

The Scottish Sports Council Trust Company
Annual Report and Financial Statements
For the year ended 31 March 2018

Registered Number SC137068
Charity Number SC020175
Limited By Guarantee

**THE SCOTTISH SPORTS COUNCIL TRUST COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
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THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

CHAIR'S REPORT

sportscotland's mission is to build a world class sporting system for everyone in Scotland, demonstrating our aspiration and ambition to be the best we can be at all levels in sport. We drive this ambition by focusing on continuous improvement and measuring progress as we develop and support the system.

As a wholly owned subsidiary of **sportscotland**, the Trust Company shares this ambition and the national centres, which come within its remit, make an important contribution to the delivery of a world class system and to demonstrating the achievement of its key objectives. The Trust Company has a strong and committed Board which brings its expertise to bear on the business of the company.

The Active Scotland Outcomes Framework (ASOF) continues to be the Scottish Government's key policy framework for delivering a more active Scotland. **sportscotland** and its national centres have an important role to play in both delivering and supporting the ambitions set out within this policy and the national centres will continue to engage with the third sector, youth groups and other community organisations as well as building on relationships with local authorities and community planning partnerships.

This continues to be an exciting period for the Trust Company, with significant growth of activity forecasted at Inverclyde, combined with the continued successful delivery of market leading courses and training at Cumbrae and Glenmore Lodge. The recruitment of a new Head of Centre and Business Development Manager at Inverclyde/Cumbrae has brought fresh impetus, whilst the National Centres are increasingly co-operating on course development and marketing to build on the skills and knowledge that exist within the centres.

The centre management teams have also continued to work on developing the management information available to the centres, with increased reporting available from the ESP booking system. This will enable the management to make more informed decisions for the operation and development of the centres.

As **sportscotland** moves into the preparation of a new Corporate Plan, the role of the Trust Company and the national centres in contributing to the delivery of this plan is increasingly important and the Board, staff and management will continue to focus on delivering an excellent experience to all customers from all backgrounds and levels of sporting achievement.



Frances Wood
Chair

9 August 2018

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

The Directors present their report and the audited financial statements for the year ended 31 March 2018, which have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102), the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)' (Charities SORP (FRS 102)).

The sportscotland Board has approved the planned financial investment in the Trust Company for 2018/19 as part of the approval of its budget for 2018/19, which includes the allocation of Grant in Aid from the Scottish Government for 2018/19.

Our purposes and activities

The main purposes 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 and are expected to continue for many years to meet user demand. Further information on the courses and facilities provided can be obtained from the sportscotland (the trading name of The Scottish Sports Council) website (www.sportscotland.org.uk).

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

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

The Trust Company is increasingly seeking to operate as one entity by the sharing of knowledge, skills and ideas between centres. 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 SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Strategic Report

Achievements and performance

The **sportscotland** Trust Company operates three national centres; Glenmore Lodge, Cumbrae and Inverclyde. The national centres provide unique facilities and services, providing people with opportunities to participate and progress in sport. They also contribute to and at times lead innovation in specific areas of the sporting sector. In particular, the staff and facilities at the national centres and the access they provide to Scotland's outdoor landscape are an important national resource and asset in Scotland's sporting system.

Inverclyde

Following the £12 million transformation, Inverclyde reopened in April 2017 as an inclusive residential sports training centre. The Centre is now the first of its kind in the UK and provides a wealth of opportunities for hosting national and international events while continuing its previous role of fostering strong club and community, school and education links locally and throughout Scotland and the UK. In August 2017 Inverclyde was officially opened by the First Minister with representatives from the Scottish Government, local authorities and SGBs in attendance. Following the Official Opening the Inverclyde Project Team created a Project Review document to highlight the successes, process and challenges in the design and build.

During the first month of operation the Centre welcomed internal groups and former customers to test the facility and provide feedback on their initial experience to enable the Centre to refine and develop its operational procedures. During the first year of trading Inverclyde has continued to listen to the views of customers and implemented changes to meet customer needs. This includes the rebranding of the bar area, creation of an athletes' lounge area and additional branding around the building to add character and inspiration.

Over 2017-18 a new Centre Management Team was introduced to oversee both the Cumbrae and Inverclyde National Centres. Staff changes over the year allowed for further refinements to the structure which will be further embedded in 2018-19. The Inverclyde Team has continued to build strong, trusting relationships with national partners, local authorities and SGBs during the first year. This has seen a significant amount of previous customers returning back to the Centre including Scottish Gymnastics, JudoScotland and various school groups. In addition the Inverclyde Team has secured new business from across the sector including Manchester United, GB Boccia, Help for Heroes, Amputee Football Association, US Olympic Development Squads and the RYA. The new accessibility features of the Centre have been complemented by the ability to cater for high performance squads.

In addition to hosting groups and teams from Scotland, the UK and overseas, **sportscotland** has also utilised the Centre to increase awareness across the sporting workforce. All members of **sportscotland** staff have had the opportunity to stay at the Centre through departmental development and planning days. Sports Development in particular used the Centre to provide networking events for SGB Heads of Development, Active Schools Managers, Community Sport Hub Officers, Young Ambassadors and the Young People's Sport Panel.

The Centre has continued to develop a strong partnership with North Ayrshire Council and the New Largs Community Campus which opened in April 2018. As a key employer and facility provider in Largs our relationship with North Ayrshire Council has been of the utmost importance. The Largs Campus is now opened on the land of the former Inverclyde golf training facility. As part of the build the school has access to assigned sports facilities during the school day. In preparation for the new school opening, the Centre Management Team has been working closely with the school Senior Management Team to agree programming and timetabling.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Achievements and performance (continued)

Inverclyde (continued)

Further developments within the site have been challenged through difficult weather conditions. The accessibility works at the Weir 3G and Tennis Courts have been delayed and will be complete in mid-2018. In addition, the reinstatement of the golf course has suffered delays due to the contractor going into administration in December 2017. A new contractor was promptly appointed in January 2018; however weather conditions continue to delay progress. Following the hand over of the new building, a comprehensive defects list was created and presented to the contractor. Elements of this list still remain outstanding and will carry over into 2018/19.

Cumbræ

Cumbræ operates under an integrated management structure with Inverclyde which is improving collaborative working and will provide efficiencies in the future. As the National Watersports Training Centre, Cumbræ provides the highest quality of learning opportunities at all levels, encouraging success, enabling personal development and empowering individuals to have a safe and responsible access to the Marine environment.

2017-18 was the third year of the strategic plan with Cumbræ's strategy closely linked with the RYAS strategy, as well as offering 'out reach' services to world events and repeat training across the world. The reopening of the National Centre in Inverclyde has provided additional opportunities for both centres particularly within the schools and education programmes.

sportscotland continues to invest in resources and facilities at Cumbræ, providing a world class location for water sports. The fabric of the centre was invested in to comply with Health and Safety and compliance matters and fleet maintenance remains a priority.

During 2017-18, National Centre Cumbræ achieved an increase in occupancy levels, with participant days remaining static. Customer feedback remained strong with 96% of customers rating their experience as excellent. In addition feedback regarding delivery remained high with 97% of customers rating their Instructors input as excellent.

The Centre Management Team is currently undertaking a review of operations at Cumbræ with a view to improving efficiencies and continually evolving the offer to the sector.

Glenmore Lodge

Glenmore Lodge continues to deliver exemplar training, supporting personal outcomes for individuals and helping support outdoor and adventure sport sector development and innovation. It remains a key strategic partner for governing bodies across four primary outdoor and adventure sports – mountaineering, paddle sports, snow sports and mountain biking. This partnership continues to bring significant resilience to qualification frameworks as investment is prioritised to support the development of future leaders, coaches and instructors. In total, 3,169 students attended brochured training courses, with additional tailor-made training delivered to 1,378 students during 2017-18. Our training skills videos continue to average 60,000 views per month, which compliments a significant output of articles and editorial information to support participation and progression.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Achievements and performance (continued)

Glenmore Lodge (continued)

sportscotland continues to invest in Glenmore Lodge as a strategic venue for outdoor and adventure sport. Its facilities support a number of governing bodies and individuals, as well as being used by a variety of local and regional sports clubs. The centre remains the choice for many groups with sporting or outdoor interests and during 2017/18 3,878 people attended an event hosted at Glenmore Lodge in relation to their sport or outdoor agenda.

Room occupancy levels averaged 61% during 2017/18 and brochure training course fill rates averaged 84% with a continued business trend towards more bespoke training. A capital investment programme, funded by **sportscotland** has delivered an upgrade to the main entrance ensuring an inclusive arrival and supporting the customer journey. This investment will support the delivery of future strategic plans, improve the customer experience and maintain the campus as a destination for sporting business and activity.

Scottish Avalanche Information Service (SAIS)

The Scottish Avalanche Information Service which is fully funded by **sportscotland** comes within the remit of the **sportscotland** Trust Company. This service continues to deliver daily avalanche observations and forecasts throughout the winter period (mid December to mid May) and remains the mountain publics' default source of avalanche awareness information. During 2017-18 the service received 1 million views of quality information, via the service forecast or blog, directly supporting participation in Scotland's winter mountains.

Financial review

Financial summary

The deficit of the Trust Company for the year amounted to £459k (2017 surplus restated: £9,686k). Funding of £3,415k (2017: £3,025k) was received from **sportscotland**, with a further £3,388k (2017 restated: £2,360k) being generated from the Trust Company's charitable activities and £165k (2017 restated: £127k) from other trading activities. The Trust Company received £379k (2017: £9,224k) of donated assets from **sportscotland**, principally comprised of the work in progress units of construction at Inverclyde. The Trust Company received a donation of £nil (2017: £650k) from North Ayrshire Council in connection with the relocation of the golf facility at Inverclyde. The Trust Company also received £nil (2017: £693k) for sale of land at Inverclyde to North Ayrshire Council. This is recorded as other income.

At 31 March 2018 the Trust Company has net current liabilities of £3k (2017: net current assets of £163k). Current creditors includes £631k (2017: £354k) of deferred income. This is income received that has been deferred until the Trust Company has earned the income. This income will be released to the Statement of Financial Activities in future years and doesn't represent a future liability for the Trust Company (unless the Trust Company does not perform the service required to earn the income, which is not expected to occur). Excluding deferred income, the Trust Company has net current assets of £628k (2017: £517k).

The Trust continues to receive significant investment from **sportscotland**, to enable the ongoing delivery of key training activities and to ensure the maintenance and development of the estate.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Financial risks and controls

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. Day to day transactions are processed by the Trust Company finance staff at each of the centres, with support provided by the central **sportscotland** finance team. Regular management accounts are prepared by the central **sportscotland** finance team in collaboration with the Trust Company finance staff.

The Trust Company centres are included in the quarterly budget reviews by the central **sportscotland** finance team. This involves a detailed review of the budget of each centre with the centre principal and finance staff, in order to understand key variances and to consider any required updates to the budget.

A finance report is prepared for each of the Trust Company Board meetings, highlighting key trading income and expenditure by centre, as well as providing an analysis of significant variances to budget.

The continued focus on applying an effective procurement process has resulted in cost savings, enhanced systems and more effective contract management. The implementation of the new finance system was completed in 2017/18, leading to efficiencies through reduced paperwork, process timescales and resource requirement. The booking system used at Glenmore Lodge has been rolled out to Inverclyde and Cumbrae during the latter part of 2017/18 and this should lead to better financial and operational information about bookings as well as enabling increased consistency of reporting between the centres.

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.

Risk management

The Trust Company achieves its risk management objectives by the continued use of a structured risk management process in conjunction with **sportscotland**, designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed. The risk management framework is reviewed on a regular basis. It was most recently updated in late 2016/17 with evidence gathered from internal audit recommendations, internal consultation with staff and points raised by the **sportscotland** Audit and Risk Committee.

The Trust Company Directors have considered the risks to which the Trust Company is exposed and considered the actions to mitigate those risks. The main risks affecting the Trust Company are:

- reduced investment leading to diminution in the Centres' ability to deliver its core services and programmes;
- significant health and safety issues are identified and/or require significant financial investment;
- properties not fit for purpose;
- adverse weather conditions; and
- a significant adverse event involving a member of staff or participant on a training course.

The Centres at Cumbrae and Glenmore Lodge have traded in line with budget, through the provision of courses and activities. At Inverclyde, there has been a planned reduction in trading activity during the construction phase of the new building. Overall, the Trust Company has performed in line with budget in 2017/18. The Statement of Financial Activities is set out on page 17.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Funds policy

The Trust Company has both restricted and unrestricted funds.

Restricted funds

A restricted reserve was created in a 2015 arising from a donation for a new 3G pitch facility at Inverclyde. In the prior year further donation of £650k for the relocation of the golf facility at Inverclyde was added to this reserve. The reserve at the year end amounts to £263k (2017: £602k).

Unrestricted funds

The unrestricted funds are available for use in the furtherance of the Trust Company's objectives. The balance at 31 March 2018 is £21,840k (2017: £19,861k).

The Trust Company is funded by income from its charitable and trading activities and by donations, including those from **sportscotland**. **sportscotland** has confirmed that it will continue to provide financial support to the Trust Company subject only to the availability of funding from the Scottish Government. This commitment is clearly set out in the Memorandum of Understanding between **sportscotland** and the Trust Company.

Expenditure during the year has supported the key objectives of the Trust Company as set out in the achievement and performance section above.

Going concern

The level of business and the year end position of the Trust Company were both satisfactory, given the confirmed financial position. **sportscotland** will continue to provide financial support to the Trust Company, subject to the availability of funding from the Scottish Government.

Plans for future periods

sportscotland will continue to invest in the three National Centres to ensure they offer the range and quality of services required to allow them to contribute to the development of a world class system for sport in Scotland.

A new management structure has been put in place to oversee both Inverclyde and Cumbrae and this should lead to increased efficiency through shared services and activities between the two sites.

Inverclyde is entering its second year of trading after a successful year as the UK's first inclusive residential sports training centre. In 2018-19 Inverclyde will look to build on its established customer base and develop business within the winter period. During the first year of trading our income and costs were difficult to forecast as we rebuilt our customer base. Therefore in 2018-19 Inverclyde will have a greater focus on managing contracts and expenditure to ensure it delivers best value whilst meeting its objectives.

In the year ahead Cumbrae will undertake a business review to refine operations and consider a more efficient and effective business model. Short term actions have been identified with the long term sustainability of the centre dependant on the implementation and impact of these actions.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Plans for future periods (continued)

Glenmore Lodge will continue to develop and maintain a comprehensive range of training courses and opportunities to impact participation and progression in outdoor and adventure sport. We will maintain and develop the facilities to ensure we remain fit for purpose and in particular, maximise the benefits of our location to support healthy, active lives. We will, along with SAIS, remain a source of expert knowledge and information to support participation and progression. Our equalities and inclusion work will continue as both an integrated and parallel work stream, aiming to create real and meaningful impact.

With ongoing investment from **sportscotland** the Trust Company will continue to ensure the National Centres help contribute to the development of a world class sporting system for everyone in Scotland by:

- integrating the work of the National Centres through seeking opportunities for greater collaboration and working closely with other parts of **sportscotland**;
- ensuring the Centres' leadership roles in their respective sectors; and
- planning investment and managing the Centres' assets to maximise their contribution to the sporting system.

Structure, governance and management

Governing documents

The Trust Company is limited by guarantee. The guarantor is:

	Number	Value £
The Scottish Sports Council (trading as sportscotland)	1	1

The governing documents of the Trust Company are the Memorandum and Articles of Association along with **sportscotland's** Memorandum of Understanding with the Trust Company.

Board meetings are held every three to four months and the Directors have full, strategic decision-making responsibility. All Directors are entitled to attend these meetings.

Appointment of Directors

As set out in the Memorandum of Understanding between the Trust Company and **sportscotland**, the Chair is appointed by **sportscotland** from one of the two non-executive directors appointed to the Trust Company Board by **sportscotland**. All remaining directors are recruited through an open recruitment process and are independent of **sportscotland**.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Trustee induction and training

Newly appointed Directors are subject to a formal induction process as part of their appointment. This process involves briefings from the Chair and operational overviews from **sportscotland's** Chief Executive and the Principals.

Organisation

The Board of Directors, which can have up to 10 members, administers the company. The board normally meets quarterly. To facilitate effective operations, the Centre principals have delegated authority for operational matters including finance, employment and operational activities.

There is an Audit Committee which normally meets 1-2 times a year. Membership of the Audit Committee consists of five non executive directors. The membership during the 2017/18 financial year is detailed below:

David Gass	(resigned 15 August 2017)	(Chair to 15 August 2017)
Frances Wood	(appointed 18 April 2017)	(Chair from 16 August 2017)
Jane Kerr	(resigned 14 February 2018)	
Pamela Woodman		
Kirsty Garrett	(appointed 18 April 2017)	

The Audit Committee and the Trust Company Board receive periodic reports from the Internal Auditor for **sportscotland** when these relate to the Trust Company. **sportscotland** utilises a professional firm of accountants, BDO LLP, as its internal auditor, 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.

Related parties and co-operation with other organisations

None of our Directors receive remuneration or other benefits from their work.

All Directors are required to disclose potential conflicts of interest on the Register of Interests, which is published on the web-site at the following link:

<https://sportscotland.org.uk/about-us/who-we-are/trust-company-board/>

Pay policy for senior staff

All staff working for the National Centres are employed by **sportscotland** and as such provide services to the Trust Company.

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 be subject to the Scottish Government Public Sector Pay Policy.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Equal Opportunities in employment and disabled employees

The Trust Company is committed to the promotion of policies for equal opportunities and to non-discrimination on the grounds of disability.

Staff policies applied during the year

The Trust Company is committed to promoting equality and diversity in employment. **sportscotland** recognises the unique contribution each employee can make and aims to promote a climate of respect for all, requiring all employees to treat each other with fairness, dignity and respect.

The Trust Company is opposed to any form of discrimination against job applicants or employees on the grounds of gender or gender reassignment, disability, age, ethnic or national origin, marital status, religion or belief, sexual orientation, trade union activity, responsibility for dependents or other relevant factors.

In the case of disabled applicants who identify themselves at the application stage, appropriate interview arrangements (such as accessible interview rooms or the assistance of a sign language interpreter) will be offered to enable such candidates to compete on an equal basis.

The Equality and Diversity in Employment Policy supports the Trust Company's wider equality agenda through encouraging the development of a more diverse workforce, where employees understand and promote equality, and where equality is mainstreamed into every aspect of our work.

The Trust Company is committed to ensuring that all employment policies and practices are non-discriminatory in line with relevant employment legislation and best practice.

All employees will be supported to achieve their full potential and all employees that self identify as having additional support needs will have an annual review to assess and review support measures.

Reference and administrative details of the charity, its trustees and advisors

The registered name of the charity is "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 company registration number is SC137068 and the registered charity number is SC020175.

Registered Office

The address of the Company's registered office is:
Doges, Templeton on the Green
62 Templeton Street
Glasgow
G40 1DA

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Professional advisors

The professional advisors to the Trust Company are:

Bankers:	Bank of Scotland 206 St John's Road Edinburgh EH12 8SH	Solicitors:	Wright, Johnston & Mackenzie LLP 302 St Vincent Street Glasgow G2 5RZ
Auditor:	Scott-Moncrieff 25 Bothwell Street Glasgow G2 6NL	Actuaries:	Hymans Robertson LLP 221 West George Street Glasgow G2 2ND

Directors and Trustees

All Directors are also the Trustees for the purposes of charity law; however, we refer to these individuals as Directors throughout the Annual Report.

In April 2010, the Trust Company Board was restructured so that, under the Charity and Investment (Scotland) Act 2005 conflict of interest regulations, the Board has independence from the main Scottish Sports Council Board.

All Directors are non-executive and are as follows:

Frances Wood	(appointed 18 April 2017)	(Chair from 16 August 2017)
Margaret Duncan		
Pamela Woodman		
Kay Morrison		
David Rhoney		
Dilawer Singh MBE		
Jane Booth (nee Walters)		
Kelsey Blemings	(appointed 18 April 2017)	
Kirsty Garrett	(appointed 18 April 2017)	
David Gass	(resigned 15 August 2017)	(Chair to 15 August 2017)
Jane Kerr	(resigned 14 February 2018)	

The Secretary of the Trust Company is Micheila West, previously Liana Waclawski.

The day-to-day management of the Trust Company is delegated by the Directors to the Principal of Glenmore Lodge and the Head of Centre for Inverclyde and Cumbrae as follows:

Shaun Roberts	Glenmore Lodge
John Kent (from 1 April 2017 to 31 July 2017)	Inverclyde and Cumbrae
Michael Cavanagh OBE (interim from August 2017 to 21 January 2018)	Inverclyde and Cumbrae
Barry Fleeting (from 22 January 2018)	Inverclyde and Cumbrae

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

Statement of the Directors' responsibilities

The Directors are responsible for preparing the Directors' Report including the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standards 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust Company and of its income and expenditure of the Trust Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust Company's transactions and disclose with reasonable accuracy at any time the financial position of the Trust Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Trust Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

As far as each of the Directors at the time the report is approved are aware:

- there is no relevant information of which the Trust Company's auditor is unaware; and
- the Directors, having made enquiries of fellow directors and the Trust Company's auditor that they ought to have individually undertaken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board



Frances Wood
Chair

9 August 2018

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SCOTTISH SPORTS COUNCIL TRUST COMPANY FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of The Scottish Sports Council Trust Company (the charitable company) for the year ended 31 March 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's 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.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SCOTTISH SPORTS COUNCIL TRUST COMPANY FOR THE YEAR ENDED 31 MARCH 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Directors' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SCOTTISH SPORTS COUNCIL TRUST COMPANY FOR THE YEAR ENDED 31 MARCH 2018

Responsibilities of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the charitable company'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 the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our 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 our 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

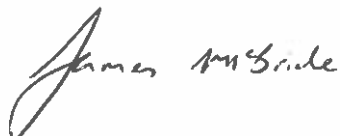
THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SCOTTISH SPORTS COUNCIL TRUST COMPANY FOR THE YEAR ENDED 31 MARCH 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members, as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



James McBride

Senior Statutory Auditor

For and on behalf of Scott-Moncrieff, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act

Chartered Accountants

25 Bothwell Street

Glasgow

G2 6NL

Date: 9 August 2018

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Restated Total 2017 £000
Income from					
Donations and legacies	5	3,415	379	3,794	13,031
Income from other trading activities	5	165	-	165	127
Charitable activities	5	3,388	-	3,388	2,360
Investment income	5	2	-	2	15
Other income	5	-	-	-	693
Total income		6,970	379	7,349	16,226
Expenditure on					
Expenditure on raising funds	7	(388)	-	(388)	(328)
Charitable activities	7	(7,420)	-	(7,420)	(6,212)
Total expenditure		(7,808)	-	(7,808)	(6,540)
Net (expenditure)/income		(838)	379	(459)	9,686
Transfers between funds		718	(718)	-	-
Net (expenditure)/income before other recognised gains and losses		(120)	(339)	(459)	9,686
Other recognised gains					
Gain on revaluation of assets		-	-	-	4,276
Actuarial gain/(loss) on defined benefit pension schemes	18	2,099	-	2,099	(1,670)
Net movement in funds	9	1,979	(339)	1,640	12,292
Total funds at 1 April 2017 (restated)	19,20	19,861	602	20,463	8,171
Total funds at 31 March 2018	19,20	21,840	263	22,103	20,463

All the results for the year are derived from continuing operations.

The notes to these financial statements form part of these financial statements.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £000	Restated 2017 £000
Fixed assets			
Property, plant & equipment	10	25,183	25,216
Intangible assets	11	17	22
		<u>25,200</u>	<u>25,238</u>
Current assets			
Stocks	12	161	165
Debtors	13	701	699
Cash at bank and in hand	14	283	454
		<u>1,145</u>	<u>1,318</u>
Creditors: amounts falling due within one year	15	<u>(1,148)</u>	<u>(1,155)</u>
Net current (liabilities) / assets		<u>(3)</u>	<u>163</u>
Creditors: amounts falling due after more than one year	16	<u>(1,818)</u>	<u>(2,000)</u>
Net assets excluding pension liability		23,379	23,401
Pension liability	18	<u>(1,276)</u>	<u>(2,938)</u>
Net assets		<u>22,103</u>	<u>20,463</u>
Funds			
Restricted funds	19	263	602
Unrestricted funds:	19	21,840	19,861
	20	<u>22,103</u>	<u>20,463</u>

The financial statements were authorised for issue by the Board of Directors on 9 August 2018 and were signed on its behalf by:



Frances Wood, Chair

Registered Number SC137068

The notes to these financial statements form part of these financial statements.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	Stated 2017 £000
Cash flows from operating activities			
Net (expenditure)/income		(459)	9,686
Depreciation		576	495
Amortisation		5	18
Loss/(gain) on sale of tangible fixed assets		7	(693)
Interest received		(2)	(15)
Decrease/(increase) in stock		4	(13)
Increase in debtors		(2)	(581)
(Decrease)/increase in creditors		(189)	2,648
Net return on pension scheme		437	145
Net cash provided by operating activities		377	11,690
Cash flows from investing activities			
Purchase of tangible fixed assets		(550)	(12,136)
Proceeds from disposal of tangible fixed assets		-	693
Interest received		2	15
Net cash used in investing activities		(548)	(11,428)
(Decrease)/increase in cash in the year		(171)	262
Cash and cash equivalents at 1 April	14	454	192
Cash and cash equivalents at 31 March	14	283	454

The notes to these financial statements form part of these financial statements.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Trust Company's transactions are denominated. They comprise the financial statements of the Trust Company.

The principal activity of the Trust Company is to operate the National Sports Centres at Glenmore Lodge, near Aviemore, Inverclyde, at Largs and Great Cumbrae.

The Trust Company is a private company limited by guarantee, incorporated in the United Kingdom and registered in Scotland. It is recognised as a charitable company for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC020175. Details of the registered office and company registration number can be found in the Directors' Report (incorporating the Strategic Report).

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accountancy and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Directors to exercise their judgement in the process of applying the accounting policies (see note 3).

(b) Going Concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the Trust Company as a going concern. **sportscotland** will support the Trust Company to the extent needed. The Trust Company is reliant on the funding from its parent to enable it to continue to operate and to meet its pension liability, as per the Memorandum of Understanding agreed with **sportscotland**.

The Board of Directors is confident that the parent undertaking is able to support the Trust Company for the next 12 months from the signing date of these financial statements.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

(c) Income and expenditure recognition policy (continued)

Income and endowments

All income is included in the Statement of Financial Activities when the Trust Company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:-

- Donation and legacy income is received by way of grants, donations and legacies and is included in the Statement of Financial Activities when the Trust Company becomes entitled to the funds, it is probable that the income will be received and the amount can be measured reliably;
- Income from charitable activities is accounted for when earned, it is probable that the income will be received and the amounts can be measured reliably;
- Income from other trading activities is accounted for when earned;
- Investment income is recognised when receivable and the amount can be measured reliably; and
- Other income is recognised when the Trust Company is entitled to the income and the amount can be measured reliably.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. As no system exists to directly attribute costs between charitable activities expenditure and raising funds expenditure an estimate is made each year based on activity. Expenditure comprises:

- Cost of raising funds expenditure comprises the costs associated with attracting income;
- Charitable activities expenditure comprises those costs incurred by the Trust Company in the delivery of its activities for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them; and
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust Company and comprise the audit fee only.

All costs (including support costs) relating to a particular activity are allocated directly.

(d) Value added tax

All income and expenditure is shown net of Value Added Tax (VAT). The Trust Company incurs some irrecoverable VAT due to the nature of its activities. This is allocated to expenditure categories on the same basis as the cost. Some irrecoverable VAT arises on fixed asset purchases directly incurred by the Trust Company but this is deemed negligible and is charged to expenditure.

(e) 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). Both are defined benefit pension schemes.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

(e) Post-retirement benefits (continued)

STSS

The assets of the scheme are held separately from those of the Trust Company. The Trust Company 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 Charities SORP (FRS 102), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

SPF

The SPF is a pension scheme providing benefits based on final pensionable pay. The assets and liabilities of the scheme are held separately from those of the Trust Company. 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 actuarial gains and losses.

(f) Leases

The rental costs of operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(g) Fixed assets and depreciation

Individual fixed assets costing £2,000 or more are capitalised at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Long term leasehold and buildings are carried at fair value at the date of the revaluation plus any subsequent additions at cost less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity, at least every 5 years, to ensure the carrying amount does not differ materially from that which would be determined using the fair value at the Balance Sheet date. Fair values are determined from market based evidence normally undertaken by third party professional qualified valuers.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

(g) Fixed assets and depreciation (continued)

Depreciation is provided on all fixed assets, other than land and assets under construction, at rates calculated to write off the revalued amount, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Leasehold buildings	50 years
Fixtures and fittings	5 years
Equipment (general and computing)	4 years
Motor vehicles	4 years
Intangible assets	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.

Intangible assets comprise the cost of software capitalised.

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.

(h) Stocks

General stocks are stated at the lower of cost and net realisable value, which is based on estimated selling price. Store stocks of equipment are held for use on courses and are not for resale. The value of this stock is adjusted according to an internal valuation at the year-end. Costs of producing free issue publications are written off in the year of purchase.

(i) Debtors

Short term debtors are measured at transaction price, less any impairment.

(j) Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid deposits with a short maturity of twelve months or less from the date of opening of the deposit or similar account.

(k) Creditors

Short term trade creditors are measured at transaction price.

(l) Financial instruments

The Trust Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and amounts owed from the parent undertaking. Basic financial instruments that are payable or receivable within one year are initially and subsequently measured at the undiscounted amount of cash expected to be paid or received. Debt instruments payable or receivable after more than one year are initially measured at the net present value of the future cashflows and subsequently at amortised cost using the effective interest method.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

(m) Fund accounting

Restricted funds are to be issued for specified purposes laid down by the donor. Expenditure for these purposes is charged to the fund.

Unrestricted funds are donations and other income sources received or generated in the furtherance of the general objectives of the company.

3. Judgements in applying policies and key sources of estimates uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from each estimate

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Basis of estimation

Depreciation & amortisation of fixed assets

Fixed assets are depreciated and amortised over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

Bad debt provision

Trade debtors are reviewed by appropriately experienced senior management at each Centre on a case by case basis with the balance outstanding and ageing of debtor taken into consideration.

The obligations under the Strathclyde Pension Scheme

The actuarial assumptions are prepared by a qualified actuary. The Directors review these assumptions to ensure they are reasonable.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Comparative Statement of Financial Activities (incorporating the Income and Expenditure Account)

	Restated Unrestricted fund £000	Restated Restricted funds £000	Restated Total 2017 £000
Income from:			
Donations and legacies	3,157	9,874	13,031
Income from other trading activities	127	-	127
Charitable activities	2,360	-	2,360
Investment income	15	-	15
Other income	693	-	693
Total income	6,352	9,874	16,226
Expenditure on			
Expenditure on raising funds	(328)	-	(328)
Charitable activities	(6,212)	-	(6,212)
Total expenditure	(6,540)	-	(6,540)
Net (expenditure)/income	(188)	9,874	9,686
Transfers between funds	9,545	(9,545)	-
Net income before other recognised gains and losses	9,357	329	9,686
Other recognised gains and losses			
Gain on revaluation of assets	4,276	-	4,276
Actuarial loss on defined benefit pension schemes	(1,670)	-	(1,670)
Net movement in funds	11,963	329	12,292
Total funds at 1 April 2016 (restated)	7,898	273	8,171
Total funds at 31 March 2017	19,861	602	20,463

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Income

Donations and legacies

	2018 £000	2017 £000
Funding from sportscotland	3,415	3,025
Assets donated by sportscotland	379	9,224
Other donations	-	782
	3,794	13,031

Income from other trading activities

	Inverclyde £000	Cumbrae £000	Glenmore Lodge £000	2018 £000	2017 £000
Staff meals and accommodation	56	8	27	91	37
Other income	6	27	41	74	90
	62	35	68	165	127

Charitable activities

	Inverclyde £000	Cumbrae £000	Glenmore Lodge £000	2018 £000	2017 £000
Course fees	588	543	1,080	2,211	1,443
Hires, sales & hospitality	459	61	657	1,177	917
	1,047	604	1,737	3,388	2,360

Investment income

	2018 £000	2017 £000
Interest received	2	15

Other income

	2018 £000	2017 £000
Gain on disposal of assets	-	693

Funding from sportscotland

During the period funding of £3,415k (2017: £3,025k) was received from **sportscotland** in respect of operational costs. **sportscotland** intends to continue to provide financial support to the Trust Company subject only to the availability of funding from the Scottish Government.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. Employees

Total staff costs comprise:

	2018	Restated
	£000	2017
		£000
Wages and salaries	2,965	2,659
Social security costs	260	220
Pension costs	853	530
	<u>4,078</u>	<u>3,409</u>

The pension costs include £353k (2017: £103k) of a charge as a result of the annual Strathclyde pension valuation (see note 18).

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

	2018	2017
	Number	Number
Inverclyde and Cumbrae	83	60
Glenmore Lodge	60	49
	<u>143</u>	<u>109</u>

All employment contracts are with **sportscotland** and the relevant amounts charged to the Trust Company.

Number of employees with emoluments over £60,000:-

	2018	2017
	Number	Number
£60,000 - £69,999	1	2
£70,000 - £79,999	1	-
	<u>2</u>	<u>-</u>

The pension contributions for employees earning over £60,000 were:-

	2018	2017
	£000	£000
Pension contributions	17	21
	<u>17</u>	<u>21</u>

No emoluments were paid to Directors in either year.

Key management personnel comprise of the Principal and Head of Centre.

The emoluments of key management (excluding pension contributions and including benefits in kind) for the year were £176k (2017: £123k). The employers' NI contributions for the year were £17k (2017: £14k). Their pension contributions for the year were £24k (2017: £21k).

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7. Expenditure

	Inverclyde £000	Cumbrae £000	Glenmore Lodge £000	2018 £000	2017 £000
Raising funds					
Staff costs	81	37	85	203	165
Outside catering costs	25	11	13	49	31
Operating lease rentals	1	1	1	3	4
Support costs:					
Administration	6	1	3	10	17
Training	5	8	47	60	47
Disallowed VAT	5	-	4	9	9
Household	4	-	1	5	3
Establishment	11	4	5	20	26
Depreciation and amortisation	20	5	4	29	26
	158	67	163	388	328

	Inverclyde £000	Cumbrae £000	Glenmore Lodge £000	2018 £000	2017 £000
Charitable activities					
Staff costs	1,534	710	1,624	3,868	3,136
Outside catering costs	485	214	241	940	581
Operating lease rentals	8	3	25	36	36
Support costs:					
Administration	113	19	59	191	309
Training	103	146	784	1,033	909
Disallowed VAT	102	-	68	170	170
Household	81	-	29	110	69
Establishment	216	81	201	498	488
Depreciation and amortisation	384	98	70	552	486
Loss on sale	7	-	-	7	-
Governance costs	6	3	6	15	28
	3,039	1,274	3,107	7,420	6,212

As no system exists to directly attribute costs between charitable activities expenditure and raising funds expenditure an estimate is made each year based on activity. For the year to 31 March 2018 the split was 95% charitable and 5% income generating (2017: 95% charitable and 5% income generation).

sportscotland provides a payroll service and support from finance staff free of charge. The value of these services is considered to be immaterial to the Trust Company.

Each centre is operated as a separate cost centre within the Trust Company. Support costs are allocated to the centre that incurred the cost.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Governance costs

	2018	2017
	£000	£000
Audit Fee	15	28

9. Net movement in funds

Net movement in funds are stated after charging/(crediting):

	2018	2017
	£000	£000
Amortisation	5	18
Depreciation	576	512
Auditor's remuneration – audit fee	15	28
Operating lease rentals	39	40
Loss/(gain) on disposal of fixed assets	7	(693)

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. Tangible fixed assets

	Freehold land and buildings £000	Assets under construction £000	Fixtures and fittings £000	Equipment £000	Motor vehicles £000	Total £000
Cost/Valuation						
At 1 April 2017	24,910	-	217	1,329	116	26,572
Additions	211	313	-	26	-	550
Disposals	-	-	(142)	(220)	(23)	(385)
At 31 March 2018	25,121	313	75	1,135	93	26,737
Accumulated depreciation						
At 1 April 2017	-	-	(210)	(1,040)	(106)	(1,356)
Charge for year	(465)	-	-	(106)	(5)	(576)
Disposals	-	-	135	220	23	378
At 31 March 2018	(465)	-	(75)	(926)	(88)	(1,554)
Net Book Value						
At 31 March 2018	24,656	313	-	209	5	25,183
At 31 March 2017	24,910	-	7	289	10	25,216

All land and buildings were revalued as at 31 March 2017. The valuation was carried out by an independent valuer, DVS, the commercial arm of the Valuation Office Agency.

Grants made to sportscotland after 1 April 1992 and subsequently by sportscotland to the Trust Company were made on the basis that any fixed assets acquired, extended or improved by such grants should be available for claw back (the return of sale proceeds to the Exchequer) in the event of disposal or change of use.

If fixed assets had not been revalued they would be included at a capitalised value (prior to any impairment) of £29,124 with aggregate depreciation thereon of £5,880 (2017: £32,941k and £6,329k).

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Intangible fixed assets

	Software £000
Cost	
At 1 April 2017 and 31 March 2018	74
Amortisation	
At 1 April 2017	(52)
Charge for year	(5)
At 31 March 2018	(57)
Net Book Value	
At 31 March 2018	17
At 31 March 2017	22

12. Stocks

	2018 £000	2017 £000
Goods held for resale	20	17
Consumable stores	141	148
	<u>161</u>	<u>165</u>

Stock amounting to £59k was recognised within expenditure.

13. Debtors

	2018 £000	Restated 2017 £000
Trade debtors	77	87
Amounts owed from the parent undertaking	587	598
Prepayments	37	14
	<u>701</u>	<u>699</u>

14. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	283	454

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15. Creditors: amounts falling due within one year

	2018	Restated 2017
	£000	£000
Trade creditors	292	153
Other taxation and social security	3	22
Accruals	222	626
Deferred income	631	354
	<u>1,148</u>	<u>1,155</u>

16. Creditors: amounts falling due after more one year

	2018	Restated 2017
	£000	£000
Deferred income	1,818	2,000

Movements in deferred income during the year are as follows:

	2018	Restated 2017
	£000	£000
At 1 April 2017	2,354	169
Released in the year	(354)	(169)
Deferred in the year	449	2,354
At 31 March 2018	<u>2,449</u>	<u>2,354</u>

Income is deferred when it relates to courses which are due to be run after the year end and income relating to a service level agreement that has not commenced by the year end.

Deferred income will be released to the Statement of Financial Activities when the Trust Company has earned the income. £1,090k (2017: £1,272k) of the deferred income will be released after 5 years (in line with the length of the service agreement).

Included in income from charitable activities is a release of deferred income of £354k (2017 as restated: £169k).

17. Financial instruments

	2018	Restated 2017
	£000	£000
Financial assets		
Cash and cash equivalents	283	454
Financial assets measured at amortised cost	752	685
	<u>1,035</u>	<u>1,139</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>514</u>	<u>779</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed from the parent undertaking.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. 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 the Company contributes 19.3% (2017: 19.3%) to the respective schemes. Employee contributions are a fixed percentage based on gross salary. The charge in the financial statements reflects the costs incurred by the Company during the year for the STSS £6k (2017: £10k) and SPF £494k (2017: £417k).

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 as at 31 March 2014, and the STSS at 31 March 2012.

The Scottish Teachers Superannuation Scheme

The Trust Company participates in the Scottish Teachers' Superannuation Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last valuation was undertaken based on data as at 31 March 2012.

The Trust Company has no liability for other employer's 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.

During the year, the Trust Company only had one employee participating in the STSS scheme. This employee has now left the Trust Company and all debts were settled in the year.

The Strathclyde Pension Fund

The Company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2014 by a qualified independent actuary. The Company has accounted for the defined benefit scheme using the interim valuation updated to 31 March 2018.

The major assumptions used by the actuary were:

	31 March 2018	31 March 2017	31 March 2016
Rate of increase in salaries	3.5%	4.4%	4.2%
Rate of increase in pensions in payment and deferred pensions	2.3%	2.4%	2.2%
Discount rate applied to scheme liabilities	2.7%	2.7%	3.6%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2016 model with an allowance for smoothing of recent mortality experiences and long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.4 years	23.7 years
Future pensioners	23.4 years	25.8 years

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Pension and Similar Obligations (continued)

Scheme Assets

The assets in the scheme and the expected rate of return were:

	% of Scheme assets	Value at 31 March 2018 £000	% of Scheme assets	Value at 31 March 2017 £000	% of Scheme assets	Value at 31 March 2016 £000
Equities	70%	8,329	77%	8,424	72%	6,096
Government securities	18%	2,142	7%	768	14%	1,153
Property	11%	1,309	12%	1,317	11%	908
Cash	1%	119	4%	411	3%	293
Total		11,899		10,920		8,450
Present value of scheme liabilities		<u>(13,175)</u>		<u>(13,858)</u>		<u>(9,572)</u>
Net pension liability		<u>(1,276)</u>		<u>(2,938)</u>		<u>(1,122)</u>

The asset values at 31 March 2018, 2017 and 2016 are at bid price as required by FRS 102.

The overall expected long term return on plan assets is a weighted average of the expected long term returns for equity securities, debt securities and other assets.

Analysis of amounts charged to net (expenditure)/income:

Amounts included in salary costs	2018 £000	2017 £000
Current service cost	(783)	(508)
Contributions by the employer	430	405
	<u>(353)</u>	<u>(103)</u>
Amounts included in finance costs:	2018 £000	2017 £000
Expected return on pension scheme assets	301	312
Interest on pension scheme liabilities	(385)	(355)
Net return	<u>(84)</u>	<u>(43)</u>

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Pension and Similar Obligations (continued)

Analysis of amounts included in other recognised gains and losses:

	2018	2017
	£000	£000
Other experience	933	-
Actual return less expected return on scheme assets	203	1,701
Changes in assumptions underlying the present value of scheme liabilities	963	<u>(3,371)</u>
Actuarial gain/(loss) recognised in the Statement of Financial Activities	<u>2,099</u>	<u>(1,670)</u>

Reconciliation and changes in the present value of the defined benefit obligation were as follows:

	2018	2017
	£000	£000
Opening defined benefit obligation	13,858	9,572
Current service cost	783	508
Interest cost	385	355
Contributions by members	148	143
Actuarial (gains)/losses	(1,896)	3,371
Estimated benefits paid	(103)	(91)
Closing defined benefit obligation	<u>13,175</u>	<u>13,858</u>

The estimated value of employer's contributions for the year to 31 March 2019 will be £431k.

Reconciliation and changes in the fair value of scheme assets are as follows:

	2018	2017
	£000	£000
Opening fair value of employer's assets	10,920	8,450
Expected return on assets	301	312
Contributions by members	148	143
Contributions by the employer	430	405
Actuarial gains	203	1,701
Estimated benefits paid	(103)	(91)
Closing fair value of employer's assets	<u>11,899</u>	<u>10,920</u>
Net pension liability	<u>(1,276)</u>	<u>(2,938)</u>

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Pension and Similar Obligations (continued)

History of Experience Gains and Losses

	Value at 31 March 2018 £000	Value at 31 March 2017 £000	Value at 31 March 2016 £000	Value at 31 March 2015 £000	Value at 31 March 2014 £000
Difference between the expected and actual return on assets	203	1,701	(57)	235	98
Value of assets	11,899	10,920	8,450	7,865	6,952
Percentage of assets	1.7%	15.6%	(0.7%)	3.0%	1.4%
Experience gains on liabilities	933	-	78	340	2
Total present value of liabilities	13,175	13,858	9,572	10,180	8,127
Percentage of the total present value of liabilities	7.1%	0.0%	1.0%	3.3%	0.0%
Actuarial gains/(losses) recognised in the Statement of Financial Activities for the year	2,099	(1,670)	1,466	(959)	(280)
Total present value of liabilities	13,175	13,858	9,572	10,180	8,127
Percentage of the total present value of liabilities	15.9%	(12.1)%	15.3%	(9.4%)	(3.4%)

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Funds

	Restated At 1 April 2017 £000s	Income and endowments £000s	Expenditure £000s	Transfers £000s	Other recognised gains £000s	At 31 March 2018 £000s
Restricted funds						
Project fund	602	-	-	(339)	-	263
Capital contribution fund	-	379	-	(379)	-	-
	602	379	-	(718)	-	263
Unrestricted funds						
General fund	19,861	6,970	(7,808)	718	2,099	21,840
Total funds	20,463	7,349	(7,808)	-	2,099	22,103

Restricted funds

A private donation of £900k was received for an indoor 3G pitch at Inverclyde during 2012/13. A further £250k was received, together with Gift Aid of £288k, during 2013/14. The restrictions placed on the donations were to pay for the cost of the Facility and the balance will be used to enhance and maintain the Facility. A £650k donation was received in the prior year from North Ayrshire Council, via **sportscotland**, in connection with the relocation of the golf facility at Inverclyde. The project fund is reduced as expenditure is incurred on the respective projects. Expenditure on this project to 31 March 2017 amounted to £1,486k leaving a balance of £602k. During the year, capital expenditure of £339k was incurred and this figure has been transferred to the unrestricted general fund.

20. Analysis of net assets between funds

Fund balances at 31 March 2018 are represented by:

	Unrestricted funds	Restricted funds	Total funds	Total Restated
	2018 £000	2018 £000	2018 £000	2017 £000
Fixed assets	24,937	263	25,200	25,238
Current assets	1,145	-	1,145	1,318
Current liabilities	(1,148)	-	(1,148)	(1,155)
Non-current liabilities	(1,818)	-	(1,818)	(2,000)
Pension liability	(1,276)	-	(1,276)	(2,938)
Net assets	21,840	263	22,103	20,463

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

21. Capital commitments

	2018	2017
	£000	£000

Committed, not provided	246	-
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22. Company status and related parties

The Trust Company was incorporated in Scotland and is limited by guarantee. The guarantor is:

	Value £
The Scottish Sports Council (trading as sportscotland)	1

sportscotland is the national agency for sport in Scotland.

The Directors of the Trust Company and their associated organisations during the year to 31 March 2018 are detailed below:

Frances Wood	sportscotland
Kelsey Blemings	Leisureworks – Sports Coach University of Stirling – Sports Coach and Student Ambassador Falkirk Community Trust – Head Netball Coach
Margaret Duncan	Freelance paddle sport and ski coach at Glenmore Lodge Scottish Canoe Association H2O Outdoors
Kirsty Garrett	Glasgow Life - Sports Development and Physical Activity Manager
David Gass	Rural Matters LLP Upper Quartile sportscotland
Jane Kerr	Jane Kerr Projects Ltd
Kay Morrison	Senior Manager, Sport & Physical Activity, Aberdeenshire Council
David Rhoney	Help for Heroes Sports Recovery Board Member Scottish Disability Sport
Dilawer Singh MBE	Vice President Sports Council for Glasgow President of Punjabi Sahit Sabha President SEMSA Semper Scotland Director of Culture and Sport Glasgow Director Culture and Sport Glasgow (Trading) CIC Director of SALSC

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Pamela Woodman	Scottish Rugby's Independent Discipline Panel Standard Life Employee Services Limited
Jane Walters	Opus 29 Consultancy

The results of the Trust Company are included in the consolidated financial statements of **sportscotland**, copies of which can be obtained from Doges, Templeton on the Green, 62 Templeton Street, Glasgow.

23. Commitments under operating leases

At 31 March 2018 the Trust Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	37	48
Later than 1 year and not later than 5 years	90	156
	<u>127</u>	<u>204</u>

24. Prior year adjustment

During the year ended 31 March 2017, the Trust Company received £2m from North Ayrshire Council for use of the sports facilities at the Inverclyde facility for 11 years from April 2018. This income was recognised in full in the Statement of Financial Activities for the year ended 31 March 2017. However, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing these accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', this income should have been deferred and recognised as a creditor within the Balance Sheet, until which time the Trust Company was entitled to recognise the income.

The capital contribution fund and grant fund have been reallocated from restricted funds to general unrestricted funds. Income was received to purchase property, plant and equipment. There are no ongoing restrictions on these funds, thus once the asset has been purchased the income should be transferred to unrestricted funds.

In addition, deferred income was overstated in the year ended 31 March 2017. A prior year adjustment has been incorporated to restate deferred income.

THE SCOTTISH SPORTS COUNCIL TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

In the prior year, part of the unrestricted fund was designated to cover the pension liability. This identification is not considered appropriate and thus has been adjusted for via a prior year reallocation adjustment which does not affect the total unrestricted funds at 31 March 2017 or 1 April 2016.

Restated Statement of Financial Activities

	2017 £000
Net movement in funds per signed financial statements for the year ended 31 March 2017	14,341
Reallocation of income to deferred income	(2,000)
Amendment to deferred income	(49)
Restated net movement in funds for the year ended 31 March 2017	<u>12,292</u>

Restated Balance Sheet

	2017 £000
Funds as at 31 March 2017 per signed financial statements	22,512
Reallocation of income to deferred income	(2,000)
Amendment to deferred income	(49)
Restated funds as at 31 March 2017	<u>20,463</u>