



SPORTSCOTLAND

ACCOUNTS DIRECTION BY THE SCOTTISH MINISTERS

The Scottish Ministers, in pursuance of section 35(3) of the National Lottery etc Act 1993, hereby give the following direction.

1. **sportscotland** shall prepare accounts for the financial year ended 31 March 2015 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared as well as any other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
2. The accounts shall be prepared so as to:
 - (a) Give a true and fair view of the financial position as at 31 March 2015 and subsequent financial year-ends, and of the comprehensive income and expenditure, cash flows for the financial year then ended; and
 - (b) Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
 - (c) Follow the additional accounting and disclosure requirements set out in Annex A.
3. This Direction applies to the Lottery distribution activities of **sportscotland**. The direction given in April 2010 is revoked.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. Any material departure from the FReM should be discussed with HM Treasury.

Signed by the authority of the Scottish Ministers

Richard Foggo, Deputy Director and Head of Active Scotland Division,

The Scottish Government

July 2015

I agree, signed on behalf of the Secretary of State for Culture, Media and Sport

A handwritten signature in black ink, appearing to read 'Peter Mills', written in a cursive style.

Peter Mills

Date 27 July 2015

Head of Finance Special Projects

Department for Culture, Media and Sport

ADDITIONAL ACCOUNTING AND DISCLOSURE REQUIREMENTS

The following paragraphs detail the additional requirements as agreed by Scottish Ministers, the Secretary of State for Culture, Media and Sport and **sportscotland**, over and above those disclosures required in the *FReM*.

1. The **Statement of Net Comprehensive Income/Expenditure** shall include as separate items, where material:
 - a. the share of Lottery proceeds attributable to **sportscotland**;
 - b. the share of investment income of the National Lottery Distribution Fund attributable to **sportscotland**;
 - c. interest receivable on lottery funds;
 - d. repayment of grants;
 - e. any other income;
 - f. grant made from lottery funds;
 - g. lapsed or revoked grant previously recorded as commitments from lottery funds;
 - h. the total operating costs incurred in respect of National Lottery distribution activities.

2. The **Statement of Financial Position** shall include:
 - a. under the heading "Current assets": shown as an investment, the balance held on behalf of **sportscotland** at the National Lottery Distribution Fund;
 - b. Grants falling due for payment within one year should be disclosed separately under the heading "Current Liabilities".
 - c. Grants falling due for payment after more than one year should be separately disclosed under the heading "Non current liabilities"

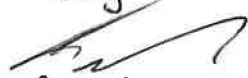
3. The **Cash Flow Statement** shall use the indirect method when presenting "Cash flow from Operating Activities";

4. The **Notes to the Accounts** should meet the requirements of the *FReM* and include:

- a. a statement that the Accounts have been prepared in a form directed by the Scottish Ministers and with the consent of the Secretary of State for Culture, Media and Sport in accordance with Section 35(3) of the National Lottery etc. Act 1993;
- b. a statement of the accounting policies. This must include a statement explaining the nature of the balances held on **sportscotland's** behalf in the National Lottery Distribution Fund as follows:

*"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media & Sport. However, the share of these balances attributable to **sportscotland** is as shown in the Accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by **sportscotland** in respect of current and future commitments."*

- c. the value of grant commitments at the year-end which **sportscotland** has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date;
- d. where grants exceed available resources as shown in the Statement of Financial Position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.
- e. a note reconciling the opening and closing balance of investments held at the NLDF. This should disclose proceeds received from the National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF
- f. a breakdown of the total grant liabilities (current and non current) in the Statement of Financial Position to show:
 - Liability brought forward
 - Commitments in the year
 - Decommitments
 - Commitments paid
 - Liability carried forward
 - A breakdown of the liability for each year up to and including 5 years and over 5 years

July 2015

Roma Mill