and longer-term basis and to support their reinstatement plans (Preventative)</p> <p>Tailor support packages to the needs of our partners and their clubs and communities (Preventative)</p>
<p>Failure of partners to deliver agreed outcomes linked to sportscotland investment due to poor governance or ineffective leadership and management, results in failure to deliver our corporate strategy outcomes</p>	<p>Partnership managers and high-performance managers work closely with SGBs and local authorities to monitor progress and escalate any issues following the risk management process (Preventative)</p> <p>Training programmes, expert resource and development audits in place to guide partners' governance processes (Preventative)</p> <p>Strengthened investment principles and process introduced and reviewed regularly (Preventative)</p>	<p>Work with all partners to understand the impact on them over a short, medium- and longer-term basis and to support their reinstatement plans (Preventative)</p> <p>Tailor support packages to the needs of our partners and their clubs and communities (Preventative)</p>



	<p>Under-performing sports /programmes managed in-house (Preventative and remedial)</p> <p>Specific operational 'mission' programmes used to lead into every major games (e.g. 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 sportscotland corporate and operational child protection policies and practices completed and signed off by SMT, with new policy shared with Children 1st (Preventative)</p>	
<p>Reduced funding challenges local authorities' ability to deliver their plans / outcomes for sport, which may impact on sportscotland's ability to deliver its corporate strategy outcomes.</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community planning activities at local level (Preventative)</p> <p>Partnership managers working with local authorities to produce fully integrated sports development plans. (Preventative)</p> <p>Research undertaken on local authority partners' expenditure in sport to understand impact of reduced funding in sport. (Preventative)</p>	<p>Work with the Convention of Scottish Local Authorities (COSLA), CLUK and individual local authorities and leisure trust leaders to understand and then influence support for the sector. (Preventative / remedial)</p>
<p>Reduced National Lottery income negatively impacts sportscotland's ability to deliver its corporate strategy</p>	<p>Confirmation from Scottish Government of continuation of National Lottery underpin (Preventative and remedial)</p> <p>Maintenance of National Lottery reserves to mitigate against reduced income (Remedial)</p> <p>Continue to ensure that National Lottery funding is profiled as appropriate (Preventative)</p>	<p>Close monitoring of National Lottery income (Preventative)</p> <p>Review and reset our business plan to focus on priority areas, including reworking our budget. (Preventative)</p> <p>Utilise National Lottery balance to support sporting system (Preventative / Remedial)</p>

## **Remuneration and Staff Report**

### **Remuneration policy**

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

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

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

## 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
DIRECTORS		£000's	£000's	£000's	£000's
S Harris	2020	105-110	-	20-22.5	127.5-130
	2019	105-110	-	12.5-15	117.5-120
F Dunlop	2020	75-80		22.5-25.0	102.5-105.0
	2019	n/a	n/a	n/a	n/a
M Roberts	2020	90-95	-	30-32.5	122.5-125
	2019	85-90	-	25-27.5	112.5-115
M Whittingham*	2020	90-95	-	*	*
	2019	85-90	-	*	*
<b>BOARD MEMBERS</b>					
M Young	2020	15-20	-	-	15-20
	2019	15-20	-	-	15-20
D Cameron	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
G Walker	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
F Wood	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
C Bain	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
C Grant	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
S Sandilands	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
K U'ren	2020	0-5	-	-	0-5
	2019	0-5	-	-	0-5
M Campbell	2020	0-5	-	-	0-5
	2019	n/a	n/a	n/a	n/a
S Lindsay	2020	0-5	-	-	0-5
	2019	n/a	n/a	n/a	n/a
M Munro	2020	0-5	-	-	0-5
	2019	n/a	n/a	n/a	n/a

## 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 2020	Cash equivalent transfer value 2019	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)	45-50	110-115	1,074	859	215
F Dunlop	0-2.5	n/a	0-5	n/a	16	n/a	16
M Roberts	0-2.5	0-2.5	15-20	10-15	289	235	54

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 £17k (2018-19, £17k) were made to a defined contribution scheme.

## Fair Pay Disclosure

The median remuneration for **sportscotland's** staff is £35,121(2018-19 - £34,100).

The ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director is 3.08 (2018-19 3.07), as at the reporting period end date

Pay for **sportscotland** employees, excluding the highest paid Director, ranges between £17,893 and £96,854.

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 £171.67 for each meeting attended, along with an £85.84 payment for preparation for a board meeting. Attendance at Committee meetings are paid at the same rate.

**sportscotland** operates a car leasing scheme for essential users. Payments made during 2019-20 were £359k (2018-19 £412k).

**sportscotland** made payments of £22k to consultants during 2019-20 (2018-19 £6k).

## Staff report

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

	Men	Women
<b>Boards</b>	7	5
<b>Directors</b>	4	0
<b>Senior Managers</b>	13	6
<b>Employees</b>	190	160

### Total staff costs comprise

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Wages and salaries	9,694	9,451	6,550	6,296
Social security costs	958	894	680	623
Pension costs	4,357	4,382	3,311	3,295
Aggregate staff costs	15,009	14,727	10,541	10,214

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

We are currently unable to provide an accurate split between permanent, temporary and agency staff, but expect to resolve this in the coming year.

### Reporting of Civil Service and other compensation schemes – exit packages

Exit package band	2020	2020	2020	2019
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	-	-	1
£10,000 - £25,000	-	1	1	-
£25,000 - £50,000	-	3	3	3
>£50,000	-	-	-	-
<b>Total number of exit packages</b>	-	4	4	4
<b>Total resource cost (£000)</b>	-	133	133	108

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

### **Sickness absence rate**

Sickness absence rate during the year was 1.2% (2018-19 0.98%)

### **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.

### **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 processes i.e. Attendance Management, Capability, Disciplinary and Grievance to support our managers in their roles as People Managers. Workshops will be rolled out during 2020/21.

# **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 2019-20 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 2019-20 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	2020
	£000	£000	£000	£000
Course Fees	426	405	1,094	1,925
Hires, Sales & Hospitality	942	59	422	1,423

Course fees represent income from a wide selection of courses, ranging from beginners courses in sailing and mountain skills to key "train the trainer" courses for industry expert qualifications. As a result, the course range and frequency 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 three national centres.

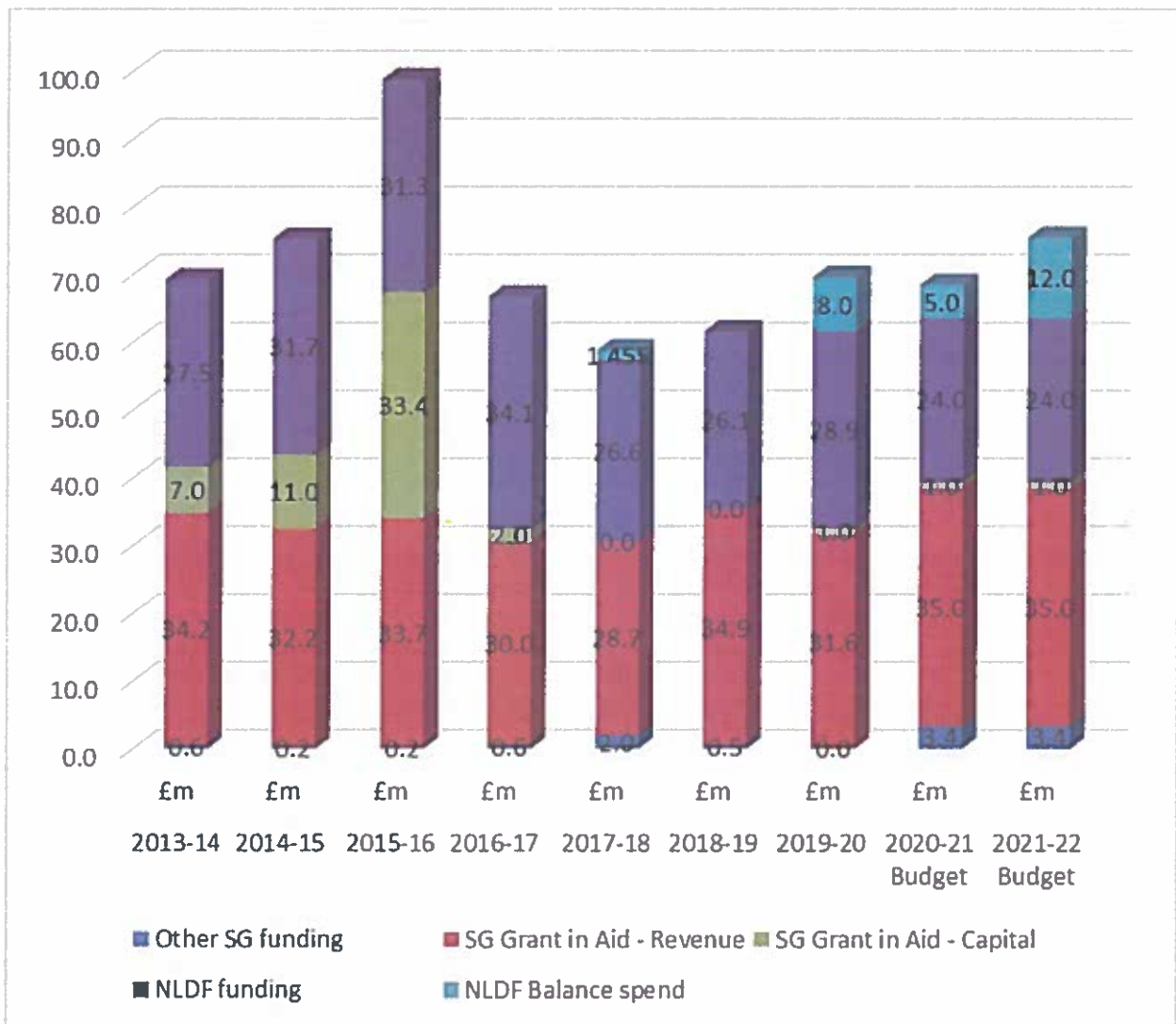
## Contingent Liabilities

No contingent liabilities were recorded as at 31 March 2020.



## 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 7 years, together with the budget for 2020-21 and 2021-22:



Note: SG Funding for 2020-21 is based on a current Grant in Aid letter. SG Funding for 2021-22 will not be known until later in 2020 and so the value for 2020-21 has been used as an indicative amount. NLDF Funding for 2020-21 and 2021-22 is based on 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 August 2020

# 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 Scottish Sports Council (the Council) and its group for the year ended 31 March 2020 under Article 15 of the Royal Charter of the Scottish Sports Council (the Royal Charter). The financial statements comprise the Group Statement of Comprehensive Net Expenditure, the Group Statement of Changes in Taxpayers' Equity, the Group Statement of Financial Position, the Group Statement of Cash Flows, and notes to the accounts, including 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 2019/20 Government Financial Reporting Manual (the 2019/20 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 the affairs of the body and its group as at 31 March 2020 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 2019/20 FReM; and
- have been prepared in accordance with the requirements of Article 15 of the Royal Charter and directions made thereunder by the Scottish Ministers.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 26 January 2018. This is the third uninterrupted year of my appointment. I am independent of the body and its group 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 or its group. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter: Additional uncertainty due to COVID-19

I draw attention to Note 1.3 in the financial statements which describes the effects of material uncertainties caused by COVID-19. My opinion is not modified in respect of these matters.

### **Conclusions relating to going concern basis of accounting**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body and its group has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Risks of material misstatement**

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

### **Responsibilities of the Accountable Officer for the financial statements**

As explained more fully in the Statement of the Accountable Officer 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 and its group'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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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.

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and my independent auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Report on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Report on other requirements**

### **Opinions on matters prescribed by the Auditor General for Scotland**

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.

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.



Carole Grant  
Senior Audit Manager  
Audit Scotland, 4<sup>th</sup> Floor, 8 Nelson Mandela Place, Glasgow, G2 1BT

28 August 2020

**sportscotland**

**Group Statement of Comprehensive Net Expenditure  
for the year ended 31 March 2020**

	Notes	Group		sportscotland	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Income</b>					
Income from Activities	2	3,459	3,721	-	-
Other operating income	2	2,420	2,282	2,239	2,080
		<u>5,879</u>	<u>6,003</u>	<u>2,239</u>	<u>2,080</u>
<b>Expenditure</b>					
Trust Company Funding	3	-	-	4,578	3,824
Sports development and capital grants	3	19,228	22,257	19,228	22,257
Staff costs	4	15,009	14,727	10,541	10,214
Other operating charges	5	6,053	6,176	2,101	1,977
		<u>40,290</u>	<u>43,160</u>	<u>36,448</u>	<u>38,272</u>
<b>Net Expenditure</b>		<b>(34,411)</b>	<b>(37,157)</b>	<b>(34,209)</b>	<b>(36,192)</b>
Interest receivable		31	23	31	23
IAS 19 interest	15	(370)	(201)	(304)	(167)
Gain on disposal of assets		10	-	-	-
<b>Net Expenditure after interest</b>		<b>(34,740)</b>	<b>(37,335)</b>	<b>(34,482)</b>	<b>(36,336)</b>
Corporation tax	20	(6)	(5)	(6)	(5)
<b>Net Expenditure after taxation</b>		<b>(34,746)</b>	<b>(37,340)</b>	<b>(34,488)</b>	<b>(36,341)</b>
<b>Other Comprehensive Income / Expenditure</b>					
Gain/(Loss) on revaluation of assets	6	691	(350)	(417)	(350)
Actuarial gain/(loss)	15	8,853	(4,389)	7,352	(3,654)
		<u>(25,202)</u>	<u>(42,079)</u>	<u>(27,553)</u>	<u>(40,345)</u>
<b>Total Comprehensive Net Expenditure</b>		<b>(25,202)</b>	<b>(42,079)</b>	<b>(27,553)</b>	<b>(40,345)</b>

The notes to the accounts form part of these financial statement

sportscotland

**Group Statement of Changes in Taxpayers' Equity  
for the year ended 31 March 2020**

2020

Group	General Fund	Revaluation reserve	Other Reserve	Pension Reserve	Total
	£,000	£,000	£,000	£,000	£,000
<b>Opening Balance</b>	<b>27,397</b>	-	<b>44</b>	<b>(13,520)</b>	<b>13,921</b>
Net expenditure after taxation	(34,746)	-	-	-	(34,746)
Net gain 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
Revaluation Reserve Adjustment	-	-	-	-	.
<b>Closing Balance</b>	<b>28,891</b>	-	-	<b>(7,572)</b>	<b>21,319</b>

2019

Group	General Fund	Revaluation reserve	Other Reserve	Pension Reserve	Total
	£,000	£,000	£,000	£,000	£,000
<b>Opening Balance</b>	<b>26,198</b>	<b>802</b>	<b>263</b>	<b>(6,163)</b>	<b>21,100</b>
Net expenditure after taxation	(37,340)	-	-	-	(37,340)
Net loss on asset revaluation	(350)	-	-	-	(350)
Remeasurement of Pensions	2,968	-	-	(7,357)	(4,389)
Transfers from reserves	569	(350)	(219)	-	-
Grant in Aid	34,900	-	-	-	34,900
Revaluation Reserve Adjustment	452	(452)	-	-	.
<b>Closing Balance</b>	<b>27,397</b>	-	<b>44</b>	<b>(13,520)</b>	<b>13,921</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>-</b>	<b>(11,125)</b>	<b>(6,659)</b>
Net expenditure after taxation	(34,488)	-	-	(34,488)
Net 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
Revaluation Reserve Adjustment	-	-	-	-
<b>Closing Balance</b>	<b>4,500</b>	<b>-</b>	<b>(6,112)</b>	<b>(1,612)</b>

**2019**

<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>3,080</b>	<b>802</b>	<b>(5,096)</b>	<b>(1,214)</b>
Net expenditure after taxation	(36,341)	-	-	(36,341)
Net loss on asset revaluation	(350)	-	-	(350)
Remeasurement of Pensions	2,375	-	(6,029)	(3,654)
Transfers from reserves	350	(350)	-	-
Grant in Aid	34,900	-	-	34,900
Revaluation Reserve Adjustment	452	(452)	-	-
<b>Closing Balance</b>	<b>4,466</b>	<b>-</b>	<b>(11,125)</b>	<b>(6,659)</b>

The notes to the accounts form part of these financial statements



## Group Statement of Financial Position at 31 March 2020

	Notes	Group		sportscotland	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Non-current assets</b>					
Property, plant and equipment	6	27,471	26,331	830	1,037
Investment property	6	2,190	2,450	2,190	2,450
Intangible Assets	7	11	26	11	26
<b>Total non-current assets</b>		<b>29,672</b>	<b>28,807</b>	<b>3,031</b>	<b>3,513</b>
<b>Current assets</b>					
Inventories	8	32	29	-	-
Trade and other receivables	9	1,180	1,228	1,338	1,260
Cash and cash equivalents	21	1,435	1,427	1,355	1,084
<b>Total current assets</b>		<b>2,647</b>	<b>2,684</b>	<b>2,693</b>	<b>2,344</b>
<b>Total assets</b>		<b>32,319</b>	<b>31,491</b>	<b>5,724</b>	<b>5,857</b>
<b>Current Liabilities</b>					
Trade and other payables	10	(1,853)	(2,296)	(1,103)	(1,273)
<b>Total current Liabilities</b>		<b>(1,853)</b>	<b>(2,296)</b>	<b>(1,103)</b>	<b>(1,273)</b>
<b>Total assets less net current liabilities</b>		<b>30,466</b>	<b>29,195</b>	<b>4,621</b>	<b>4,584</b>
<b>Non-current liabilities</b>					
Creditors over 1 year	10	(1,454)	(1,636)	-	-
Pension liability	15	(7,572)	(13,520)	(6,112)	(11,125)
Provisions	11	(121)	(118)	(121)	(118)
<b>Total non-current liabilities</b>		<b>(9,147)</b>	<b>(15,274)</b>	<b>(6,233)</b>	<b>(11,243)</b>
<b>Assets less liabilities</b>		<b>21,319</b>	<b>13,921</b>	<b>(1,612)</b>	<b>(6,659)</b>
<b>Taxpayers' equity</b>					
General fund excluding pension reserve	13	28,891	27,397	4,500	4,466
Revaluation reserve	12	-	-	-	-
Other reserves	14	-	44	-	-
Pension reserve	15	(7,572)	(13,520)	(6,112)	(11,125)
		<b>21,319</b>	<b>13,921</b>	<b>(1,612)</b>	<b>(6,659)</b>

The Accountable Officer authorised these financial statements for issue on 27 August 2020

*Stewart Harris*

27 August 2020

Stewart Harris  
Chief Executive & Accountable Officer

*Mel Young*

27 August 2020

Mel Young  
Chair

The notes to the accounts form part of these financial statements

**Group Statement of Cash Flows for the year ended 31 March 2020**

	Notes	Group		sportscotland	
		2020 £000	2019 £000	2020 £000	2019 £000
<b>Cash flows from operating activities</b>					
Net operating cost before Scottish Government funding		(34,055)	(37,690)	(34,905)	(36,691)
Adjustment for non-cash items					
IAS 19 adjustments	15	2,905	2,968	2,339	2,375
Depreciation of property, plant and equipment	6	695	707	101	102
Revaluation of property	6	(691)	350	417	350
Impairment of Assets	6	-	-	-	-
Amortisation of intangible fixed assets	7	15	27	15	9
Movements in working capital					
(Increase) / decrease in inventories	8	(3)	132	-	-
(Increase) / decrease in trade and other receivables	9	48	(370)	(78)	(517)
Increase / (decrease) in trade payables	10	(625)	(243)	(170)	(522)
Movements in provisions					
Increase/ (decrease) in provisions	11	3	3	3	3
Net cash outflow from operating activities		(31,708)	(34,116)	(32,278)	(34,891)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	6	(884)	(726)	(51)	(11)
Purchase of intangible assets	7	-	(17)	-	(17)
Net cash outflow from investing activities		(884)	(743)	(51)	(28)
Scottish Government funding for year		32,600	34,900	32,600	34,900
Net increase /(decrease) in cash and cash equivalents	16	8	41	271	(19)
Cash and cash equivalents as at 1 April 2019		1,427	1,386	1,084	1,103
Cash and cash equivalents as at 31 March 2020		1,435	1,427	1,355	1,084

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 2019.

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 2020/21 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 15 provides further information on the net pension liability.

## Notes to the accounts (cont'd)

**Property Valuations** - At 31 March 2020 the Land and Buildings (Note 6.2) and Investment Properties (Note 6.5) were valued by the District Valuer Services (DVS). The valuation report included the following remark "*Please note that uncertain market and financial conditions mean that this valuation carries a high degree of subjectivity leading to a greater than normal range of uncertainty owing to the impact of the COVID-19 pandemic*". The valuation report has been used to inform the measurement of assets in these financial statements. Although the valuer has included the above remark, the valuer has continued to exercise professional judgement in preparing the valuation and, therefore, asset values at 31 March 2020 can be relied upon.

**Trust Going Concern** - The auditors of the Trust Company have drawn attention to the going concern disclosures at Note 2b of the Trust Company accounts. The disclosure outlines the ongoing support from sportscotland however it also highlights the additional uncertainty due to the financial impact of closing the national performance centres as part of the public health response to the COVID-19 pandemic. A budget has been approved for the Trust Company for the year ended 31 March 2021 and, as detailed in note 3.1, sportscotland has a funding agreement in place with the Scottish Government and have therefore considered it appropriate to adopt a going concern basis for the preparation of these financial statements.

### 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 in the following year, that income is deferred.

### 1.5 Property, plant and equipment and depreciation

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 Valuation Office Agency. 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.

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.

## Notes to the accounts (cont'd)

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.

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

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

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.

## **Notes to the accounts (cont'd)**

### **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).

#### **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.

### **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 in the following year as noted below.

#### IFRS 16 Leases

1. IFRS 16 Leases will replace IAS17 Leases and related interpretations. The effective date is 1 January 2021 and will be applied in UK Public Sector from 1 April 2021, therefore financial year 2021/22.
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:

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Course fees	1,925	2,202	-	-
Hires, sales and hospitality	1,423	1,367	-	-
Other income	111	152	-	-
	<u>3,459</u>	<u>3,721</u>	<u>-</u>	<u>-</u>

#### 2.2 Other operating income comprises:

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Rental income	220	222	220	222
High performance income (UK Sport)	1,926	1,704	1,926	1,704
Donations	181	202	-	-
Grants Repaid	40	149	40	149
Miscellaneous income	53	5	53	5
	<u>2,420</u>	<u>2,282</u>	<u>2,239</u>	<u>2,080</u>

### 3 Grants paid

#### 3.1 Sports development

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Annually paid grants				
Schools & Education	12,081	12,253	12,081	12,253
Clubs & Communities	4,056	4,616	4,056	4,616
Performance	3,051	3,388	3,051	3,388
Trust Company Funding	-	-	3,770	3,334
	<u>19,188</u>	<u>20,257</u>	<u>22,958</u>	<u>23,591</u>

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	
	2020	2019	2020	2019
	£000	£000	£000	£000
National, including competition and training	40	2,000	40	2,000
Trust Company Funding	-	-	808	490
<b>Total Grants</b>	<b>40</b>	<b>2,000</b>	<b>848</b>	<b>2,490</b>
<b>Total revenue and capital grants</b>	<b>19,228</b>	<b>22,257</b>	<b>23,806</b>	<b>26,081</b>

### 3.3 Trust Company Funding

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Revenue	-	-	3,770	3,334
Capital	-	-	808	490
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,578</b>	<b>3,824</b>

## 4 Staff costs

### 4.1 Total staff costs comprise

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Wages and salaries	9,694	9,451	6,550	6,296
Social security costs	958	894	680	623
Pension costs	1,822	1,615	1,276	1,087
IAS19 Adjustment	2,535	2,767	2,035	2,208
<b>Aggregate staff costs</b>	<b>15,009</b>	<b>14,727</b>	<b>10,541</b>	<b>10,214</b>

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

The aggregate staff costs cover the following areas:

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Sports Development	13,727	13,645	9,259	9,132
Management and Support Services	968	817	968	817
Information Services	314	265	314	265
	<b>15,009</b>	<b>14,727</b>	<b>10,541</b>	<b>10,214</b>

## 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	
	2020 Numbers	2019 Numbers
sportscotland	174	165
Trust Company	138	145
	315	310

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

## 5 Other operating charges

Operating result after charging

	<u>Group</u>		<u>sportscotland</u>	
	<u>2020</u> <u>£000</u>	<u>2019</u> <u>£000</u>	<u>2020</u> <u>£000</u>	<u>2019</u> <u>£000</u>
General operating costs	3,702	3,927	999	957
Travel and subsistence:				
Members of Council	3	3	3	3
Staff	148	97	148	97
Research	29	36	29	36
Accommodation costs	928	869	367	357
Auditors' remuneration – External	37	37	27	27
Auditors' remuneration – Internal	21	10	21	10
Operating lease rentals:				
Land & Buildings	161	187	161	187
Vehicles	272	235	230	192
Other Equipment	42	41	-	-
Depreciation of property, plant and equipment	695	707	101	102
Impairment of assets	-	-	-	-
Amortisation of intangible assets	15	27	15	9
	6,053	6,176	2,101	1,977

## Notes to the accounts (cont'd)

### 6 Property, Plant & Equipment

#### 6.1 Group

2020	Land £000	Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	£
Cost/valuation at 1 April 2019	180	26,419	389	87	2
Additions to 31 March 2020	-	428	143	-	2
Transfers	-	532	(532)	-	-
Revaluation	(40)	(489)	-	-	-
Disposals to 31 March 2020	-	-	-	-	(
Cost/valuation at 31 March 2020	140	26,890	-	87	2
Aggregate depreciation at 1 April 2019	-	975	-	87	2
Charge for the year	-	505	-	-	1
Revaluation	-	(1,480)	-	-	-
Disposals to 31 March 2020	-	-	-	-	(
Aggregate depreciation at 31 March 2020	-	-	-	87	2
Net Book Value at 31 March 2020	140	26,890	-	-	3
Net Book Value at 31 March 2019	180	25,444	389	-	2

## Notes to the accounts (cont'd)

2019	Land £000	Buildings £000	Assets Under Construction £000	Fixtures and Fittings £000	£ £
Cost/valuation at 1 April 2018	180	25,841	313	87	2
Additions to 31 March 2019	-	578	76	-	1
Revaluation	-	-	-	-	-
Disposals to 31 March 2019	-	-	-	-	(
Cost/valuation at 31 March 2019	180	26,419	389	87	2
Aggregate depreciation at 1 April 2018	-	481	-	87	1
Charge for the year	-	494	-	-	2
Revaluation	-	-	-	-	-
Disposals to 31 March 2019	-	-	-	-	(
Aggregate depreciation at 31 March 2019	-	975	-	87	2
Net Book Value at 31 March 2019	180	25,444	389	-	2
Net Book Value at 31 March 2018	180	25,360	313	-	4

## Notes to the accounts (cont'd)

### 6.2 sportscotland

2020	Land £000	Buildings £000	Fixtures & Fittings £000	Equipment £000
Cost/Valuation at 1 April 2019	180	720	13	1,192
Additions to 31 March 2020	-	-	-	51
Revaluation	(40)	(160)	-	-
Disposals to 31 March 2020	-	-	-	(59)
Cost at 31 March 2020	<u>140</u>	<u>560</u>	<u>13</u>	<u>1,184</u>
Aggregate Depreciation at 1 April 2019	-	32	13	1,023
Charge for period to 31 March 2020	-	11	-	90
Revaluation	-	(43)	-	-
Disposals	-	-	-	(59)
Aggregate Depreciation at 31 March 2020	<u>-</u>	<u>-</u>	<u>13</u>	<u>1,054</u>
Net Book Value at 31 March 2020	<u>140</u>	<u>560</u>	<u>-</u>	<u>130</u>
Net Book Value at 31 March 2019	<u>180</u>	<u>688</u>	<u>-</u>	<u>169</u>

## Notes to the accounts (cont'd)

2019	Land £000	Buildings £000	Fixtures & Fittings £000	Equipm £000
Cost/Valuation at 1 April 2018	180	720	13	1,23
Additions to 31 March 2019	-	-	-	11
Revaluation	-	-	-	-
Disposals to 31 March 2019	-	-	-	(51)
Cost at 31 March 2019	<u>180</u>	<u>720</u>	<u>13</u>	<u>1,19</u>
Aggregate Depreciation at 1 April 2018	-	16	13	988
Charge for period to 31 March 2019	-	16	-	86
Disposals	-	-	-	(51)
Aggregate Depreciation at 31 March 2019	<u>-</u>	<u>32</u>	<u>13</u>	<u>1,02</u>
Net Book Value at 31 March 2019	<u>180</u>	<u>688</u>	<u>-</u>	<u>169</u>
Net Book Value at 31 March 2018	180	704	-	244

Under International Accounting Standard 40: *Investment Property*, elements of Caledonia House in E investment property.

## Notes to the accounts (cont'd)

**6.3** 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.

### **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 2020 **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.

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	2,190	2,190
<hr/>		
2019	Group	<b>sportscotland</b>
	£000	£000
Market value as at 1 April 2018	2,800	2,800
Revaluation	(350)	(350)
Market value as at 31 March 2019	2,450	2,450
<hr/>		

### **6.5 Revaluation Summary**

	Group	<b>sportscotland</b>	Trust Co
	£000	£000	£000
<b>2020</b>			
Land & Buildings	951	(157)	1,108
Investment Property	(260)	(260)	-
<b>Total</b>	691	(417)	1,108
<b>2019</b>			
Land & Buildings	-	-	-
Investment Property	(350)	(350)	-
<b>Total</b>	(350)	(350)	-

## Notes to the accounts (cont'd)

### 7 Intangible Assets

Computer software	Group		sportscotland	
	2020 £000	2019 £000	2020 £000	2019 £000
<b>Cost</b>				
Opening balance 1 April 2019	509	492	436	419
Additions during year	-	17	-	17
Disposals during year	-	-	-	-
Closing balance 31 March 2020	509	509	436	436
<b>Accumulated amortisation</b>				
Opening balance 1 April 2019	483	456	410	401
Charge for year	15	27	15	9
Eliminated on disposal	-	-	-	-
Closing balance 31 March 2020	498	483	425	410
Net book value at 31 March 2020	11	26	11	26
Net book value at 31 March 2019	26	36	26	18

### 8 Inventories

	Group		sportscotland	
	2020 £000	2019 £000	2020 £000	2019 £000
Goods held for resale	20	20	-	-
Consumable stores	12	9	-	-
	32	29	-	-

### 9 Trade and other receivables

	Group		sportscotland	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade debtors	196	124	119	37
sportscotland Lottery Fund	431	555	431	555
Other debtors	246	157	528	333
Prepayments and accrued income	307	392	260	335
	1,180	1,228	1,338	1,260



## Notes to the accounts (cont'd)

### Breakdown of Debtors by Category

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Other Central Government Bodies	11	7	-	-
Local Authorities	39	45	-	-
NHS Bodies	-	-	-	-
Public Corporations and Trading Funds	-	-	-	-
Other External Bodies	1,130	1,176	1,338	1,260
<b>Total</b>	<b>1,180</b>	<b>1,228</b>	<b>1,338</b>	<b>1,260</b>

### 10 Trade and other payables

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
<b>Less than one year</b>				
Trade creditors	224	290	80	52
Other taxation and social security	354	616	354	616
Other creditors	37	12	37	12
Accruals	1,238	1,378	632	593
	<b>1,853</b>	<b>2,296</b>	<b>1,103</b>	<b>1,273</b>

### Breakdown by Category

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Other Central Government Bodies	436	643	436	643
Local Authorities	182	182	-	-
NHS Bodies	-	-	-	-
Public Corporations and Trading Funds	-	-	-	-
Other External Bodies	1,235	1,471	667	630
<b>Total</b>	<b>1,853</b>	<b>2,296</b>	<b>1,103</b>	<b>1,273</b>

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
<b>Greater than one year</b>				
Other creditors	1,454	1,636	-	-
	<b>1,454</b>	<b>1,636</b>	<b>-</b>	<b>-</b>

### Breakdown by Category

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Local Authorities	1,454	1,636	-	-
<b>Total</b>	<b>1,454</b>	<b>1,636</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		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Balance at 1 April	118	115	118	115
Amount provided for during year	3	3	3	3
Balance at 31 March	121	118	121	118

The provision is for dilapidation on rental property.

## 12 Revaluation reserve

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Balance at 1 April	-	802	-	802
Revaluation Reserve Review (Deficit)/Surplus on revaluation of property.	-	(452)	-	(452)
Balance at 31 March	-	(350)	-	(350)

## Notes to the accounts (cont'd)

### 13 General fund

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Balance at 1 April	13,877	20,035	(6,659)	(2,016)
Net operating cost	(34,055)	(37,690)	(34,905)	(36,691)
Actuarial (Loss) /Gain on Defined benefit pension Scheme	8,853	(4,389)	7,352	(3,654)
Release from revaluation reserve	-	350	-	350
Funding: Grant-in-Aid - Capital	1,000	-	1,000	-
- Revenue	31,600	34,900	31,600	34,900
Funding: Other grants from Scottish Government	-	-	-	-
Transfer from (to) other Reserves	44	671	-	452
Balance at 31 March	21,319	13,877	(1,612)	(6,659)
Pension reserve balance	7,572	13,520	6,112	11,125
General fund balance	28,891	27,397	4,500	4,466

### 14 Other Reserves

There were restricted reserves brought forward of £44k, relating to donations received for capital projects at Inverclyde. These were utilised within the current year.

### 15 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% (2018/19 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 £12k (2018/19 £9k) and SPF £1,772k (2018/19 £1,558k).

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 (2018/19 £103k).

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 2017. 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 2019/20 was 70% (2018/19: 66%) with the balance, 30%, (2018/19: 34%) going to the **sportscotland** Lottery Fund.

### 15.1 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.

### 15.2 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 2020	31 March 2019	31 March 2018
Rate of increase in salaries	2.9%	3.6%	3.5%
Rate of increase in pensions in payment and deferred pensions	1.8%	2.4%	2.3%
Discount rate applied to scheme liabilities	2.3%	2.5%	2.7%
Inflation assumption	1.8%	2.4%	2.3%

## Notes to the accounts (cont'd)

### 15.3 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 2020	Approximate % Increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	12,033
0.5% increase in the Salary Increase Rate	3%	2,249
0.5% Increase in the Pension Increase Rate	11%	9,608

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 2020 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.

### 15.4 Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate 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	20.7 years	22.9 years
Future Pensioners	22.2 years	24.6 years

## Notes to the accounts (cont'd)

### 15.5 Fair value of employer assets

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

Asset Category	31 March 2020				31 March 2019			
	Quoted Prices in Active Markets £(000s)	Prices not quoted Prices in Active Markets £(000s)	Total £(000s)	%	Quoted Prices in Active Markets £(000s)	Prices not quoted Prices in Active Markets £(000s)	Total £(000s)	%
<b>Equity Securities:</b>								
Consumer	5,183	14	5,197	6%	5,284	15	5,299	6%
Manufacturing	4,199	14	4,213	5%	4,281	13	4,294	5%
Energy & Utilities	1,082	-	1,082	1%	1,103	-	1,103	1%
Financial Institutions	3,489	-	3,489	4%	3,557	-	3,557	4%
Health & Care	2,051	21	2,071	3%	2,089	21	2,110	3%
Information Technology	2,668	1	2,669	3%	2,719	1	2,720	3%
Other	-	-	-	0%	-	-	-	0%
<b>Debt Securities</b>	<b>2,540</b>	<b>-</b>	<b>2,540</b>	<b>3%</b>	<b>2,589</b>	<b>-</b>	<b>2,589</b>	<b>3%</b>
<b>Private Equity:</b>								
All	-	9,672	9,672	12%	-	9,859	9,859	12%
<b>Real Estate:</b>								
UK Property	-	7,328	7,328	9%	-	7,470	7,470	9%
<b>Investment funds and unit trusts:</b>								
Equities	22,988	1,992	24,980	31%	23,433	2,031	25,464	31%
Bonds	3,539	5,831	9,370	12%	3,608	5,944	9,552	12%
Commodities	41	-	41	0%	41	-	41	0%
Other	-	104	104	0%	-	106	106	0%
<b>Derivatives:</b>								
Foreign exchange	-	-	-	0%	-	-	-	0%
Other	1	-	1	0%	2	-	2	0%
<b>Cash and cash equivalents:</b>								
All	4,166	4,016	8,182	10%	4,247	4,094	8,341	10%
<b>Total</b>	<b>51,946</b>	<b>28,993</b>	<b>80,939</b>	<b>100%</b>	<b>52,953</b>	<b>29,554</b>	<b>82,507</b>	<b>100%</b>

### 15.6 Reconciliation of defined benefit obligation

Year Ended:	31 Mar 2020	31 Mar 2019
	£000	£000
Opening Defined Benefit Obligation	96,027	82,188
Current Service Cost	4,825	4,882
Interest Cost	2,457	2,280
Contributions by Members	785	736
Actuarial Losses / (Gains)	(14,482)	6,886
Estimated Unfunded Benefits Paid	(25)	(24)
Estimated Benefits Paid	(1,076)	(921)
Closing Defined Benefit Obligation	88,511	96,027

## Notes to the accounts (cont'd)

### 15.7 Reconciliation of fair value of employer assets

Year Ended:

	31 Mar 2020 £000	31 Mar 2019 £000
Opening Fair Value of Employer Assets	82,507	76,025
Expected Return on Assets	2,087	2,077
Contributions by Members	785	736
Contributions by the Employer	2,265	2,093
Contributions in respect of Unfunded Benefits	25	24
Actuarial Gains/(Losses)	(5,629)	2,497
Estimated Unfunded Benefits Paid	(25)	(24)
Estimated Benefits Paid	(1,076)	(921)
Closing Fair Value of Employer Assets	80,939	82,507
<b>Net pension liability</b>	<b>(7,572)</b>	<b>(13,520)</b>

### 15.8 Fund History

	31 March 2016 £000	31 March 2017 £000	31 March 2018 £000	31 March 2019 £000	31 March 2020 £000
Present value of liabilities	(61,649)	(87,060)	(82,188)	(96,027)	(88,511)
Fair Value of Assets	55,673	70,642	76,025	82,507	80,939
Surplus/(Deficit) in the Fund	(5,976)	(16,418)	(6,163)	(13,520)	(7,572)
Unfunded liabilities included in the figure for the Present value of liabilities					
Unfunded liabilities for Pension Fund	(331)	(346)	(332)	(336)	(286)

The liabilities show the underlying commitments that sportscotland has in the long run to pay post-employment (retirement) benefit

### 15.9 Analysis of amounts included in Statement of Comprehensive Net Expenditure

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Expected return on pension scheme assets	2,087	2,077	1,750	1,745
Interest on pension scheme liabilities	(2,457)	(2,278)	(2,054)	(1,912)
Net Return	(370)	(201)	(304)	(167)

## Notes to the accounts (cont'd)

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

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Current service cost	4,825	4,884	3,885	3,918
Contribution by employers	(2,265)	(2,093)	(1,825)	(1,686)
Contributions in respect of unfunded benefits	(25)	(24)	(25)	(24)
	2,535	2,767	2,035	2,208
Interest charged to Group Statement of Comprehensive Net Expenditure	370	201	304	167
Net Change in Cash Flows	2,905	2,968	2,339	2,375

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

	Group 2020 £000	2019 £000	sportscotland 2020 £000	2019 £000
Actual return less expected return on scheme assets	(5,629)	2,497	(4,720)	2,097
Experience gains and losses arising on scheme liabilities	420	(16)	420	(16)
Changes in assumptions underlying present value of scheme liabilities	14,062	(6,870)	11,652	(5,735)
Actuarial (loss)/gain recognised in statement of changes in taxpayers' equity	8,853	(4,389)	7,352	(3,654)

### 15.12 History of Experience Gains and Losses

	31 March 2016 %	31 March 2017 %	31 March 2018 %	31 March 2019 %	31 March 2020 %
Experience gains/(losses) on assets	(0.7)	15.7	3.4	3.0	(7.0)
Experience gains/(losses) on liabilities	1.4	0.0	(5.8)	(0.0)	(0.5)



## Notes to the accounts (cont'd)

### 15.13 Movement in deficit during the year

	Group		sportscotland	
	2020 £000	2019 £000	2020 £000	2019 £000
Deficit in scheme at beginning of year	(13,520)	(6,163)	(11,125)	(5,096)
Current service cost	(4,825)	(3,949)	(3,885)	(3,171)
Past service cost	-	(935)	-	(747)
Contributions paid	2,265	2,093	1,825	1,686
Contributions in Respect of Unfunded Benefits	25	24	25	24
Net Return on Assets	(370)	(201)	(304)	(167)
Actuarial (loss)/ gain	8,853	(4,389)	7,352	(3,654)
Deficit in the scheme at end of year	<u>(7,572)</u>	<u>(13,520)</u>	<u>(6,112)</u>	<u>(11,125)</u>
The deficit is made up as follows				
sportscotland	(6,112)	(11,125)		
sportscotland Trust Company	(1,460)	(2,395)		
	<u>(7,572)</u>	<u>(13,520)</u>		

It is estimated that employer's contributions required for the year to 31 March 2021 will be £2,265k.

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

	Group		sportscotland	
	2020 £000	2019 £000	2020 £000	2019 £000
Cash and bank balance at 1 April	1,427	1,386	1,084	1,103
Net cash inflow/(outflow)	8	41	271	(19)
Cash and bank balance at 31 March	<u>1,435</u>	<u>1,427</u>	<u>1,355</u>	<u>1,084</u>

### 17 Capital and grant commitments

#### Capital

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

#### 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 £49,425k (2019-20 £54,759k).

## Notes to the accounts (cont'd)

### 18 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 £808k, revenue funding of £3,475k, and support from corporate services of £295k.

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

During the year the **sportscotland** Lottery Fund had a number of material transactions with **sportscotland**. At the year end, within debtors there is an amount of £431k (2019: £555k) owed by **sportscotland** Lottery Fund. During the year **sportscotland** recharged salaries of £4,104k (2019: £3,967k).

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)

### 19 Financial commitments

At 31 March 2020 the Group had annual commitments under non-cancellable operating leases as follows:

	Group		sportscotland	
	2020	2019	2020	2019
	£000	£000	£000	£000
Operating leases which expire				
Within one year	492	520	432	467
Two to five years	1,126	1,106	1,030	985
Over five years	205	299	205	299
Total	1,823	1,925	1,667	1,751

### 20 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	
	2020	2019	2020	2019
	£000	£000	£000	£000
Corporation Tax	6	5	6	5

### 21 Bank and cash in hand

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

	Group	
	2020	2019
	£000	£000
sportscotland	1,355	1,084
Scottish Sports Council Trust Company	80	343
	1,435	1,427

### 22 Losses

sportscotland had no write-offs during the year (2019 £nil).

## **Notes to the accounts (cont'd)**

### **23 Events Since the Statement of Financial Position Date**

Following on from an extensive, detailed business review, the Board took the decision to discontinue operations at Cumbrae from 30 September 2020 and close the centre.

In the short term there will be costs associated with the closure of the Facility and the redeployment of staff. In the longer term there will be a reduction in the annual **sportscotland** investment in the Trust Company. The exact nature of these costs and savings cannot be estimated at the time the financial statements are to be authorised.

### **24 Contingent Liabilities**

As at the date of signing, **sportscotland** had one contingent liability, (2019 One).

In January 2018, the UK Government published its response to the indexation and equalisation of Guaranteed Minimum Pension (GMP) in public sector pension schemes. The UK Government has concluded that there should be an extension to the current interim solution so that it applies to those who reach State Pension age on or before 5 April 2021. There remains uncertainty around the long term solution, and in the event that any additional liability arises in due course, it would be expected that this will be treated as a past service cost and included in the actuarial assessment of the pension scheme liabilities.

## 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 (FR&M) 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

