English Institute of Sport Limited

Annual Report and Financial Statements
For the year ended 31st March 2012

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For the year ended 31st March 2012

Presented to Parliament pursuant to Article 6(2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 (SI2009/476)

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English Institute of Sport Limited

Financial Statements

Year Ended 31 March 2012

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Company Registration Number 04420052

Officers and Professional Advisers

The Board of Directors	S Cram MBE I C Watmore A Hodson MA, MCSP, DIPTR, MSRE/RT K D Pickering H Martin BSc, ACA C O'Shea N Walker Professor J Doust (appointed 12th July 2011)
Audit Committee Members	IC Watmore (Chairman) JE Ryan FCA (Independent Member) A Hodson MA, MCSP, DIPTR, MSRE/RT H Martin BSc, ACA N Walker
Company Secretary	J Haworth
Registered Office	4th Floor Byrom House 21 Quay Street Manchester M3 3JD
Auditor	Comptroller and Auditor General National Audit Office 157 – 197 Buckingham Palace Road Victoria London SW1W 9SP

English Institute of Sport Limited

Directors' Report

Year Ended 31 March 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2012.

Principal Activities and Business Review

The EIS provides sport science and medicine services to elite athletes, primarily in World Class funded sports (the company's principal activity). The company is a wholly owned subsidiary of UK Sport.

The EIS continues to receive core funding from UK Sport to support its infrastructure, with direct costs of service provision funded by charging the National Governing Bodies (NGBs) for agreed services. NGB income has been slightly higher than anticipated this year due to increased investment from a number of sports, including gymnastics, hockey, netball, sailing and swimming, and continued investment from Winter sports.

The focus during the year has been two-fold: short term focus on preparations for London 2012, and long term focus on strategic planning for the Rio cycle. In terms of the former, a significant number of EIS practitioners will be working directly with the sports during Games time. Work is therefore being done to ensure that these practitioners are appropriately supported and equipped to carry out their role, for example in terms of provision of IT and telecomms support.

In the build up to the Games, a PR Manager has been appointed to assist not only with the greatly increased media activity, but also to implement a longer term PR strategy to raise the profile of the organisation, for example through more pro-active engagement with the media.

In terms of internal communications, the quarterly all-staff conference calls continue to be well received and we are following up on a number of issues raised in the staff survey which was conducted in November. An ongoing issue has been the quality of IT support and we have therefore invested in a dedicated helpdesk.

The annual conference was brought forward to December this year and was a great success. For the first time NGB representatives were invited to the conference and this was well received by both EIS and NGB staff.

We continue to invest significantly in people development, including continuation of the leadership and line management programmes, as well as investment in individual CPD and professional studies. Developing the next generation of practitioners is also a key priority, through the intern programme, as well as investing in PhD positions in collaboration with a number of universities.

The ongoing pay and progression freeze has been difficult to manage, with remuneration being raised as an issue in the annual staff survey. With UK Sport's approval we have recently been able to undertake a staff regrading exercise, whereby employees who were able to demonstrate that they are now carrying out a higher level role have been regraded. This recognition has been well received by staff.

English Institute of Sport Limited

Directors' Report ***(continued)***

Year Ended 31 March 2012

Principal Activities and Business Review (continued)

EIS Connect has continued to be developed during the course of the year, with the focus being on increasing staff awareness and use of Connect as both a knowledge management tool and the principal method of storing and sharing information within the organisation. In addition work has been ongoing to develop and implement sports sites and educate NGBs on the use of Connect. This has taken longer than originally anticipated and will continue to be a focus post Games.

For the first time this year EIS was required to submit under the UK Sport Self Assurance process. As a distributor of public funds, UK Sport is responsible for ensuring that all funded partners have the corporate structure, plans, policies and procedures required to manage funds in the most effective way. The Self Assurance process identifies basic standards within the areas of governance, strategic planning, financial management, human resources, risk management and organisational policy, which if met ensure public funds are secure and managed effectively. The submission was made in September and we achieved a green rating which indicates a sound level of organisational governance.

The last triennial valuation of EIS's pension scheme showed that the scheme was in a healthy net asset position and as a result of this LPFA advised us to decrease our employer contribution rate from 12.5% to 9.1% with effect from 1 April 2011. The FRS17 valuation as at 31 March 2012, which is based on a different set of assumptions, has resulted in a charge to the Income and Expenditure account of £3,202,000 *(2011: £121,000)* and in a net liability position of £1,741,000. The actuaries have advised that this is a result of a combination of decreased returns on scheme assets and an increase of 10-20% in fund members' liabilities resulting from changes in financial assumptions. This includes a change in discount rate from 5.5% to 4.6%.

At the time that the board approved the decrease in employer's contributions in April 2011 it was agreed that we should obtain an interim valuation of the fund as at 31 March 2012. This exercise will therefore be carried out over the coming months to ascertain whether the findings of the FRS17 valuation are a cause for continuing concern with regard to future contribution rates.

Future Developments

Whilst the short term focus is on London 2012, the Senior Management Team has dedicated a significant amount of time this year to strategic planning for the Rio cycle. Our four year business plan has recently been submitted to UK Sport and, if achieved, will see the organisation taking on a more wide ranging role and remit. The future funding and management of sports medicine provision is also a key feature of the plan.

Going Concern

The accounts have been prepared on a going concern basis. The directors have reviewed this position and are satisfied that the company is operating as a going concern. Detailed budgets have been prepared for the next financial year, resulting in a break even position by the end of the current

funding cycle. Funding of £10.3 million has been committed by UK Sport, subject to Parliamentary approval, for the twelve months through to March 2013 and positive discussions have taken place around continued funding into the next Olympic/Paralympic cycle. The four year business plan for the period to 2013-17 has been prepared on the assumption that there will be a slight decrease in available funding, however the directors consider that this will not adversely impact the long term objectives or sustainability of the organisation.

Service level agreements are in place with 49 Olympic, Paralympic and English funded sports, the majority of which are committed until March 2013. In addition to this EIS continues to work with a number of professional sports. Discussions will begin with NGBs as soon as possible after London 2012 in order to ensure NGB investment is committed for the new cycle with a view to a commitment being received for the following financial year before the end of the calendar year.

Talks have taken place between UK Sport and Sport England regarding their potential future merger. EIS has been involved in some of these discussions and our understanding is that the merger will have no adverse impact on EIS's ability to continue as a going concern.

Disabled Persons

EIS employs disabled persons on merit and every effort is made to ensure that all applicants are given full and fair consideration at all times. All reasonable adjustments are made to meet the needs of disabled employees and an occupational health service is provided to assess the needs of employees, where required, during the course of their employment. EIS is committed to providing training and development opportunities to all of its employees, both able bodied and disabled.

Results

The surplus for the year, after taxation, amounted to £133,672 *(2011: £1,445,599)*. The difference in results is caused by differences in pension contributions as a result of the actuarial valuation of the pension scheme.

In addition to the above, for the year ended 31st March 2012 there was an actuarial loss in respect of the defined benefit pension scheme of £3,202,000 *(2011: £121,000)* which is shown in the Statement of Total Recognised Gains and Losses.

Financial Risk Management Objectives and Policies

With approximately 37% of our funding secured through service level agreements with NGBs it is key that we meet the performance objectives set in these agreements in order to retain this funding. To that end each of our sports has a dedicated Lead Sport Contact who closely monitors both the quantity and quality of service provision provided, liaising regularly with the sport in the process. This process is supplemented by an annual Customer Satisfaction Survey; providing all of our customers with the opportunity to feedback on their service provision at a national level.

Key Performance Indicators are in place to ensure we meet the requirements of our key funder, UK Sport. EIS is on target with the majority of its Key Performance Indicators during the year.

Quarterly meetings are held with UK Sport to review performance and monitor any finance or governance issues.The Audit Committee, made up of both non-executive and executive directors, meets 3-4 times per year to assist with the financial governance of the organisation. An independent person with expertise in finance and governance has recently been recruited to the Committee.

Directors

The directors who served the company during the year were as follows:

S Cram MBE
I C Watmore
A Hodson MA, MCSP, DIPTR, MSRE/RT
K D Pickering
H Martin BSc ACA
C O'Shea
N Walker
Professor J Doust (appointed 12th July 2011)

The directors have indemnity insurance.

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

Directors' Responsibilities (continued)

. select suitable accounting policies and then apply them consistently;

. make judgements and estimates that are reasonable and prudent;

. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

. there is no relevant audit information of which the company's auditor is unaware; and

. the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office;
4th Floor
Byrom House
21 Quay Street
Manchester
M3 3JD

Signed by order of the directors

J Haworth
Company Secretary

Approved by the directors on 15th June 2012

English Institute of Sport Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of the English Institute of Sport Limited

Year Ended 31 March 2012

I certify that I have audited the financial statements of the English Institute of Sport Limited for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. The financial statements comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the report on Officers and Professional Advisers, the Directors' Report and the related notes to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse *Date: 19th June 2012*
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

Income and Expenditure Account

Year ended 31 March 2012

	Notes	2012 £	2011 £
Income	**2**	**16,552,465**	16,280,619
Operating and administrative expenses		**(16,655,108)**	(14,840,885)
Operating (deficit)/surplus	**3**	**(102,643)**	1,439,734
Interest receivable and similar income	**6**	**236,644**	6,892
Surplus on ordinary activities before taxation		**134,001**	1,446,626
Tax on surplus on ordinary activities	**7**	**(329)**	(1,027)
Surplus for the financial year		**133,672**	1,445,599

All of the activities of the company are classed as continuing

English Institute of Sport Limited

Statement of Total Recognised Gains and Losses

Year ended 31 March 2012

	2012	2011
	£	£
Surplus for the financial year attributable to the members	**133,672**	1,445,599
Actuarial loss in respect of defined benefit pension scheme (see note 16)	**(3,202,000)**	(121,000)
Total (losses)/gains recognised since the last annual report	**(3,068,328)**	1,324,599

English Institute of Sport Limited

Balance Sheet

31 March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	**8**		**1,787,077**		1,937,223
Intangible assets	**9**		**132,587**		-
			1,919,664		1,937,223
Current assets					
Debtors	**10**	**563,952**		715,942	
Cash at bank		**734,645**		495,292	
		1,298,597		1,211,234	
Creditors: Amounts Falling due Within One Year	**11**	**(1,293,304)**		(1,195,866)	
Net current assets			**5,293**		15,368
Total assets less current liabilities			**1,924,957**		1,952,591
Creditors: Amounts Falling Due After More Than One Year	**12**		**-**		(3,173)
Deferred income	**13**		**(1,963,241)**		(1,959,374)
Provisions for liabilities	**14**		**-**		(27,000)
Net liabilities excluding pension (liability)/asset			**(38,284)**		(36,956)
Defined benefit pension scheme (liability)/asset	**16**		**(1,741,000)**		1,326,000
Net (liabilities)/assets including pension (liability)/ asset			**(1,779,284)**		1,289,044
Reserves					
Income and expenditure account	**20**		**(1,779,284)**		1,289,044

These accounts have been audited under the Government Resource and Accounts Act 2000, and are therefore exempt from the requirements of section 475 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on
and are signed on their behalf by:

Helen Martin
Director

Cash Flow Statement

Year Ended 31 March 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	21	**1,126,620**	388,166
Returns on investments and servicing of finance	21	**1,644**	4,892
Taxation	21	**(1,027)**	(1,208)
Capital expenditure and financial investment	21	**(868,849)**	(802,720)
Cash inflow/(outflow) before financing		**258,388**	(410,870)
Financing	21	**(19,035)**	(19,035)
Increase/(decrease) in cash	21	**239,353**	(429,905)

Notes to the Financial Statements

Year Ended 31 March 2012

1 Accounting policies

Basis of Accounting

The financial statements of the English Institute of Sport Limited are prepared on a going concern basis as referred to in the Directors' report and in accordance with UK GAAP and the Companies Act 2006.

Grant Income

The income shown in the income and expenditure account represents amounts received from UK Sport during the year less amounts credited to a deferred income account. Grant income received during the financial year but not used is deferred until the following year. Grant funding used to acquire fixed assets is credited to this account and then released over the life of the assets.

Fixed Assets

Fixed assets are capitalised at cost where cost exceeds £500. When an item costs less than this but forms part of a group of assets whose total is greater than £500 then the items are capitalised.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 5 years
Fixtures & Fittings	- 5 years
Computer Equipment	- 3 years

Intangible Assets

Intangible assets acquired by the company are measured at cost less accumulated amortisation.

Amortisation

Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software & Licences	- 5 years

Notes to the Financial Statements

Year Ended 31 March 2012

1 Accounting Policies *(continued)*

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating Lease Agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownerships remain with the lessor, are charged against income on a straight line basis over the period of the lease.

Pension Costs and Other Post-Retirement Benefits

The pension scheme is a defined benefit scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variation from the cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded, with assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return of high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Taxation

The company pays taxation on interest receivable and any non-lottery funded income.

2 Income

The income and deficit before tax are attributable to the one principal activity of the company.

An analysis of income is given below:

	2012	2011
	£	£
UK Sport grant	**10,288,773**	10,100,330
Income from sale of services	**6,157,669**	6,009,964
Other income	**113,015**	111,889
Grant released to the income & expenditure account in respect of depreciation	**766,487**	424,843
Transfer of fixed asset additions to deferred income	**(748,928)**	(406,276)
Grant income released from prior year	**19,026**	58,895
Unused grant released carried forward	**(43,577)**	(19,026)
	16,552,465	16,280,619

3 Operating (deficit)/surplus

Operating (deficit)/surplus is stated after charging:

	2012	2011
	£	£
Depreciation of owned fixed assets	**788,999**	776,776
Depreciation of assets held under finance lease agreements	**19,035**	19,035
Amortisation	**27,525**	-
Loss on disposal of fixed assets	**50,849**	25,476
Auditor's remuneration		
- as auditor	**13,650**	13,650
- for other services	**-**	-
Operating lease costs:		
- plant and equipment	**11,330**	11,180
- other	**1,378,619**	1,297,607

Included within other operating lease costs are facility rental costs where the agreement is on an annual rolling basis. Hence, these costs are not disclosed as commitments under operating leases within note 17.

Notes to the Financial Statements

Year Ended 31 March 2012

4 Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Management	6	6
Administration	24	26
Operations	226	210
	256	242

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	8,848,944	8,558,694
Social security costs	754,370	706,338
Other pension costs	785,565	(497,189)
	10,388,879	8,767,843

5 Directors' Emoluments

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2012	2011
	£	£
Emoluments receivable	184,484	125,935
Value of company pension contributions to defined benefit schemes	15,439	14,878
	199,923	140,813

Emoluments receivable have increased over the prior year as the National Director was only appointed in September 2010, part way through the year ended March 11.

Notes to the Financial Statements

Year Ended 31 March 2012

5 Directors' Emoluments *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Defined benefit schemes	**2**	2

6 Interest Income and Similar income

	2012	2011
	£	£
Bank interest receivable	**1,644**	4,892
Other finance income in respect of defined benefit pension schemes	**235,000**	2,000
	236,644	6,892

7 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
UK Corporation tax based on the results for the Year at 20% (2011: 21%)	**329**	1,027
Total current tax	**329**	1,027

(b) Factors affecting current tax charge

The tax assessed on the surplus on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% *(2011: 21%)*. The differences are explained below:

	2012	2011
	£	£
Surplus on ordinary activities before taxation	**134,001**	1,446,626
Surplus on ordinary activities by the rate of tax	**26,800**	303,791
Income and expenditure not attributable for tax purposes	**(26,471)**	(302,764)
Total current tax (note 7(a))	**329**	1,027

Notes to the Financial Statements

Year Ended 31 March 2012

8 Tangible Fixed Assets

	Leasehold Improve-ments £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2011	350,860	3,889,603	2,052,080	6,292,543
Additions	2,555	220,044	486,138	708,737
Disposals	-	(14,704)	(105,217)	(119,921)
At 31 March 2012	353,415	4,094,943	2,433,001	6,881,359
Depreciation				
At 1 April 2011	239,868	2,613,761	1,501,691	4,355,320
Charge for the year	38,393	503,954	265,687	808,034
On disposals	-	(12,653)	(56,419)	(69,072)
At 31 March 2012	278,261	3,105,062	1,710,959	5,094,282
Net book value				
At 31 March 2012	**75,154**	**989,881**	**722,042**	**1,787,077**
At 31 March 2011	110,992	1,275,842	550,389	1,937,223

Finance lease agreements

Included within the net book value of £1,787,077 is £Nil *(2011: £19,035)* relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £19,035 *(2011: £19,035)*. A full quarter's depreciation is charged in the quarter of acquisition, hence, as at 31st March 2012 the NBV of leased assets is £Nil but there are still two months lease payments to make (see note 15)

Notes to the Financial Statements

Year Ended 31 March 2012

9 Intangible Assets

	Software & Licences £
Cost	
At 1 April 2011	-
Additions	160,112
At 31 March 2012	160,112
Amortisation	
At 1 April 2011	-
Amortisation for the year	27,525
At 31 March 2012	27,525
Net book value	
At 31 March 2012	**132,587**
At 31 March 2011	-

Intangible assets represent amounts spent on the Connect project which is EIS's intranet and document management system.

10 Debtors

	2012 £	2011 £
Trade Debtors	**141,366**	287,763
Other debtors	**6,773**	19,755
Prepayments and accrued income	**415,813**	408,424
	563,952	715,942

Notes to the Financial Statements

Year Ended 31 March 2012

11 Creditors: Amounts Falling due Within One Year

	2012	2011
	£	£
Trade creditors	**557,163**	446,366
Amounts owed to group undertakings	**-**	4,000
Other creditors including taxation and social security:		
Corporation tax	**329**	1,027
Other taxation and social security	**386,110**	350,897
Finance lease agreements	**3,173**	19,035
Other creditors	**12,657**	24,715
	959,432	846,040
Accruals	**333,872**	349,826
	1,293,304	1,195,866

£53,662 *(2011: £11,170)* of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

12 Creditors: Amounts Falling due after More than One Year

	2012	2011
	£	£
Finance lease agreements	**-**	3,173

13 Deferred income

Funding used to acquire fixed assets is credited to the deferred income account and then released over the life of the asset. Income received in advance but not utilised is also credited to the deferred income account and is released the following year

	2012	2011
	£	£
Deferred income re fixed assets	**1,919,664**	1,937,223
Income received in advance	**43,577**	22,151
	1,963,241	1,959,374

Notes to the Financial Statements

Year Ended 31 March 2012

14 Provisions

	2012	2011
	£	£
Legal provision	**-**	27,000

The provision was utilised during the year

15 Commitments under Finance Lease Agreements

Future commitments under finance lease agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	**3,173**	19,035
Amounts payable between 2 to 5 years	**-**	3,173
	3,173	22,208

16 Pension Commitments

The company participates in the London Pension Fund Authority Superannuation Scheme (LPFA). It is one of a large number of employers whose staff participate in the scheme, but the data given in this note relates just to the company. The majority of the company's staff are members of the scheme.

The pension scheme is of the defined benefit type and it is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £685,565 *(2011: £944,811).*

Following advice of the consulting actuaries to the LPFA, as at 31st March 11 the English Institute of Sport Limited's employer contributions (as a percentage of pensionable salary) were reduced from 12.5% to 9.1%.

A Triennial Actuarial Valuation was carried out as at 31st March 2010 for funding purposes. A further interim valuation will be requested in May 2012.

A valuation for FRS17 purposes was carried out as at 31st March 2012 by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:

16 Pension Commitments *(continued)*

Financial assumptions:	**2012**	2011
	%	%
Rate of increase in salaries	**3.1**	3.7
Rate of increase in pensions in payment	**2.5**	2.7
Discount rate	**4.6**	5.5
Inflation assumption	**3.3**	3.5

Average future life expectancies at age 65:	Males	Females
Current pensioners	22.0 years	24.0 years
Future pensioners	24.0 years	25.9 years

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus is:

	2012		2011	
	Long term rate of return expected	**Value**	Long term rate of return expected	Value
	%	**£**	%	£
Equities	**6.3**	**10,285,000**	7.4	8,751,000
Target Return Portfolio	**4.5**	**1,691,000**	4.5	1,522,000
Alternative assets	**5.3**	**1,972,000**	6.4	1,776,000
Cash	**3.0**	**141,000**	3.0	380,000
Corporate Bonds	**0.0**	**0**	5.5	254,000
Total market value of assets		**14,089,000**		12,683,000
Present value of scheme liabilities		**(15,830,000)**		(11,357,000)
Net pension (liability)/asset		**(1,741,000)**		1,326,000

The overall expected rate of return on scheme assets is projected by the scheme actuaries using modelling techniques, with reference to key assumptions and the relative weighting of scheme assets.

Notes to the Financial Statements

Year Ended 31 March 2012

16 Pension Commitments *(continued)*

The amounts recognised in the income and expenditure account are as follows:

	31 March 2012		31 March 2011	
	% of pay	**£**	% of pay	£
Current service cost	**8.9**	**788,000**	13.7	1,176,000
Interest cost	**7.5**	**662,000**	8.9	758,000
Expected return on Employers Assets	**(10.1)**	**(897,000)**	(8.9)	(760,000)
Past service cost	**0.0**	**-**	(19.4)	(1,664,000)
Total	**6.2**	**553,000**	(5.7)	(490,000)
Actual Return on Scheme Assets		**132,000**		795,000

Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

	31 March 2012	31 March 2011
	£	£
Actuarial losses	**(3,202,000)**	(121,000)
Actuarial losses recognised in STRGL	**(3,202,000)**	(121,000)
Cumulative Actuarial losses	**(6,147,000)**	(2,945,000)

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2012	31 March 2011
	£	£
Opening defined benefit obligation	**11,357,000**	10,607,000
Current Service cost	**788,000**	1,176,000
Interest cost	**662,000**	758,000
Contributions by Members	**528,000**	534,000
Actuarial loss/(gain)	**2,436,000**	(26,000)
Past Service costs	**-**	(1,664,000)
Estimate benefits paid (net of transfers in)	**59,000**	(28,000)
Closing defined benefit obligation	**15,830,000**	11,357,000

16 Pension Commitments *(continued)*

Changes in the fair value of plan assets are as follows:

	31 March 2012 £	31 March 2011 £
Opening fair value of employers assets	**12,683,000**	10,610,000
Expected return on assets	**897,000**	760,000
Contributions by Members	**528,000**	534,000
Contributions by the Employer	**688,000**	954,000
Actuarial loss	**(766,000)**	(147,000)
Benefits paid (net of transfers in & including unfunded)	**59,000**	(28,000)
Closing fair value of Employers assets	**14,089,000**	12,683,000

A history of experience gains and losses is shown below:

	31 March 2012 £	31 March 2011 £	31 March 2010 £	31 March 2009 £	31 March 2008 £
Fair value of employer assets	14,089,000	12,683,000	10,610,000	6,684,000	6,802,000
Present value of defined benefit obligation	(15,830,000)	(11,357,000)	(10,607,000)	(5,024,000)	(4,249,000)
(Deficit)/Surplus	(1,741,000)	1,326,000	3,000	1,660,000	2,553,000
Experience (losses)/gains on assets	(766,000)	(147,000)	1,708,000	(2,147,000)	(202,000)
Experience losses on liabilities	-	(1,450,000)	-	-	(408,000)

The major categories of plan assets as a percentage of total plan assets are as follows:

	31 March 2012 %	31 March 2011 %
Equities	**73**	69
Target return funds	**12**	12
Alternative assets	**14**	14
Cash	**1**	3
Corporate Bonds	**0**	2

The Actuaries estimate the employers contributions for the year ended 31 March 2013 will be approximately £675,000

17 Commitments under Operating Leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below:

	2012		2011	
	Land & Buildings	**Other Items**	Land and Buildings	Other Items
	£	**£**	£	£
Operating leases which expire				
Within 1 year	**1,028,044**	**4,608**	881,491	1,368
Within 2 to 5 years	**1,150**	**3,531**	42,420	8,621
After more than 5 years	**-**	**-**	-	-
	1,029,194	**8,139**	923,911	9,989

18 Related Party Transactions

English Institute of Sport Limited's ultimate controlling party is UK Sport. Copies of the group financial statements can be obtained from them at 40 Bernard Street, London, WC1N 1ST, or from their website (www.uksport.gov.uk)

During the year the company has been in receipt of Exchequer grant income totalling £8,292,694 (2011: £8,142,600) from UK Sport. There were also other grants as follows: Performance Lifestyle grant £891,061 (2011: £926,207), Expert faculty grant £200,000 (2011: £100,000), Property rental grant £14,267 (2011: £14,267), Medical Journal Access grant £20,000 (2011: £20,000), People & Systems Skills Development Project grant £600,000 (2011: £650,000) and Talent identification grant £270,750 (2011: £247,255).

During the year, UK Sport paid on behalf of English Institute of Sport Limited items totalling £352,380 (2011: £313,403). Also, English Institute of Sport Limited recharged UK Sport £5,615 (2011: £42,147) of shared expenditure.

The balance due to UK Sport at the year end is £53,662 (2011: £15,170) which is disclosed within short term creditors and represents VAT liabilities for January - March 12. The balance due to the English Institute of Sport is £Nil (2011: £Nil)

19 Company Limited by Guarantee

The member has guaranteed the sum of £1 on winding up for payment of debts and liabilities.

20 Income and Expenditure Account

	2012	2011
	£	£
Balance brought forward	**1,289,044**	(35,555)
Surplus for the financial year	**133,672**	1,445,599
Defined pension benefit scheme	**(3,202,000)**	(121,000)
Balance carried forward	**(1,779,284)**	1,289,044

21 Notes to the Statement of Cash Flows

Reconciliation of Operating surplus to Net Cash Inflow from Operating Activities

	2012	2011
	£	£
Operating (deficit)/surplus	**(102,643)**	1,439,734
Depreciation	**808,034**	795,811
Loss on disposal of fixed assets	**50,849**	25,476
Amortisation	**27,525**	-
Decrease/(Increase) in debtors	**151,990**	(301,770)
Increase/(decrease) in creditors	**90,865**	(129,085)
Provision for service cost of defined benefit pension scheme	**788,000**	(488,000)
Defined benefit pension scheme contributions paid	**(688,000)**	(954,000)
Net cash inflow from operating activities	**1,126,620**	388,166

Returns on Investments and Servicing of Finance

	2012	2011
	£	£
Interest received	**1,644**	4,892
Net cash inflow from returns on investments and servicing of finance	**1,644**	4,892

Taxation

	2012	2011
	£	£
Taxation	**(1,027)**	(1,208)

Capital Expenditure

	2012	2011
	£	£
Payments to acquire tangible fixed assets	**(708,737)**	(805,610)
Payments to acquire intangible fixed assets	**(160,112)**	-
Receipts from sale of fixed assets	**-**	2,890
Net cash outflow from capital expenditure	**(868,849)**	(802,720)

Notes to the Financial Statements

Year Ended 31 March 2012

21 Notes to the Statement of Cash Flows *(continued)*

Financing

	2012	2011
	£	£
Capital element of finance leases	**(19,035)**	(19,035)
Net cash (outflow)/inflow from financing	**(19,035)**	(19,035)

Reconciliation of Net Cash Flow to Movement in Net Funds

	2012		2011	
	£	£	£	£
Increase/(decrease) in cash in the year	**239,353**		(429,905)	
Cash outflow in respect of finance Leases	**19,035**		19,035	
		258,388		(410,870)
Change in net funds		**258,388**		(410,870)
Net funds at start of year		**473,087**		883,957
Net funds at end of year		**731,475**		473,087

Analysis of Changes in Net Funds

	At 1 Apr 2011	Cash flows	At 31 Mar 2012
	£	£	£
Net cash:			
Cash in hand and at bank	495,295	239,353	734,648
Debt:			
Finance lease agreements	(22,208)	19,035	(3,173)
Net funds	473,087	258,388	731,475

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