

**English Institute of Sport Limited**

**Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2011**

**English Institute of Sport Limited**

**Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2011**

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)

Ordered by the House of Commons to be printed 14<sup>th</sup> July 2011

© English Institute of Sport 2011

The text of this document (this excludes, where present, the Royal Arms, and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context

The material must be acknowledged as English Institute of Sport Ltd copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this document should be sent to us at [InfoGeneral@eis2win.co.uk](mailto:InfoGeneral@eis2win.co.uk)

The publication is also available for download at [www.official-documents.gov.uk](http://www.official-documents.gov.uk)

ISBN: 9780102974034

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID: 2439319 07/11

Printed on paper containing 75% recycled fibre content minimum

**English Institute of Sport Limited**

**Financial Statements**

**Year Ended 31 March 2011**

<b>Contents</b>	<b>Pages</b>
Officers and Professional Advisers	1
The Directors' Report	2 - 6
Certificate and report of the Comptroller and Auditor General to the Members	7 - 8
Income and Expenditure Account	9
Statement of Total Recognised Gains and Losses	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13 - 26
<b>The Following Pages Do Not Form Part of the Financial Statements</b>	
Detailed Income and Expenditure Account	28
Notes to the Detailed Income and Expenditure Account	29 - 30

**English Institute of Sport Limited**  
**Company Registration Number 04420052**

**Officers and Professional Advisers**

<b>The Board of Directors</b>	S Cram MBE I C Watmore A Hodson MA, MCSP, DIPTR, MSRE/RT A V S Friend (resigned 26 <sup>th</sup> April 2010) K D Pickering H Martin BSc, ACA C O'Shea N Walker (appointed 20 <sup>th</sup> September 2010)
<b>Audit Committee Members</b>	IC Watmore (Chairman) A Hodson MA, MCSP, DIPTR, MSRE/RT H Martin BSc, ACA N Walker
<b>Company Secretary</b>	J Haworth
<b>Registered Office</b>	4 <sup>th</sup> Floor Byrom House 21 Quay Street Manchester M3 3JD
<b>Auditor</b>	Comptroller and Auditor General National Audit Office 157 – 197 Buckingham Palace Road Victoria London SW1W 9SP

# **English Institute of Sport Limited**

## **The Directors' Report**

### **Year Ended 31 March 2011**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2011.

#### **Principal Activities and Business Review**

The EIS was incorporated in April 2002 in order to provide sport science and medicine services to elite athletes 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 all direct costs of service provision funded by charging the National Governing Bodies (NGBs) for agreed services. NGB income has been maintained at a similar level to last year and we expect this to remain stable through to London 2012. Our funding has also been enhanced by an improved VAT recovery position.

During the year the Senior Management Team - led by new National Director, Nigel Walker - has put together a Strategic Plan covering the period to 2013. This plan is underpinned by individual strategies in each of the core areas of the business.

Alongside the Strategic Plan we have launched 'One EIS One Vision' which is aimed at breaking down some of the geographical boundaries that inevitably are formed when working across such a widespread network of operational sites. At the same time our values of Excellence, Collaboration and Innovation have been reinforced through the introduction of a Reward Scheme whereby individual employees are nominated by their peers for displaying one or more of these values.

Nigel Walker has also introduced a quarterly all-staff conference call in order to communicate to, and get feedback from, our employees in relation to current issues. This communication has been further enhanced through proactively involving staff in feedback sessions relating to the annual staff survey. One of the most significant issues currently affecting staff is the current pay and progression freeze.

The annual NGB survey produced some excellent results, with its highest ever response rate. This was achieved by carrying out face to face interviews with NGBs rather than sending them a postal survey.

The technical development of sport science and medicine has been enhanced by investing in full time Heads of Service, as well as recruitment of a number of renowned worldwide experts to our Consultant Faculty. We have also increased our investment in CPD as part of our commitment to developing the system and the people within it.

Knowledge management has also been a key focus this year, most notably with the development and implementation of EIS Connect (Sharepoint). Connect will provide a platform for EIS to store and share information, not only internally but also with all of its partners, including the NGBs. This has huge potential for improving our competitive advantage against other nations. We have also

## **English Institute of Sport Limited**

### **The Directors' Report** *(continued)*

**Year Ended 31 March 2011**

#### **Principal Activities and Business Review** *(continued)*

recently signed MOUs with each of the other Home Country Sports Institutes which clarifies our relationship and also enhances opportunities for knowledge sharing going forward.

#### **Future Developments**

This is an extremely exciting time for the organisation, both in terms of the build up to London 2012 and planning for EIS's future within the high performance sport environment.

Over the coming months the Senior Management Team and Board will be working to develop options for the future remit and structure of EIS. The preferred options will be presented to UK Sport in the Autumn.

A report was commissioned during the year to look at business development opportunities in order to enhance future external income generation. An agreement has been reached to provide consultancy support to the McLaren Formula 1 team and we are currently in discussion with the Football Association around the potential to provide support at its planned new centre at St George's Park.

Looking ahead to London 2012 we have started our detailed planning for the period up to and including the Games. This has included the development of a London 2012 Risk Register to ensure that we are putting in place an action plan to deal with any risks that may materialise.

During the year a skills audit was carried out of the EIS Board and it was agreed that an additional non-executive board member should be recruited with expertise in applied sport science. Interviews will take place for this post in May.

#### **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 two financial years, resulting in a break even position by the end of the current funding cycle. Funding of £20.3 million has been committed by UK Sport for the two year period from April 2011 through to March 2013 and positive discussion have taken place around continued funding into the next Olympic/Paralympic cycle. Service level agreements are in place with 52 Olympic, Paralympic and English funded sports, the majority of which are committed until March 2013. In addition to this EIS is now actively pursuing its business development strategy and is in the process of negotiating agreements with a number of professional sports.

## **English Institute of Sport Limited**

### **The Directors' Report** *(continued)*

**Year Ended 31 March 2011**

#### **Disabled Persons**

EIS will employ 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 £1,445,599

#### **Financial Risk Management Objectives and Policies**

With approximately 35% 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, with some additional work required on communication of the benefits of CPD to NGBs, and improving staff satisfaction. The latter has been adversely affected by the pay and career progression freeze.

An Audit Committee has recently been formed and held its first meeting to approve the annual budget at the end of March. The Committee, made up of both non-executive and executive directors, will meet 3-4 times per year to assist with the financial governance of the organisation. It is proposed that an external person will also be recruited to the Committee in due course.



## English Institute of Sport Limited

### The Directors' Report *(continued)*

Year Ended 31 March 2011

#### 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  
A V S Friend  
K D Pickering  
H Martin BSc ACA  
C O'Shea  
N Walker

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:

- . 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.

**English Institute of Sport Limited**

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

**Year Ended 31 March 2011**

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;  
4<sup>th</sup> Floor  
Byrom House  
21 Quay Street  
Manchester  
M3 3JD

Signed by order of the directors

J Haworth  
Company Secretary

Approved by the directors on 28<sup>th</sup> June 2011 .....

## **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 2011**

I certify that I have audited the financial statements of the English Institute of Sport Limited for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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 English Institute of Sport'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 Directors' Report, details of Officers and Professional Advisers, Detailed Income and Expenditure Account and Notes to the Detailed Income and Expenditure Account 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.

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

#### **Opinion on Regularity**

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

## **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** *(continued)*

**Year Ended 31 March 2011**

#### **Opinion on Financial Statements**

In my opinion the financial statements:

- give a true and fair view of the state of the English Institute of Sport's affairs as at 31 March 2011 and of its surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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; or
- certain disclosures of directors' remuneration specified by law are not made; 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  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP*

*Date: 8<sup>th</sup> July 2011*

## Income and Expenditure Account

Year ended 31 March 2011

	Notes	2011 £	2010 £
<b>Income</b>	<b>2</b>	<b>16,280,619</b>	15,805,275
Administrative expenses		<u>(14,840,885)</u>	<u>(14,983,128)</u>
<b>Operating surplus</b>	<b>3</b>	<b>1,439,734</b>	822,147
Interest receivable		<b>4,892</b>	5,751
Interest payable and similar charges	<b>6</b>	<b>2,000</b>	109,000
<b>Surplus on ordinary activities before taxation</b>		<u><b>1,446,626</b></u>	<u>936,898</u>
Tax on surplus on ordinary activities	<b>7</b>	<b>(1,027)</b>	(1,208)
<b>Surplus for the financial year</b>		<u><b>1,445,599</b></u>	<u>935,690</u>

All of the activities of the company are classed as continuing

The notes on pages 12 to 25 form part of these financial statements

**English Institute of Sport Limited**

**Statement of Total Recognised Gains and Losses**

**Year ended 31 March 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Surplus for the financial year attributable to the members	<b>1,445,599</b>	935,690
Actuarial loss in respect of defined benefit pension scheme (see note 15)	<b>(121,000)</b>	(2,590,000)
	<hr/>	<hr/>
Total gains/(losses) recognised since the last annual report	<b>1,324,599</b>	(1,654,310)
	<hr/>	<hr/>

The notes on pages 12 to 25 form part of these financial statements

## English Institute of Sport Limited

### Balance Sheet

31 March 2011

		2011		2010	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,937,223		1,955,790
<b>Current assets</b>					
Debtors	9	715,942		414,172	
Cash at bank		495,292		925,198	
		<u>1,211,234</u>		<u>1,339,370</u>	
<b>Creditors: Amounts Falling due Within One Year</b>	10	<u>(1,195,866)</u>		<u>(1,285,208)</u>	
<b>Net current assets</b>			<u>15,368</u>		<u>54,162</u>
<b>Total assets less current liabilities</b>			<b>1,952,591</b>		<b>2,009,952</b>
<b>Creditors: Amounts Falling Due After More Than One Year</b>	11		<b>(3,173)</b>		<b>(22,208)</b>
<b>Deferred income</b>	12		<b>(1,959,374)</b>		<b>(2,026,299)</b>
<b>Provisions for liabilities</b>	13		<b>(27,000)</b>		<b>-</b>
<b>Net liabilities excluding pension asset</b>			<b>(36,956)</b>		<b>(38,555)</b>
Defined benefit pension scheme asset	15		<u>1,326,000</u>		<u>3,000</u>
<b>Net assets/(liabilities) including pension asset</b>			<u><b>1,289,044</b></u>		<u><b>(35,555)</b></u>
<b>Reserves</b>					
Income and expenditure account	19		<u>1,289,044</u>		<u>(35,555)</u>
<b>Members' funds</b>			<u><b>1,289,044</b></u>		<u><b>(35,555)</b></u>

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:

Director

The notes on pages 12 to 25 form part of these financial statements

# English Institute of Sport Limited

## Cash Flow Statement Year Ended 31 March 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	20	388,166	49,420
Returns on investments and servicing of finance	20	4,892	5,751
Taxation	20	(1,208)	(6,467)
Capital expenditure and financial investment	20	<u>(802,720)</u>	<u>(513,088)</u>
Cash (outflow)/inflow before financing		<u>(410,870)</u>	<u>(464,384)</u>
Financing	20	<u>(19,035)</u>	<u>(19,035)</u>
(Decrease)/increase in cash	20	<u>(429,905)</u>	<u>(483,419)</u>

The notes on pages 12 to 25 form part of these financial statements



# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2011

### 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.

#### 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	- Over 5 years
Fixtures & Fittings	- Over 2 – 5 years
Computer Equipment	- Over 2 – 5 years

#### 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.

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2011

### 1 Accounting Policies *(continued)*

#### **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.

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2011

#### 2 Income

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

An analysis of income is given below:

	2011	2010
	£	£
UK Sport grant	10,100,330	9,046,043
Income from sale of services	6,009,964	6,006,022
Internship income	-	58,630
Other income	111,889	91,255
Grant released to the income & expenditure account in respect of depreciation	424,843	414,672
Transfer of fixed asset additions to deferred income	(406,276)	24,741
Grant income released from prior year	58,895	222,807
Unused grant released carried forward	(19,026)	(58,895)
	<u>16,280,619</u>	<u>15,805,275</u>

#### 3 Operating surplus

Operating surplus is stated after charging:

	2011	2010
	£	£
Depreciation of owned fixed assets	795,811	887,031
Depreciation of assets held under finance lease agreements	19,035	19,035
Loss on disposal of fixed assets	25,476	46,435
Auditor's remuneration		
- as auditor	13,650	10,000
- for other services	-	-
Operating lease costs:		
- plant and equipment	11,180	13,075
- other	1,297,607	1,267,267

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 16.

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2011

#### 4 Particulars of Employees

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

	<b>2011</b>	2010
	<b>No</b>	No
Management	<b>6</b>	5
Administration	<b>26</b>	23
Operations	<b>210</b>	213
	<u><b>242</b></u>	<u>241</u>

The aggregate payroll costs of the above were:

	<b>2011</b>	2010
	<b>£</b>	£
Wages and salaries	<b>8,558,694</b>	8,627,616
Social security costs	<b>706,338</b>	683,650
Other pension costs	<b>(497,189)</b>	150,098
	<u><b>8,767,843</b></u>	<u>9,461,364</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 6) and amounts recognised in the statement of recognised gains and losses.

#### 5 Directors' Emoluments

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

	<b>2011</b>	2010
	<b>£</b>	£
Emoluments receivable	<b>125,935</b>	158,355
Value of company pension contributions to defined benefit schemes	<b>14,878</b>	18,003
	<u><b>140,813</b></u>	<u>176,358</u>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2011**

**5 Directors' Emoluments** *(continued)*

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

	<b>2011</b>	<b>2010</b>
	No	No
Defined benefit schemes	<b>2</b>	<b>2</b>

**6 Interest Payable and Similar Charges**

	<b>2011</b>	<b>2010</b>
	£	£
Other similar charges payable	<b>(2,000)</b>	<b>(109,000)</b>

**7 Taxation on Ordinary Activities**

**(a) Analysis of charge in the year**

	<b>2011</b>	<b>2010</b>
	£	£
Current tax:		
UK Corporation tax based on the results for the Year at 21% (2010: 21%)	<b>1,027</b>	<b>1,208</b>
Total current tax	<b>1,027</b>	<b>1,208</b>

**(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 21% (2010: 21%). The differences are explained below:

	<b>2011</b>	<b>2010</b>
	£	£
Surplus on ordinary activities before taxation	<b>1,446,626</b>	<b>936,898</b>
Surplus on ordinary activities by the rate of tax	<b>303,791</b>	<b>196,748</b>
Income and expenditure not attributable for tax purposes	<b>(302,764)</b>	<b>(195,540)</b>
Total current tax (note 7(a))	<b>1,027</b>	<b>1,208</b>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2011**

**8 Tangible Fixed Assets**

	<b>Leasehold Improve- ments £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2010	279,220	3,736,895	1,870,152	5,886,267
Additions	71,640	329,606	404,364	805,610
Disposals	-	(176,898)	(222,436)	(399,334)
<b>At 31 March 2011</b>	<u><u>350,860</u></u>	<u><u>3,889,603</u></u>	<u><u>2,052,080</u></u>	<u><u>6,292,543</u></u>
<b>Depreciation</b>				
At 1 April 2010	199,703	2,290,081	1,440,693	3,930,477
Charge for the year	40,165	493,133	262,513	795,811
On disposals	-	(169,453)	(201,515)	(370,968)
<b>At 31 March 2011</b>	<u><u>239,868</u></u>	<u><u>2,613,761</u></u>	<u><u>1,501,691</u></u>	<u><u>4,355,320</u></u>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<u><u>110,992</u></u>	<u><u>1,275,842</u></u>	<u><u>550,389</u></u>	<u><u>1,937,223</u></u>
At 31 March 2010	<u><u>79,517</u></u>	<u><u>1,446,814</u></u>	<u><u>429,459</u></u>	<u><u>1,955,790</u></u>

**Finance lease agreements**

Included within the net book value of £1,937,223 is £19,035 (2010: £38,070) 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 (2010: £19,035)

**9 Debtors**

	<b>2011 £</b>	<b>2010 £</b>
Trade Debtors	<b>287,763</b>	209,105
Amounts owed by group undertakings	-	70
Other debtors	<b>19,755</b>	1,275
Prepayments and accrued income	<b>408,424</b>	203,722
	<u><u>715,942</u></u>	<u><u>414,172</u></u>

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2011

### 10 Creditors: Amounts Falling due Within One Year

	2011	2010
	£	£
Trade creditors	446,366	374,866
Amounts owed to group undertakings	4,000	-
Other creditors including taxation and social security:		
Corporation tax	1,027	1,208
Other taxation and social security	350,897	468,255
Finance lease agreements	19,035	19,035
Other creditors	24,715	22,315
	<u>846,040</u>	<u>885,679</u>
Accruals	349,826	399,529
	<u>1,195,866</u>	<u>1,285,208</u>

£11,170 (2010: £122,160) of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

### 11 Creditors: Amounts Falling due after More than One Year

	2011	2010
	£	£
Finance lease agreements	<u>3,173</u>	<u>22,208</u>

### 12 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

	2011	2010
	£	£
Deferred income	<u>1,959,374</u>	<u>2,026,299</u>

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 13 Provisions

	2011	2010
	£	£
Legal provision	<u>27,000</u>	<u>-</u>

A provision of £27,000 has been recognised for expected settlement costs in relation to an ongoing legal case where an athlete has brought a personal injury claim against the company. It is expected that these costs will be incurred within 2 years of the balance sheet date.

### 14 Commitments under Finance Lease Agreements

Future commitments under finance lease agreements are as follows:

	2011	Restated 2010
	£	£
Amounts payable within 1 year	19,035	19,035
Amounts payable between 2 to 5 years	<u>3,173</u>	<u>22,208</u>
	<u>22,208</u>	<u>41,243</u>

### 15 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 £944,811 (2010: £974,098).

Following advice of the consulting actuaries to the LPFA, the English Institute of Sport Limited's initial employer contributions (as a percentage of pensionable salary) were set at 12.5% from the date of admittance to the scheme.

A Triennial Actuarial Valuation was carried out as at 31<sup>st</sup> March 2010 for funding purposes.

A valuation for FRS17 purposes was carried out as at 31<sup>st</sup> March 2011 by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:



## English Institute of Sport Limited

### Notes to the Financial Statements

Year Ended 31 March 2011

#### 15 Pension Commitments *(continued)*

Financial assumptions:	<b>2011</b>	2010
	%	%
Rate of increase in salaries	3.7	4.1
Rate of increase in pensions in payment	2.7	3.9
Discount rate	5.5	5.5
Inflation assumption	3.5	3.9
Average future life expectancies at age 65:	Males	Females
Current pensioners	21.9 years	23.9 years
Future pensioners	23.9 years	25.8 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:

	<b>2011</b>		<b>2010</b>
	<b>Long term rate of return expected %</b>	<b>Value £</b>	<b>Long term rate of return expected %</b>
	<b>%</b>	<b>£</b>	<b>%</b>
			<b>Value £</b>
Equities	7.4	<b>8,751,000</b>	7.5
Target Return Portfolio	4.5	<b>1,522,000</b>	4.5
Alternative assets	6.4	<b>1,776,000</b>	6.5
Cash	3.0	<b>380,000</b>	3.0
Corporate Bonds	5.5	<b>254,000</b>	5.5
		<hr/>	
Total market value of assets		<b>12,683,000</b>	10,610,000
Present value of scheme liabilities		<b>(11,357,000)</b>	(10,607,000)
		<hr/>	
Net pension asset		<b>1,326,000</b>	<u>3,000</u>

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.

## English Institute of Sport Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2011

#### 15 Pension Commitments *(continued)*

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

	31 March 2011		31 March 2010	
	% of pay	£	% of pay	£
Current service cost	13.7	1,176,000	2.0	176,000
Interest cost	8.9	758,000	4.3	373,000
Expected return on Employers Assets	(8.9)	(760,000)	(5.6)	(482,000)
Past service cost	(19.4)	(1,664,000)	0.0	-
Loss on curtailments and settlements	0.0	-	1.7	143,000
<b>Total</b>	<b>(5.7)</b>	<b><u>(490,000)</u></b>	<b>2.4</b>	<b><u>210,000</u></b>
Actual Return on Scheme Assets		<b><u>795,000</u></b>		<b><u>2,189,000</u></b>

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

	31 March 2011 £	31 March 2010 £
Actuarial losses	<u>(121,000)</u>	<u>(2,590,000)</u>
Actuarial losses recognised in STRGL	<u>(121,000)</u>	<u>(2,590,000)</u>
Cumulative Actuarial losses	<u><b>(2,945,000)</b></u>	<u><b>(2,824,000)</b></u>

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

	31 March 2011 £	31 March 2010 £
<b>Opening defined benefit obligation</b>	<b><u>10,607,000</u></b>	<b><u>5,024,000</u></b>
Current Service cost	1,176,000	176,000
Interest cost	758,000	373,000
Contributions by Members	534,000	550,000
Actuarial (gain)/loss	(26,000)	4,298,000
Losses on curtailments	-	143,000
Past Service costs	(1,664,000)	-
Estimate benefits paid (net of transfers in)	(28,000)	43,000
<b>Closing defined benefit obligation</b>	<b><u>11,357,000</u></b>	<b><u>10,607,000</u></b>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2011**

**15 Pension Commitments** *(continued)*

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

	<b>31 March 2011 £</b>	31 March 2010 £
<b>Opening fair value of employers assets</b>	<b><u>10,610,000</u></b>	<b><u>6,684,000</u></b>
Expected return on assets	<b>760,000</b>	482,000
Contributions by Members	<b>534,000</b>	550,000
Contributions by the Employer	<b>954,000</b>	1,143,000
Actuarial (loss)/gain	<b>(147,000)</b>	1,708,000
Benefits paid (net of transfers in & including unfunded)	<b><u>(28,000)</u></b>	<u>43,000</u>
<b>Closing fair value of Employers assets</b>	<b><u>12,683,000</u></b>	<b><u>10,610,000</u></b>

A history of experience gains and losses is shown below:

	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>	<b>31 March 2007 £</b>
Fair value of employer assets	12,683,000	10,610,000	6,684,000	6,802,000	5,313,000
Present value of defined benefit obligation	<u>(11,357,000)</u>	<u>(10,607,000)</u>	<u>(5,024,000)</u>	<u>(4,249,000)</u>	<u>(4,309,000)</u>
Surplus	1,326,000	3,000	1,660,000	2,553,000	1,004,000
Experience gains/(losses) on assets	(147,000)	1,708,000	(2,147,000)	(202,000)	43,000
Experience gains/(losses) on liabilities	(1,450,000)	-	-	(408,000)	-

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

	<b>31 March 2011 %</b>	31 March 2010 %
Equities	<b>69</b>	70
Target return funds	<b>12</b>	10
Alternative assets	<b>14</b>	14
Cash	<b>3</b>	5
Corporate Bonds	<b>2</b>	1

The Actuaries estimate the employers contributions for the year ended 31 March 2012 will be approximately £702,000

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2011

#### 16 Commitments under Operating Leases

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below:

	2011		2010	
	Land & Buildings £	Other Items £	Land and Buildings £	Other Items £
Operating leases which expire				
Within 1 year	881,491	1,368	-	-
Within 2 to 5 years	42,420	8,621	507,120	11,121
After more than 5 years	-	-	-	9,200
	<b>923,911</b>	<b>9,989</b>	<b>507,120</b>	<b>20,321</b>

#### 17 Related Party Transactions

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

During the year the company has been in receipt of lottery grant income totalling £8,142,600 (2010: £8,140,000) and internship funding of £Nil (2010: £58,630) from UK Sport. There were also other grants as follows: Performance Lifestyle grant £926,207 (2010: £749,180), Expert faculty grant £100,000 (2010: £Nil), Property rental grant £14,267 (2010: £Nil), blood profiling grant £Nil (2010: £20,000), Medical Journal Access grant £20,000 (2010: £20,000), Medical Records Database grant £Nil (2010: £40,655), People & Systems Skills Development Project grant £650,000 (2010: £67,600), Performance Analysis Equipment grant £Nil (2010: £30,000), Talent identification grant £247,255 (2010: £203,609) and Paralympic grant £Nil (2010: £Nil).

During the year, UK Sport paid on behalf of English Institute of Sport Limited items totalling £313,403 (2010: £6,817). Also, English Institute of Sport Limited recharged UK Sport £42,147 (2010: £32,542) of shared expenditure.

The balance due to UK Sport at the year end is £15,170 (2010: £122,160), £11,170 of this is disclosed within short term creditors and represents VAT liabilities for Jan 11- March 11. The balance due to the English Institute of Sport is £Nil (2010: £70), this is included within debtors.

#### 18 Company Limited by Guarantee

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

## English Institute of Sport Limited

### Notes to the Financial Statements

Year Ended 31 March 2011

#### 19 Income and Expenditure Account

	2011	2010
	£	£
Balance brought forward	(35,555)	1,618,755
Surplus for the financial year	1,445,599	935,690
Defined pension benefit scheme	<u>(121,000)</u>	<u>(2,590,000)</u>
Balance carried forward	<u>1,289,044</u>	<u>(35,555)</u>

#### 20 Notes to the Statement of Cash Flows

##### Reconciliation of Operating surplus to Net Cash Inflow from Operating Activities

	2011	2010
	£	£
Operating surplus	1,439,734	822,147
Depreciation	795,811	906,066
Loss on disposal of fixed assets	25,476	46,435
Increase in debtors	(301,770)	(173,027)
Decrease in creditors	(129,085)	(728,201)
Provision for service cost of defined benefit pension scheme	(488,000)	319,000
Defined benefit pension scheme contributions paid	<u>(954,000)</u>	<u>(1,143,000)</u>
Net cash inflow from operating activities	<u>388,166</u>	<u>49,420</u>

##### Returns on Investments and Servicing of Finance

	2011	2010
	£	£
Interest received	<u>4,892</u>	<u>5,751</u>
Net cash inflow from returns on investments and servicing of finance	<u>4,892</u>	<u>5,751</u>

##### Taxation

	2011	2010
	£	£
Taxation	<u>(1,208)</u>	<u>(6,467)</u>

##### Capital Expenditure

	2011	2010
	£	£
Payments to acquire tangible fixed assets	(805,610)	(515,588)
Receipts from sale of fixed assets	<u>2,890</u>	<u>2,500</u>
Net cash outflow from capital expenditure	<u>(802,720)</u>	<u>(513,088)</u>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2011**

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

**Financing**

	2011	2010
	£	£
Capital element of finance leases	<u>(19,035)</u>	<u>(19,035)</u>
Net cash (outflow)/inflow from financing	<u><u>(19,035)</u></u>	<u><u>(19,035)</u></u>

**Reconciliation of Net Cash Flow to Movement in Net Funds**

	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the year	(429,905)		(483,419)	
Cash outflow in respect of finance Leases	<u>19,035</u>		<u>19,035</u>	
		<u>(410,870)</u>		<u>(464,384)</u>
Change in net funds		(410,870)		(464,384)
Net funds at start of year		<u>883,957</u>		<u>1,348,341</u>
Net funds at end of year		<u><u>473,087</u></u>		<u><u>883,957</u></u>

**Analysis of Changes in Net Funds**

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash:			
Cash in hand and at bank	<u>925,200</u>	<u>(429,905)</u>	<u>495,295</u>
Debt:			
Finance lease agreements	<u>(41,243)</u>	<u>19,035</u>	<u>(22,208)</u>
Net funds	<u><u>883,957</u></u>	<u><u>(410,870)</u></u>	<u><u>473,087</u></u>

**English Institute of Sport Limited**

**Management Information**

**Year Ended 31 March 2011**

**The following pages do not form part of the statutory financial statements which are the subject of the Comptroller and Auditor General's report on pages 6 to 7.**

**English Institute of Sport Limited**

**Detailed Income and Expenditure Account**

**Year Ended 31 March 2011**

	2011 £	2010 £
<b>Income</b>	<b>16,280,619</b>	15,805,275
<b>Overheads</b>		
Administrative expenses	<u>(14,840,885)</u>	<u>(14,983,128)</u>
<b>Operating surplus</b>	<b>1,439,734</b>	822,147
Bank interest receivable	<u>4,892</u>	<u>5,751</u>
	<b>1,444,626</b>	827,898
Net finance costs in respect of defined benefit pension schemes	<u>2,000</u>	<u>109,000</u>
<b>Surplus on ordinary activities</b>	<b><u>1,446,626</u></b>	<b><u>936,898</u></b>



## English Institute of Sport Limited

### Notes to the Detailed Income and Expenditure Account

Year Ended 31 March 2011

	2011		2010	
	£	£	£	£
<b>Administrative expenses</b>				
<b>Personnel Costs</b>				
Directors salaries	85,500		158,355	
Directors national insurance contributions	8,676		15,007	
Directors pension contributions	9,823		18,003	
Wages and salaries	8,473,194		8,469,261	
Staff national insurance contributions	697,662		668,643	
Staff pension contributions	<u>(507,012)</u>		<u>132,095</u>	
		<b>8,767,843</b>		9,461,364
<b>Establishment Expenses</b>				
Utilities	4,271		4,277	
Insurance	96,532		81,289	
Repairs and maintenance	<u>38,182</u>		<u>59,236</u>	
		<b>138,985</b>		144,802
<b>General expenses</b>				
Travel and motor expenses	738,002		796,330	
Telephone	172,604		158,204	
Information systems costs	670,037		564,634	
Meeting and workshops	160,679		127,468	
Athletes equipment and consumables	405,037		256,422	
Relocation expenses	30,069		14,162	
Stationery and postage	69,440		65,922	
Staff training	346,304		171,295	
Other staff costs	80,188		73,591	
Recruitment expenses	23,359		49,701	
Contracted service providers	816,807		629,111	
General expenses	26,038		38,865	
Marketing	107,879		61,834	
Legal and professional fees	27,834		32,857	
Technical consultancy fees	94,447		75,141	
Payroll administration costs	14,083		11,241	
Auditors remunerations	14,643		11,155	
Depreciation of leasehold improvements	40,165		42,046	
Depreciation of fixtures and fittings	493,133		469,022	
Depreciation of office equipment	262,513		394,998	
Loss on disposal of fixed assets	<u>25,476</u>		<u>46,435</u>	
		<b>4,618,737</b>		4,090,434
Carried forward		<u><b>13,525,565</b></u>		<u>13,696,600</u>

**English Institute of Sport Limited**

**Notes to the Detailed Income and Expenditure Account**

**Year Ended 31 March 2011**

	2011		2010	
	£	£	£	£
<b>Administrative expenses (continued)</b>				
Brought forward		13,525,565		13,696,600
<b>Financial Costs</b>				
Financial costs		2,267		1,853
Operating lease: Property		1,297,607		1,267,267
Operating lease: Plant and Equipment		11,180		13,075
Bank charges		4,266		4,333
		<u>1,315,320</u>		<u>1,286,528</u>
		<u>14,840,885</u>		<u>14,983,127</u>
<b>Interest receivable</b>				
Bank interest receivable		<u>4,892</u>		<u>5,751</u>



Published by TSO (The Stationery Office) and available from:

**Online**

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

**Mail, telephone, fax and email**

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)

Internet: <http://www.bookshop.parliament.uk>

**TSO@Blackwell and other accredited agents**

**Customers can also order publications from:**

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Telephone orders/general enquiries: 028 9023 8451

Fax orders: 028 9023 5401

ISBN 978-0-10-297403-4

