

sportscotland **National Lottery** **Distribution Fund**

Annual Report and Accounts
for the year ended 31st March 2021

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for the year ended 31st March 2021

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of the National Lottery etc Act 1993

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Minister's Foreword

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

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

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

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

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

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

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

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Lottery Fund

Statement of Account Prepared Pursuant to Section 35 of the National Lottery etc Act 1993

Report of the Council

Foreword

The Scottish Sports Council 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 1 July 1999 the Scottish Sports Council adopted the trading name of **sportscotland**.

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

Under the directions given by the Scottish Ministers all distributing bodies must prepare separate statements of accounts relating to the disbursement of Lottery monies.

Format of Accounts

These accounts have been prepared in accordance with the accounts direction issued by 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.

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

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

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

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

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

Stewart Harris, Chief Executive, **sportscotland**

Purpose and activities of the organisation

About us

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

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

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

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

A sporting system for everyone

Our vision is of an active Scotland where everyone benefits from sport. We are committed to the Scottish Government's vision of a more active Scotland and the Active Scotland Outcomes Framework (ASOF), which contributes to the National Performance Framework¹. Our mission is to help the people of Scotland get the most from the sporting system.

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

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

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

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

Figure 1: Scotland's world class sporting system



Structure: Our environments

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

Schools and education

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

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

Clubs and communities

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

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

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

Performance sport

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

We work in close partnership with SGBs and others in performance sport. We enhance areas of our system in response to the changing landscapes and direct requirements of our sports, athletes and partners. We provide and encourage good leadership, management and impact awareness across our high-performance system.

Making it happen

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

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

Performance summary

We report on our annual performance by summarizing key highlights from our operational delivery across the environments in the sporting system and providing data about how this contributes to the strategic priorities in our short-term action plan².

Clubs and communities

Our major focus was supporting partners to help them plan for safe return of sport and physical activity, in line with Scottish Government guidelines. We provided a range of specific guidance, training and resources to partners, including professional staff, participants, athletes, facility operators, coaches, volunteers, deliverers, parents and carers. This included specific guidance to help owners and operators as they plan and prepare to re-open sports facilities³ and guidance to help coaches, deliverers and instructors support the safe return of sport⁴.

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

Throughout the pandemic, we provided vital information and support through our communication channels. We developed a COVID-19 information and resources section on our website⁵ and increased the frequency of our internal and partner communications. We delivered targeted communications campaigns focusing on reassurance and responsibility about how we move as a sector to return to sport. We also worked with partners including the Scottish Association for Mental Health (SAMH) on campaigns to promote the benefits of sport and physical activity and to encourage people to stay connected during the pandemic within government guidelines. These campaigns received significant recognition from local NHS hubs and the wider sporting community.

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

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

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

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

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

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

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

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

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

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

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

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

Schools and education

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

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

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

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

We supported the Scottish Women and Girls in Sport Week and delivered Active Girls Day. These campaigns provide an opportunity to profile girls and young women being active and engaging positively in sport and physical activity. Both events generated excellent engagement across the network, exceeding performance of previous years.

We extended the Young Ambassadors programme registration period to allow schools to take up this opportunity. In spite of the pandemic, 177 schools signed up for the programme which aims to equip young people with the skills to promote and inspire other young people to get involved in sport within their schools and communities. This represents 42% of secondary schools in Scotland. We supported the schools, mentors and young people with information packs and online and social media resources. We also provided regular communication via a dedicated Instagram channel which produced good engagement given the limited time secondary pupils spent in schools.

Throughout the last year we worked closely with local authorities, leisure trusts, SGBs and other strategic partners, including COSLA, Public Health Scotland, VOCAL, Community Leisure UK (CLUK) Scotland, Society of Local Authority Chief Executives and Senior Managers Scotland (SOLACE) and higher and further education partners, to gather high-level information on the impact of COVID-19 across the sport and leisure sector.

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

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

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

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

Performance

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

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

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

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

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

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

We progressed our new Clean Sport strategic policy and its operational actions. We worked closely with UK Anti-Doping (UKAD) on the implementation of the new 2021 Anti-Doping Code which broadens their remit into the area of integrity. We also responded to the UKAD consultation on the public disclosure of provisional suspensions and/or charges relating to anti-doping rule violations.

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

Making it happen

Throughout the pandemic, we ensured the health and wellbeing of our staff was a key priority. We provided support to all staff to ensure they had continuity of access to business systems, while working from home for an extended period. This included maintaining ICT systems, offering training and support on new ICT products; conducting and assessing a range of staff wellbeing and engagement surveys signposting to our employee assistance programme and providing office resources to support health and safety related requests.

We commissioned independent research to help us to update, refresh and grow our equality evidence. The project aimed to update and extend existing equalities and sport evidence and understanding, engage directly with the Scottish sport sector to understand whether and how equalities are embedded; and identify recommendations to guide improvements. The Equality and Sport Research 2020⁶ has led to practical recommendations that will help the sector make progress on reducing inequalities, increasing diversity and embedding inclusion.

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

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

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

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

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

National Centres

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

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

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

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

Going concern

The statement of financial position at 31 March 2021 shows net assets of £48.3million. Funding for **sportscotland** in 2021-2022 continues to be provided by the National Lottery Distribution Fund and there is no reason to believe that future funding and budgetary approval will not be forthcoming. It has accordingly been considered appropriate to prepare these financial statements on a 'going concern' basis.

Stewart Harris

Stewart Harris

Chief Executive & Accountable Officer

27 October 2021

Performance analysis

This report covers the second year of our corporate strategy, Sport for Life⁷. One of the principles in Sport For Life is to be responsive. We continue to adapt what we do based on what is happening around us.

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

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

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

⁷ <https://www.sportforlife.org.uk/>

Progress against our outcomes

Playing our part responding to Coronavirus

FEEDBACK ON OUR SUPPORT

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



85%

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



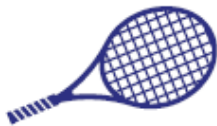
81%

felt more able to tackle issues or challenges



73%

felt the support helped improve recovery plans



81%

felt confident about opening or restarting facilities or activity



84%

felt prepared for a return to sport

TRAINING AND GUIDANCE



37,352

people accessed
sportscotland COVID-19
specific training opportunities

83%

found the training helpful or very helpful



511,843

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

89%



of respondents found this
section helpful or very helpful

69%



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



118

Sport First articles about COVID-19
support across the system



FEEDBACK



85%

said sport-specific guidance
was helpful or very helpful

IMPACT OF OUR SUPPORT ON SCHOOLS AND EDUCATION



61%

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



35%

delivered extra-curricular activity in schools



97%

delivered or facilitated online physical activity sessions

FEEDBACK



85%*

satisfied or very satisfied with **sportscotland** support

* Respondents: Active Schools and Further/Higher Education

IMPACT OF OUR SUPPORT ON CLUBS AND COMMUNITIES



84%

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



39%

organised activities to support the local community



51%

delivered online sport or physical activity sessions

FEEDBACK



85%

satisfied or very satisfied with **sportscotland** support

IMPACT OF OUR SUPPORT ON PERFORMANCE SPORT



85%

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



84%

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



75%

felt more able to tackle issues or challenges

FEEDBACK



93%

satisfied or very satisfied with sportscotland support

Case studies

CASE STUDY: Feel Good Festival | Katie Matthews

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CASE STUDY: Parent Volunteer Coach at Wicketz | Wilson Dallas

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

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

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

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

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

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

CASE STUDY: Supporting the Sector | Karin Sharp

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#WalkAndTalk was born.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Review of the Financial Results of the Year

The accounts relate to the year ended 31 March 2021 and are prepared in a form directed by the Scottish Ministers in accordance with section 35 of Part II of the National Lottery etc. Act 1993.

During the year to 31 March 2021, £25,925k (2019/20 £33,232k) was called down from the NLDF towards the payment of approved awards and the administration of the National Lottery Fund. Administration and programme costs including depreciation and corporation tax for the year totalled £6,675k (2019/20 £7,492k).

A summary of the Lottery Reserves position at the end of 2020/21 showing the commitments to be made over the next 4 year period from 2021/22 to 2024/25 is highlighted in the table below.

The **sportscotland** Lottery statutory accounts are prepared so as to provide details of hard commitments to partners annually. Thus the income and expenditure account reflects these commitments.

This does not take account of the ongoing commitment to our partners who work to a four year plan to deliver specific outcomes.

The analysis below provides a breakdown of the soft/ other commitments made at **sportscotland** over the four year period 2021/22 to 2024/25.

	£000	£000
Monies held in National Lottery Distribution Fund for sportscotland		51,958
Less: - Commitments during the 4 year period 2020/21 to 2024/25		
	Partner Revenue Funding	(51,165)
	Capital Funding	(27,930)
	Effective Organisation	(9,038)
		<hr/>
		(88,133)
Balance to be funded by future Lottery Revenues		<hr/>
		(36,175)

Remuneration for non audit services

The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2020/21 the appointed auditors were Audit Scotland.

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

Intangible assets

During the year to 31 March 2021 there was £nil (2019/20 £nil) spent on acquiring intangible assets for **sportscotland** Lottery Fund activities.

Retained Reserves

Accumulated funds totalling £48,362k (2019/20 £42,669k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

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

During the year ended 31 March 2021 the Lottery Fund paid 80% (2019/20 90%) of all invoices received within the terms of its payment policy.

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

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

Sustainability

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

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



Stewart Harris
Chief Executive & Accountable Officer

27 October 2021

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

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

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

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

The Chief Executive is Stewart Harris.

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

Personal data related incidents

During 2020-21 **sportscotland** was not required to report any data breaches to the Information Commissioner's Office.

Statement of Accountable Officer's Responsibilities

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

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

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

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

Statement that accounts are fair, balanced and understandable

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

Statement as to disclosure of information to auditors

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

The Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the delivery of **sportscotland's** policies, aims and objectives, as set out by the Scottish Government Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Accordingly, I can confirm that adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and minimizing losses of funds were in place throughout 2020-21.

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

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of **sportscotland's** policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The procedures have been in place throughout 2020-21 and have been reviewed during the year with a view to ensuring their effectiveness and improving their robustness.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and of the executive managers within **sportscotland** who have responsibility for the development and maintenance of the internal control framework. I receive a certificate of assurance from each executive director as part of this process. I am also informed by comments made by the external auditors, Audit Scotland in its Annual Report for 2019-20, and in its Annual Report for the current year, to those charged with Governance.

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

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

Governance Framework

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

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

The key components of the governance framework are detailed below:

sportscotland Council

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

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

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

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

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

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

Council Member Committees

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

Audit and Risk Committee

Membership of the Audit and Risk Committee consists of five non-executive Council members. The membership during the 2020-21 financial year is detailed below with their attendance record for the six meetings which took place during the financial year.

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

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

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

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

D Cameron	(6 of 6) (Chair)
G Walker	(6 of 6)
Prof C Mahoney	(6 of 6)
C Bain	(3 of 6)
S Lindsay	(6 of 6)

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

Group Remuneration and Succession Planning Committee

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

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

The Committee did not meet during 2020-21. The Chair's remuneration is decided by the Scottish Government and thus he has no influence over his own pay award. Membership of the Remuneration and Succession Planning Committee during 2020-21 comprised:

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

Group Ethics Committee

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

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

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

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

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

M Young (Chair)
F Wood
C Bain

Information Security

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

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

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

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

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

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

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

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

Internal Control

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

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

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

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

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

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

Throughout 2020-21, **sportscotland's** Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

System and process improvements

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

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

Operation of key systems and processes included:

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

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

Improving the sportscotland estate

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

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

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

Potential future developments are outlined in the strategy on a site-by-site basis and will be considered annually on an organisation-wide prioritised basis by the Senior Management Team, as proposed by the Estates Group, taking into account funding availability.

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

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

Social, Community issues and human rights

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

Risk Management

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



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

We capture risks in our corporate risk register. The corporate risk register is reviewed by the **sportscotland** Board annually, by the Audit and Risk Committee every six months and by the senior management team on an ongoing basis. We categorise risk by five levels: very high; high; medium; low and very low.

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

Table 1: Significant risks facing sportscotland

Risk	Mitigation	Further action in relation to Coronavirus (COVID-19)
<p>Failure to deliver high priority and high-profile projects (such as community sport hubs, Active Schools, sport facilities projects, workforce development and performance sport) adversely affects the reputation of sportscotland.</p>	<p>Regular monitoring and reporting to Board and key stakeholders including both the National Lottery and Scottish Government (Preventative)</p> <p>Successful performance outcomes at Summer and Winter Olympic/Paralympic Games and Commonwealth Games (Preventative)</p> <p>Progress of key priority / high profile projects reported and managed through operational groups to ensure delivery. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>Developed a short-term action plan and revised our budget to ensure delivery of priority activities during COVID (Preventative)</p>	<p>We formalised our communications with Scottish Government regarding the impact of Covid on delivery (Residual).</p> <p>We will continue to provide advice, guidance and expertise to partners directly and through the sportscotland website to ensure they are effectively supported. (Preventative)</p>
<p>Change in external policies or reduced funding by key stakeholders adversely effects the ability to deliver 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>We will stay close to all partners, supporting reinstatement plans and working with them to understand impact in the short, medium and longer term. (Preventative)</p> <p>We will deliver tailored support packages to the needs of our</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>partners and their clubs and communities (Preventative)</p> <p>We will facilitate a strategic forum for sport and physical activity to consider sustainability of the sector over the medium to long-term. (Preventative/Remedial)</p>
<p>Failure of partners to deliver agreed outcomes linked to 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>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>We will stay close to all partners, supporting reinstatement plans and working with them to understand impact in the short, medium and longer term. (Preventative)</p> <p>We will deliver tailored support packages to the needs of our partners and their clubs and communities (Preventative)</p>
<p>Reduced funding challenges local authorities' ability to deliver their plans / outcomes for sport, which may impact on</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community</p>	<p>We will work with the Convention of Scottish Local Authorities (COSLA), CLUK and individual local authorities and leisure trust leaders to understand and then influence</p>

<p>sportscotland's ability to deliver its corporate strategy outcomes.</p>	<p>planning activities at local level (Preventative)</p> <p>Partnership managers working with local authorities to produce fully integrated sports development plans. (Preventative)</p> <p>Research undertaken on local authority partners' expenditure in sport to understand impact of reduced funding in sport. (Preventative)</p>	<p>support for the sector. (Preventative / Remedial)</p> <p>We will facilitate a strategic forum for sport and physical activity to consider sustainability of the sector over the medium to long-term. (Preventative / Remedial)</p>
<p>Reduced National Lottery income negatively impacts sportscotland's ability to deliver its corporate strategy</p>	<p>Confirmation from Scottish Government of continuation of National Lottery underpin (Preventative and remedial)</p> <p>Maintenance of National Lottery reserves to mitigate against reduced income (Remedial)</p> <p>Continue to ensure that National Lottery funding is profiled as appropriate (Preventative)</p> <p>Developed a short-term action plan and revised our budget to ensure delivery of priority activities during COVID (Preventative)</p>	<p>We will closely monitor National Lottery income ensuring underpin remains in place (Preventative)</p> <p>We will continue to utilise National Lottery balance to support sporting system (Preventative / Remedial)</p>

Remuneration and Staff Report

Remuneration policy

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

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

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

Salaries and Allowances

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

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

Directors' Pension Entitlements

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension	Total Accrued Lump sum	Cash equivalent transfer value 2021	Cash equivalent value 2020	Real Increase in Cash Equivalent Transfer Value
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
S Harris	0-2.5	(0-2.5)	50-55	110-115	1,203	1,074	129
F Dunlop	0-2.5	n/a	0-5	n/a	37	16	21
M Roberts	0-2.5	0-2.5	20-25	5-10	323	289	34

Note: S Harris was previously enrolled in the Scottish Teachers Superannuation Scheme, and the pension benefits table therefore reflects the transfer value for that scheme as well as Strathclyde Pension Fund. M Whittingham is not in a final salary scheme and company contributions of £18k (2019-20, £17k) were made to a defined contribution scheme.

Fair Pay Disclosure

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

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

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

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

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

Remuneration is paid to council members at the rate of £176.82 for each meeting attended, along with an £88.41 payment for preparation for a board meeting. Attendance at Committee meetings is paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2020-21 were £322k (2019-20 £359k).

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

Staff report

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

	Male		Female	
	Permanent	Temporary	Permanent	Temporary
Boards	7	0	5	0
Directors	4	0	0	0
Senior Managers	13	0	6	0
Employees	162	14	135	14

Total staff costs comprise

	Group		sportscotland	
	2021	2020	2021	2020
	£000	£000	£000	£000
Wages and salaries	9,354	9,694	6,198	6,550
Social security costs	935	958	659	680
Pension costs	3,519	4,357	2,627	3,311
Aggregate staff costs	13,808	15,009	9,484	10,541

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

Reporting of Civil Service and other compensation schemes – exit packages

Exit package band	2021	2021	2021	2020
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	1	1	-
£10,000 - £25,000	-	-	-	1
£25,000 - £50,000	-	-	-	3
>£50,000	-	-	-	-
Total number of exit packages	-	1	1	4
Total resource cost (£000)	-	8	8	133

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

Sickness absence rate

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

Equal Opportunity in Employment and Disabled Employees

sportscotland actively promotes policies for equal opportunities and to ensure non-discrimination on the grounds of any protected characteristic in accordance with the Equality Act 2010.

Employee Involvement

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

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

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

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

- Percentage of pay bill spent on facility time – 0.03%
- Paid trade union activities - Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 100%

Staff policies applied during the year

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

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

Parliamentary Accountability and Audit Report

Regularity of expenditure

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

Scottish Government funding for 2020-21 was confirmed in the Grant-in-Aid allocation and monitoring letter from the Population Health Improvement Directorate of the Scottish Government. The letter confirms that use of resources must be in accordance with Ministerial priorities as set out in the Strategic Guidance letter (2018-2021), the agreed corporate and business plans, **sportscotland**'s framework document (which deals with corporate management matters and the application of non-lottery funds) and relevant guidance issued by the Scottish Ministers, in particular the Scottish Public Finance Manual.

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

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

National Lottery funding for 2020-21 is administered in accordance with directions received from Scottish Government, in compliance with the National Lottery etc. Act 1993, as amended by the National Lottery Act 1998.

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

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

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

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

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

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

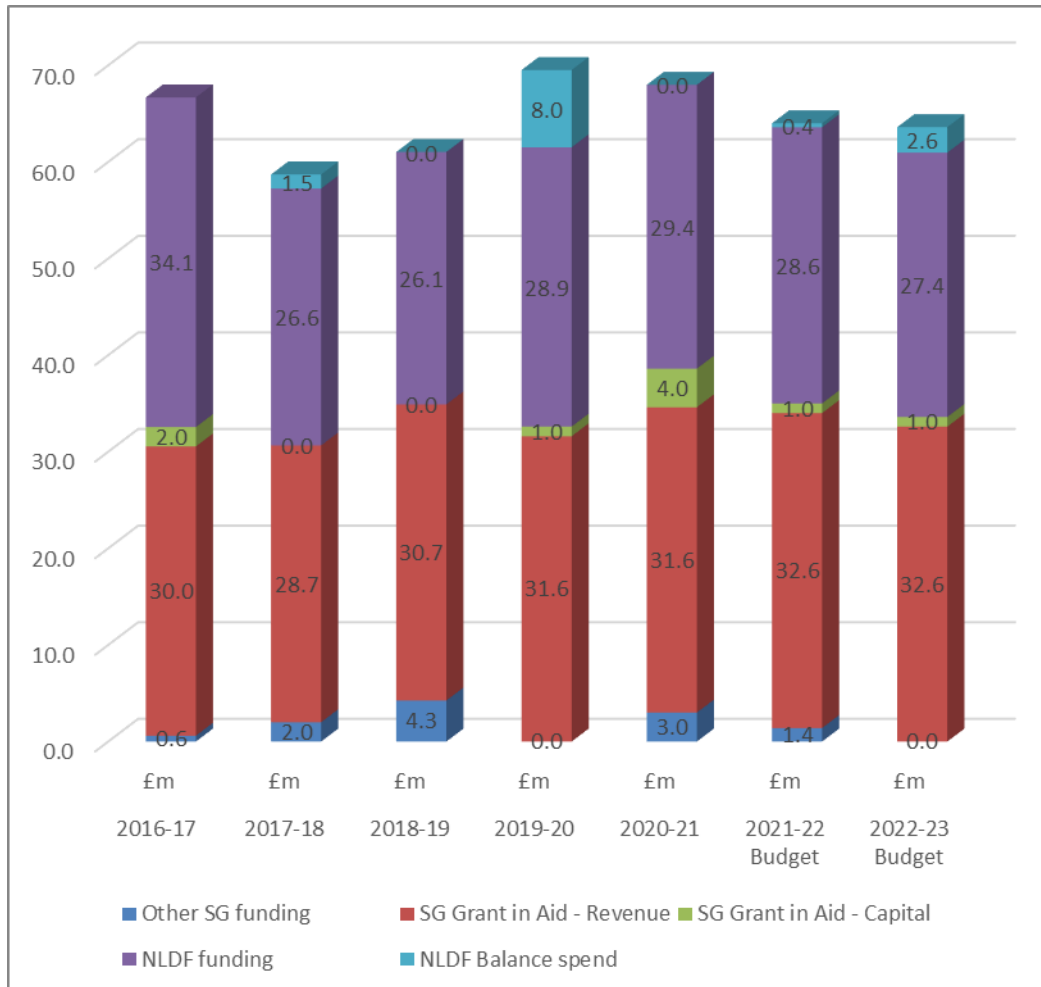
- Accounts Directions issued to **sportscotland** under Sections 35(3) of the National Lottery etc. Act 1993 direct that **sportscotland** shall prepare accounts in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual.

Contingent Liabilities

No contingent liabilities were recorded as at 31 March 2021.

Long-term expenditure trends

sportscotland's expenditure is driven by the funding provided by the Scottish Government (SG) through grant-in-aid and by the National Lottery distribution fund (NLDF). We set out below the funding received from these two entities over the last 5 years, together with the budget for 2021-22 and 2022-23:



Note: SG Funding for 2021-22 is based on a current Grant in Aid letter. SG Funding for 2022-23 will not be known until later in 2021-22 and so the value for 2021-22 has been used as an indicative amount. NLDF Funding for 2021-22 and 2022-23 is based on Gambling Commission forecast revenue in those years. NLDF Balance spend represents planned capital spend and use of balance to support planned investment.

Stewart Harris

Stewart Harris
Chief Executive & Accountable Officer

27 October 2021

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

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Sports Council Lottery Fund for the year ended 31 March 2021 under the National Lottery etc. Act 1993. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Reconciliation of Movement of Funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 and of its increase in fund for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers.

Basis for opinion

[conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 20 January 2021. The period of total uninterrupted appointment is 1 year. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the information other than financial statements and the audited part of the Remuneration and Staff Report.

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

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Lottery etc. Act 1993 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 the National Lottery etc. Act 1993 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Alasdair Craik

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

27 October 2021

sportscotland

Lottery Fund

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

	Notes	2021 £000	2020 £000
Income			
National Lottery Fund proceeds		29,400	28,912
Interest receivable		-	18
Grants returned	2	3	35
Other operating income	2	1	28
		<u>29,404</u>	<u>28,993</u>
Expenditure			
Grants paid and committed during the year	3	14,173	8,488
Grant commitments	3	3,303	4,294
Grants de-committed	3	(440)	(317)
Staff costs	4	4,416	4,104
Depreciation	5	38	89
Other operating charges	6	2,221	3,297
		<u>23,711</u>	<u>19,955</u>
Operating surplus / (deficit) before tax		5,693	9,038
Corporation tax	7	-	(2)
(Decrease) / Increase in fund		<u>5,693</u>	<u>9,036</u>

All the results of the Fund relate to continuing activities.

No other gains or losses were incurred in the year.

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Statement of Financial Position at 31 March 2021

	Notes	2021 £000	2020 £000
Non - current assets			
Property, plant, and equipment	8	76	89
Intangible assets	9	-	5
Total non-current assets		76	94
Current assets			
Investments – balance held in NLDF	10	51,958	48,483
Cash and cash equivalents	13	2,045	1,192
Trade and other receivables	11	353	18
Total current assets		54,356	49,693
Total assets		54,432	49,787
Current Liabilities			
Grants due within one year	14	5,297	6,302
Trade and other payables	12	773	816
Total current liabilities		6,070	7,118
Net current assets		48,286	42,575
Non-current assets plus net current assets		48,362	42,669
Taxpayers Equity			
General fund	15	48,362	42,669
		48,362	42,669

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

The notes to the accounts form part of these financial statements

Stewart Harris

Stewart Harris
Chief Executive & Accountable Officer

27 October 2021

Mel Young

Mel Young
Chair

27 October 2021

sportscotland

Lottery Fund

Statement of Cash Flows for the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Surplus/(Deficit) on ordinary activities before tax		5,693	9,038
Adjustment for non-cash items			
Depreciation on tangible and non-tangible fixed assets	5	38	89
Movements in working capital			
Decrease/(Increase) in investments	10	(3,475)	4,320
Decrease/(Increase) in trade and other receivables	11	(335)	97
Increase/(Decrease) in trade payables	12	(43)	(543)
Movements in provisions			
Increase/(Decrease) in provisions for hard commitments	14	(1,005)	(13,931)
Taxation Paid	7	-	(2)
Net cash (outflow) / inflow from operating activities		873	(932)
Cash flows from investing activities			
Purchase of tangible assets	8	(20)	(74)
Purchase of intangible assets	9	-	-
Net cash outflow from investing activities		(20)	(74)
Net (decrease) / increase in cash and cash equivalents		853	(1,006)
Cash and cash equivalents as at 1 April		1,192	2,198
Cash and cash equivalents as at 31 March	13	2,045	1,192

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Reconciliation of movement of funds for the year ended 31 March 2021

	Balances held in NLDF	Balances at SSNLDF	2021 Total	2020 Total
	£000	£000	£000	£000
Opening balances	48,483	(5,814)	42,669	33,633
National Lottery Fund proceeds	29,400	-	29,400	28,912
Drawn down in year by SLF	(25,925)	25,925	-	-
Interest on cash balances	-	-	-	18
Other operating income	-	4	4	63
Grants paid	-	(14,173)	(14,173)	(8,488)
Net grant commitment	-	(2,863)	(2,863)	(3,977)
Expenditure	-	(6,675)	(6,675)	(7,492)
	51,958	(3,596)	48,362	42,669

The notes to the accounts form part of these financial statements

sportscotland

Lottery Fund

Notes to the accounts for the year ended 31 March 2021

1 Accounting policies

1.1 Basis of accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of fixed assets. These accounts have been prepared in accordance with the accounts direction issued by 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.

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

As required by Scottish Ministers, the **sportscotland** Lottery Fund is not required to include a note showing historical cost profits and losses.

Comparative figures shown are for the year to 31 March 2020.

Going Concern

Due to the significant bank balance and strong net asset position as well as the continued funding expected, the Board has prepared the financial statements on the going concern basis which provides that the organisation will continue in operational existence for the foreseeable future.

1.2 Accruals convention

All income and expenditure is taken into account in the financial year to which it relates.

As required by the Scottish Ministers, a distinction is made in respect of the **sportscotland** Lottery Fund awards between hard and soft commitments.

Revenue recognition

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

Hard commitments

A hard commitment is analogous to a commitment arising from a legally binding contract, carrying with it an obligation on the distributor to pay the agreed Lottery grant provided only that all the conditions of the grant are met, and that the National lottery continues to operate. For the purposes of recording a charge in the Statement of Comprehensive Net Expenditure, a hard commitment arises when a firm offer of a grant from the National Lottery proceeds has been made by **sportscotland** and accepted in writing by the recipient. A firm offer will only be made if there is a reasonable expectation that conditions attached to the offer will be met. A provision for hard grant commitments is shown on the Statement of Financial Position and is written down as the commitment matures.

Soft Commitments

These will occur when there is agreement in principle by **sportscotland** to fund a scheme. Once a formal offer and acceptance of the terms and conditions of the grant have been concluded this will become a hard commitment. The total soft commitments are shown in a note to the Statement of Financial Position. Changes in soft to hard commitments which arise after the accounting year end and before the publication of the Accounts will not be adjusting events in terms of IAS 10 (Events after the Reporting Period).

De-commitments

Should a hard commitment fail to become a cash payment within the expected timeframe, and there is little possibility of it crystallising, **sportscotland** may withdraw the offer formally in writing. A reverse entry to the commitment is then made in the Statement of Comprehensive Net Expenditure.

1.3 Property, plant, and equipment depreciation, revaluation and impairment

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

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

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

Fixtures and fittings	5 years
General equipment	4 years
Computing 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 is advised of any assets that have been disposed during the year and this is normally backed up by the annual Asset Audit check which entails visiting the estate and checking the accuracy of the Fixed Asset register by verifying the location and condition of assets. Due to the impact of the COVID-19 pandemic, this has been undertaken as a desk top exercise in 2021-22.

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

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

1.4 Intangible Assets

Intangible assets are valued at cost less straight line amortisation, normally these assets are expected to have a useful life of 4 years and are amortised on that basis.

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'.

1.5 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the **sportscotland** Lottery Fund is as shown in the accounts and, at the Statement of Financial Position date, has been certified on an interim basis by the Secretary of State for Culture, Media & Sport as being available for distribution by the body in respect of current and future commitments. This balance is shown as an investment on the Statement of Financial Position and is stated at market value. The balance in the accounts is based on an Interim Statement of balance produced by the Department of Culture, Media and Sport (DCMS) which is subject to completion of the Statement of Assurance of Payments due to the National Lottery Distribution Fund for 2020/21 by the National Lottery Commission and the completion of the audit of the National Lottery Distribution Fund accounts for 2020/21 by the National Audit Office with an adjustment for the final balance being reflected in subsequent financial statements.

The annual proceeds available from the National Lottery Distribution Fund have been treated as income within these financial statements.

1.6 Taxation

Taxation has been provided for by the **sportscotland** Lottery Fund. The Fund is liable to corporation tax on the bank interest received. The small companies' rate of corporation tax applies to this taxable income.

1.7 Post retirement benefits

All members of staff are contractually employed by **sportscotland** and not **sportscotland** Lottery Fund. A proportion of staff costs are recharged by **sportscotland** to **sportscotland** Lottery Fund on the basis of time spent by the employee on activities of **sportscotland** Lottery Fund.

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).

As **sportscotland** is the employer of staff, the pension scheme is accounted for as a defined benefit scheme in the financial statements of **sportscotland**. Within **sportscotland** Lottery Fund, the pension scheme is accounted for as a defined contribution scheme and the recharged share of the pension contributions is expensed to the Statement of Comprehensive Net Expenditure in the year.

Scottish Teachers Superannuation Scheme (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.

Strathclyde Pension Fund (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.

1.8 Leases

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

1.9 Provisions

A provision (a liability that is of uncertain timing or amount) is recognised in the **sportscotland** Lottery accounts only when it actually exists at the Statement of Financial Position date. A provision is recognised when the **sportscotland** lottery fund has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.10 Lottery salary recharges

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

1.11 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 entities applying the FReM shall recognise the cumulative effects of initially applying IFRS 16, recognised at the date of initial application, as an adjustment to the opening balances of taxpayers' equity.

An initial exercise on the impact on the accounts has determined that the impact on the accounts is minimal as the bulk of the leases are the liability of **sportscotland**.

2 Income

2.1 Proceeds from the National Lottery

The proceeds from the National Lottery represent the share of net operator proceeds and investment returns allocated to the **sportscotland** Lottery Fund during the year.

2.2 Other operating income comprises:

	2021	2020
	£000	£000
Grants Returned	3	35
Miscellaneous income	1	28
	<u>4</u>	<u>63</u>

3 Grants paid and net grant commitment

3.1 Annual grants paid and committed during the year

	2021	2020
	£000	£000
Capital and Revenue	<u>14,173</u>	<u>8,488</u>

3.2 Grants paid during year

	2021	2020
	£000	£000
Paid and committed during year	14,173	8,488
Committed in previous years	<u>3,867</u>	<u>17,908</u>
	<u>18,040</u>	<u>26,396</u>

3.3 Net grant commitments

	2021	2020
	£000	£000
Hard commitments made during year	17,476	12,782
Less: amounts paid and committed during year	(14,173)	(8,488)
	<u>3,303</u>	<u>4,294</u>
Less: amounts de-committed during year	<u>(440)</u>	<u>(317)</u>
Net grant commitment at 31 March	<u>2,863</u>	<u>3,977</u>

3.4	Net grant commitments split		
		2021	2020
		£000	£000
	Capital programmes	1,112	1,763
	Revenue	1,751	2,214
		<u>2,863</u>	<u>3,977</u>
3.5	Grants paid during the year by programme		
3.5.1	Capital Facilities		
		2021	2020
		£000	£000
	Regional Facilities	1,500	8,000
	Sports Facilities Programme	604	1,701
	Total Capital Grants paid	<u>2,104</u>	<u>9,701</u>
3.5.2	Revenue Funding		
		2021	2020
		£000	£000
	Schools & Education	249	224
	Clubs & Communities	12,756	13,354
	Performance	2,931	3,117
	Total Revenue Grants paid	<u>15,936</u>	<u>16,695</u>
	Total grants paid during the year	<u>18,040</u>	<u>26,396</u>

4 Employees

4.1	Total staff costs comprise:		
		2021	2020
		£000	£000
	Wages and salaries	3,401	3,160
	Social security costs	353	328
	Other pension costs	662	616
	Aggregate staff costs	<u>4,416</u>	<u>4,104</u>

All employment contracts are within **sportscotland** and the relevant amounts are recharged to **sportscotland** Lottery.

4.2 The average staff numbers, including part-time and full-time employees, are as follows:

	2021	2020
	Number	Number
Permanent Contracts	90	85

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

5 Total Depreciation Charge

	2021	2020
	£000	£000
Depreciation of tangible assets	33	14
Amortisation of Intangible assets	5	75
Total Depreciation	38	89

6 Other operating charges

The operating result is after charging:

	2021	2020
	£000	£000
Administration expenses	2,057	3,027
Travel and subsistence	7	96
Auditors' remuneration		
External	21	21
Internal	16	24
Operating rentals	120	129
	2,221	3,297

7 Corporation tax

	2021	2020
	£000	£000
Corporation tax	-	2

Corporation tax is due on the bank interest received in the year based on the standard rate of corporation tax of 19%

8 Property, Plant & Equipment

2021	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April 2020	133	1	132
Additions during year	20	-	20
Disposals during year	-	-	-
Cost at 31 March 2021	153	1	152
Aggregate depreciation at 1 April 2020	44	1	43
Charge for the year	33	-	33
Disposals during year	-	-	-
Aggregate depreciation at 31 March 2021	77	1	76
Net Book Value at 31 March 2021	76	-	76
2020	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April 2019	59	1	58
Additions during year	74	-	74
Disposals during year	-	-	-
Cost at 31 March 2020	133	1	132
Aggregate depreciation at 1 April 2019	30	1	29
Charge for the year	14	-	14
Disposals during year	-	-	-
Aggregate depreciation at 31 March 2020	45	1	44
Net Book Value at 31 March 2020	89	-	89
Net Book Value at 31 March 2019	29	-	29

9 Intangible assets

	2021	2020
	£000	£000
Cost		
Opening balance 1 April	361	361
Additions during year	-	-
Closing balance 31 March	<u>361</u>	<u>361</u>
Accumulated amortisation		
Opening balance 1 April	356	281
Charge for the year	5	75
Closing balance 31 March	<u>361</u>	<u>356</u>
Net book value at 31 March	<u>-</u>	<u>5</u>

10 Investments

	2021	2020
	£000	£000
National Lottery Distribution Fund	48,483	52,803
Increase/(decrease) in year	<u>3,475</u>	<u>(4,320)</u>
Closing Balance	<u>51,958</u>	<u>48,483</u>

The balance shown at 31 March 2021 is the interim valuation from NLDF, the final audited balance for the value of investments as at 31 March 2020 was £48,483k.

11 Trade and other receivables

	2021	2020
	£000	£000
Trade debtors	21	10
Intercompany - sportscotland	-	-
Other Debtors	<u>332</u>	<u>8</u>
	<u>353</u>	<u>18</u>

Breakdown of Debtors by Category

	2021	2020
	£000	£000
Other Central Government Bodies	-	-
Other External Bodies	353	18
Total	353	18

12 Trade and other payables

	2021	2020
	£000	£000
Trade creditors		
Corporation tax	-	4
Other Payables	27	56
Intercompany - sportscotland	403	431
Accruals and deferred income	343	325
	773	816

Breakdown of Creditors by Category

	2021	2020
	£000	£000
Other Central Government Bodies	-	200
Other External Bodies	773	616
Total	773	816

13 Cash and cash equivalents

	2021	2020
	£000	£000
Cash and bank balance at 1 April	1,192	2,198
Net cash (outflow)/inflow	853	(1,006)
Cash and bank balance at 31 March	2,045	1,192

Financial Instruments (under IFRS)

As the cash requirements of **sportscotland** are met through grants provided by the National Lottery Fund, 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.

14 Grant Commitments

	2021	2021	2020
Capital	£000	£000	£000
Balance as at 1 April		3,643	7,000
Amounts committed during the year		1,225	6,450
Total hard commitments		4,869	13,450
Amounts paid during the year	2,104		
Amounts paid and committed during the year	-		
Amounts de-committed during the year	114		
		2,218	9,807
Hard capital commitments at 31 March		2,651	3,643
		2021	2020
Revenue	£000	£000	£000
Balance as at 1 April		2,659	13,233
Amounts committed during the year		16,250	6,332
Total hard commitments		18,909	19,565
Amounts paid during the year	1,763		
Amounts paid and committed during the year	14,173		
Amounts de-committed during the year	327		
		16,263	16,906
Hard revenue commitments at 31 March		2,646	2,659
Total hard commitments at 31 March		5,297	6,302

At 31 March 2021 a total of £5,297k (2019/20 £6,302k) is payable within one year. No other amounts are committed.

15 General Fund

	2021	2020
Represented by:	£000	£000
Balance as at 1 April	42,669	33,633
Change in fund for the year	5,693	9,036
Balance as at 31 March	48,362	42,669

16 Soft capital grant commitments

	2021	2021	2020
	£000	£000	£000
Balance as at 1 April		1,611	1,790
Amounts committed during the year		100	111
Total soft commitments		1,711	1,901
Amounts transferred to hard commitments	(38)		
Amount de-committed during the year	(38)		
		(76)	(290)
Soft commitments at 31 March		1,635	1,611

17 Related party transactions

The **sportscotland** Lottery Fund is administered by **sportscotland** and thus **sportscotland** is regarded as a related party of the **sportscotland** Lottery Fund.

All transactions with related parties are conducted at arm's length.

During the year **sportscotland** recharged salaries of £4,416 (2020: £4,104k). Within creditors there is an amount of £403k due to **sportscotland** (2020: £431k).

The Scottish Sports Council Trust Company is a related party of the **sportscotland** Lottery Fund as it is controlled by **sportscotland**. There were no transactions in the year between the Scottish Sports Council Trust Company and **sportscotland** Lottery Fund.

During the year both the Accountable Officer and Chair of the **sportscotland** Lottery Fund Committee received remuneration from **sportscotland**.

The **sportscotland** Lottery Fund paid grants to the following bodies which are related parties:

	2021	2020
Awards for All (Big Lottery Fund)	£507,236	£194,845

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

There were no significant related party transactions with associated organisations during the year to 31 March 2021. Details of awards made to governing bodies and amounts paid to individual sports is shown on the **sportscotland** web-site at <https://sportscotland.org.uk/about-us/investment-reporting/>

18 Losses

The **sportscotland** Lottery Fund had losses totalling £nil (2020: £nil) during the year.

19 Contingent Liabilities

As at the date of signing, **sportscotland** Lottery Fund had no contingent liabilities. There were no contingent liabilities in the previous year.

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



Peter Mills
27 July 2015
Head of Finance Special Projects
Department for Culture, Media and Sport

ANNEXA

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."

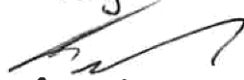
c. the value of grant commitments at the year-end which sportscotland has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date;

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

Pam Hill

