

**The English Institute of Sport Limited**

**Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2019**



**The English Institute of Sport Limited**

**Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2019**

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 5 September 2019

© **The English Institute of Sport** copyright 2019

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

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

Any enquiries related to this publication should be sent to us at [finance.enquiries@eis2win.co.uk](mailto:finance.enquiries@eis2win.co.uk)

This publication is available at [www.gov.uk/official-documents](http://www.gov.uk/official-documents)

ISBN 978-1-5286-1106-0

CCS0319888082

07/19

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

**The English Institute of Sport Limited**

**Financial Statements**

**Year Ended 31 March 2019**

| <b>Contents</b>  | <b>Pages</b> |
|--|--------------|
| Officers and Professional Advisers   | 1            |
| Strategic Report   | 2 -3         |
| Directors' Report  | 4 - 11       |
| The Certificate and Report of the Comptroller and Auditor General to the Members | 12 - 14      |
| Statement of comprehensive income  | 15           |
| Balance sheet  | 16           |
| Statement of changes in equity   | 17           |
| Statement of cash flows  | 18           |
| Notes to the Financial Statements  | 19 – 33      |
| <b>The Following Pages Do Not Form Part of the Financial Statements</b>          |              |
| Detailed breakdown of Operating and Administrative expenses                      | 35           |



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

**Officers and Professional Advisers**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | J Steele - Chair<br>N Walker – National Director<br>V Aggar<br>Professor J Doust (resigned 4 July 2018)<br>JC Hunter (resigned 4 July 2018)<br>V Luck<br>S Munday (resigned 16 May 2019)<br>Sir David Tanner CBE<br>C Warr<br>J Skiggs<br>A Panter (appointed 31 July 2018)<br>M Rogan (appointed 2 October 2018)<br>K Van Someren (appointed 2 October 2018) |
| <b>Company Secretary</b> | J Quick   |
| <b>Registered Office</b> | The Manchester Institute of Health and Performance<br>299 Alan Turing Way<br>Manchester<br>M11 3BS  |
| <b>Auditor</b>           | Comptroller and Auditor General<br>National Audit Office<br>157 – 197 Buckingham Palace Road<br>Victoria<br>London<br>SW1W 9SP  |

# **The English Institute of Sport Limited**

## **Strategic Report**

### **Year Ended 31 March 2019**

The results and a detailed review of the main activities carried out in the year are contained in the Directors' Report.

At the heart of The English Institute of Sport (EIS) Tokyo strategy (the four-year cycle to 2021) is the drive to ensure that our service provision is specifically tailored to achieve maximum performance impact for each World Class Programme (WCP) and is delivered as effectively and efficiently as possible. At the halfway stage of the cycle attention is focused on ensuring the strategies give impact in Tokyo.

- What it Takes to Win – deliver and develop world leading front line support to achieve 'What it Takes to Win' (WITTW) within each sport.
- Prioritising Athlete Health – contribute to optimal athlete well-being and availability for preparation and performance by supporting risk management of sports' most prevalent injuries and illnesses.
- Performance Innovation – cultivate an environment that enables athletes to gain a performance advantage through novel application of ideas.
- People Development – work in partnership with sports to attract, inspire and retain exceptional people to excel in the high-performance system.
- Partner with Coaches – how we partner with performance support teams to optimise the utilisation of science, medicine data and technology.
- Managing World Class Programmes – in partnership with National Governing Bodies (NGBs) provide effective performance leadership and governance to targeted WCPs.
- Operational Excellence – provide robust and agile support to performance through operational excellence and strong governance.
- Organisational Health – optimise organisational performance through rigorous focus on organisational health and continuous improvement.

There are several risks that are actively being managed, with the primary ones being:

- Risks around operating within the financial constraints of the current funding cycle;
- Risks around staff retention and the loss of talent due to restrictions on pay increases;
- Risks around recruitment and the challenges attracting new practitioners of the required standard;
- Risks associated with practice going beyond boundaries of ethical acceptability;
- Risks around cyber security, data protection and information management;



**The English Institute of Sport Limited**

**Strategic Report** *(continued)*

**Year Ended 31 March 2019**

The emphasis over the next 12 months will be on ensuring maximum resources are dedicated to Tokyo performance impact alongside athlete welfare initiatives.

Signed by order of the directors

N Walker, Director

Approved by the directors on 28 August 2019

# **The English Institute of Sport Limited**

## **Directors' Report**

### **Year Ended 31 March 2019**

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2019.

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

The EIS provides sport science, medicine, technology and engineering services to elite athletes, primarily in World Class funded sports (the company's principal activity). The company is a wholly owned subsidiary of The United Kingdom Sports Council (UKS).

EIS continues to receive core funding from UKS to support its infrastructure, with direct costs of service provision funded by charging the NGBs for agreed levels of service. NGB income has been higher than anticipated this year as more sports engage practitioners across more disciplines than in the past.

The main activities during the year have included:

- The EIS continues to work with over 40 Olympic, Paralympic and English sports;
- In April 2018 the Commonwealth Games took place on the Gold Coast in Australia. The EIS supported National Governing Bodies, Team England and Team Scotland throughout the event with 28 practitioners in attendance;
- During 2018, the EIS took over responsibility for managing the Sport Climbing Medal Support Plan (MSP) for Shauna Coxsey. The Short Track Speed Skating World Class Programme closed at the end of September 2018 and transitioned to a Medal Support Plan for Elise Christie;
- The EIS continues to manage the WheelChair Fencing World Class Programme. Piers Gilliver and Dmitri Coutya have continued to have medal success in World Cup events over the past 12 months;
- During 2018 the EIS published its mental health strategy alongside UK Sport. This consists of four pillars: education, provision, communication and assurance. A head of Mental Health has been appointed along with an expert panel consisting of a mix of psychiatrists and psychologists. The team work closely alongside the existing EIS Athlete Health team;
- The Athlete Health team are also undertaking a study on upper respiratory tract infections. This is the largest cause of lost training days across the high-performance system. The study alongside the Royal Brompton Hospital and Imperial College will run for two years;
- The EIS is undertaking a project to support Paralympic athletes and sports be best prepared to deliver in the predicted heat and humidity of the Tokyo games environment. This involves specific heat tolerance screening and sport specific heat alleviation strategies;
- In 2018 the EIS launched its SmartHer campaign – a wide ranging approach to female athlete health - aimed at being smarter in how it supports female athletes from a performance perspective as well as general health and wellbeing;
- The EIS appointed a Head of Learning as part of the commitment to learning and development. A blended learning principle is helping guide the EIS to provide opportunities to learn across various methods including traditional events, communities and networks, and online learning

## **The English Institute of Sport Limited**

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

#### **Year Ended 31 March 2019**

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

solutions. Learning is centred around activities that will drive improvements across Olympic and Paralympic programmes;

- New appointments were made to the EIS Senior Leadership Team (SLT) including Director of Performance Support and Director of Communications.

Communication of progress against strategies and developments within the organisation remained a high priority through the year. Staff have been kept informed and updated via a variety of communication methods, including the annual national conference, all staff teleconferences held quarterly, weekly update messages and one to one and group discussions at EIS sites. Engagement with NGBs has been a priority and all members of EIS SLT actively engage and seek feedback from governing bodies.

The EIS conducted their own staff survey in 2018.

Some of the key findings included:

- 94% of staff agreed: "I feel proud to work for the EIS"
- 88% of staff agreed: "This job is good for my personal growth"
- 88% of staff agreed: "I feel I have the right support to provide a great service".

The SLT continues to look at ways to respond to staff feedback with the staff engagement group at the heart of consultation.

During 2018, succession planning exercises were undertaken across the organisation to ensure individual development plans are in place, gaps and risks could be understood and plans put in place to ensure long term development and knowledge retention.

In 2019, the EIS reported for the second time on the gender pay gap. The gender pay gap looks at the average hourly pay of all male and female employees. The median gender pay gap, which is the prime measure is 10.4% (last year 11.4%). The mean gender pay gap of the EIS is 13.4% (last year 6.6%). Since the first gender pay gap report, a number of senior female appointments have been made. Through the annual pay anomalies process, there has been and remains the opportunity to address any critical discrepancies. The SLT is currently reviewing the overall pay and benefits package as part of the future strategy, which will come into play in 2021. We will continue to focus on actions with respect to continuing to encourage and support females to develop towards and thrive in senior posts in the EIS.

##### **Governance**

The EIS Board meets up to six times a year to provide strategic direction to the organisation. Board members are appointed for a maximum term of four years. At the end of this time directors may be re-elected for a further four-year term (i.e. maximum of two, four-year terms in total).

## **The English Institute of Sport Limited**

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

#### **Year Ended 31 March 2019**

##### **Governance *(continued)***

UK Sport is entitled to appoint three Directors to the Board of EIS, one of whom is appointed as the Chair. John Steele is currently the Chair. The UKS Director of Performance is a member of the EIS Board. Anne Panter was the UKS Board's third representative member on the EIS Board and was appointed in July 2018. Two new appointments were made in the year. Ken Van Someren replaced Professor Jo Doust in October 2018 and provides specific scientific and medical expertise. Matt Rogan also joined in October replacing Craig Hunter. Matt provides commercial and data expertise. Vicky Aggar was reappointed for her second term. Vic Luck is the Senior non-executive Director. The Board comprises four females and seven males.

Monitoring of strategic KPIs are undertaken by EIS Mission Control group attended by two external advisors. Reporting is provided to board quarterly.

The Boards of UK Sport and the EIS have a Group Audit and Risk Committee (GARC) to support them in their respective responsibilities for issues of risk, control and governance. Membership consists of three UK Sport non-executive board members, one of whom is the chair, one non-executive EIS board member and up to two independent members. Responsibilities include advising on accounting policies, risk monitoring frameworks, internal audit planning and anti-fraud, anti-bribery and anti-corruption arrangements. The GARC meets 4 times per year and reports back to the EIS Board. On the basis of their audit work, Mazars, who provide internal audit on behalf of the GARC considered that EIS's governance, risk management and internal control arrangements were generally adequate and effective.

General Data Protection Regulations (GDPR) came into effect in 2018. The EIS undertook comprehensive staff awareness, reviewed contracts and procedures ahead of implementation. It continues to monitor effectiveness of controls. During 2018, the EIS suffered a data incident that was reportable to the Information Commissioner's Office (ICO). The ICO was informed within 72 hours of the EIS becoming aware of the incident. External cyber experts and legal advice was engaged to ensure the incident was fully investigated and responded to appropriately. The ICO closed the case with some recommendations but no further action. Additional steps have been taken to prevent this issue in the future. Subsequently an internal audit review was undertaken and provided adequate assurance.

The EIS SLT monitor all strategic risks under the headings of People, Reputation, Finance / Governance and Performance. These include staff retention, budgetary compliance, cyber security, performance impact and data protection. This is reviewed regularly within the EIS and reported to the Group Audit and Risk Committee and EIS Board quarterly.

The EIS has a number of policies and procedures that effectively describe to staff the detail of their responsibilities. These include anti-fraud, anti-bribery, anti-corruption, gifts and hospitality, health and safety, EIS professional code, information retention and whistleblowing and confidential disclosure.

The EIS is classified as a tier 3 organisation under the Code for Sports Governance and were deemed compliant with the code in 2017. EIS SLT monitor ongoing compliance with the code and Board are regularly updated.

## **The English Institute of Sport Limited**

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

#### **Year Ended 31 March 2019**

#### **Future Developments**

A key focus for SLT will be to continue to pursue the Tokyo 2020 strategy. This year will involve supporting athletes toward their ultimate goals in Tokyo. A significant aspect will be continued work with sports to develop strategies that will allow athletes to excel in the expected heat and humidity of Tokyo.

Whilst Tokyo remains a priority, preparations will begin to develop strategy for the Paris cycle and beyond. A dedicated group has been established to ensure appropriate stakeholder input is received to ensure the EIS meets their needs in the future. A strategic plan for the next cycle will be completed within the coming financial year.

The EIS will continue to lead on areas of Athlete Health within high performance sport. The respiratory health project will continue and is expected to deliver performance impact across a number of sports. The impact of the mental health strategy is expected to grow over the next 12 months for both athletes and staff across the high performance system.

A commitment to developing world leading knowledge and expertise in significant emerging areas of performance impact will continue to be the focus of our Performance Innovation strategy. This will ensure that the sports we work with have world leading intelligence and cutting edge practices at their disposal when competing on the world stage.

In partnership with sports, we will continue to strive to underpin world class delivery by recruiting, developing and retaining exceptionally talented and motivated individuals. A new recruitment training package is being rolled out over the course of this year which will help to raise the capability of line managers in recruitment and continue raising awareness of effective and inclusive recruitment practices. In addition, a review of the EIS reward and recognition structure is underway with results and recommendations expected late in 2019.

The EIS currently manage one World Class Programme (Wheelchair Fencing) and two Medal Support Plans (Sport Climbing and Short Track Speed Skating).

The EIS will continue to focus on long term organisational health. Specific KPI and objectives have been developed. Key focus areas are: culture, market share, attracting and retaining talent, developing the brand, financial stability and governance.

The EIS will continue to take measures to enhance cyber security. This will involve employee education alongside enhancing physical security, working with our partners in the high-performance system and external experts.

## **The English Institute of Sport Limited**

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

#### **Year Ended 31 March 2019**

##### **Future Developments** *(continued)*

We will continue to focus resources to create world leading performance environments, working closely with UKS in support of the Elite Training Centre concept and prioritising additional capital investment at our High Performance Centres.

Finally, by continuing to develop the capacity and capability of our processes we will ensure that our support services are robust, effective and underpinned by a sound governance framework and that our staff are empowered to respond in an agile and effective manner.

##### **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, despite ongoing budgetary pressures. Detailed budgets have been prepared for the remainder of the funding cycle, resulting in a break-even position by 31 March 2021. UK Sport has confirmed funding to 31 March 2021. Service level agreements are in place with 33 Olympic, Paralympic and English funded sports, the majority of which are committed until March 2021.

At the last triennial pension valuation (March 2016) the EIS defined benefit scheme was in surplus. Contributions to fund the scheme are included in the financial plan for the cycle. The next triennial valuation will take place based on market conditions from March 2019. Results are expected in late 2019. The pension deficit in the accounts relate to the FRS102 adjustment. Further detail is included in the results section below.

##### **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. EIS has achieved the Preliminary level of the Equality Standard for Sport and the Intermediate level of the Standards for Safeguarding and Protecting Children in Sport.

##### **Results**

The deficit for the year, after taxation, amounted to £4,927,000 (*2018: deficit £4,567,000*). The deficit is caused by a charge to pension contributions of £4,159,000 (*2018: £3,718,000*) in respect of service costs as a result of the FRS102 actuarial valuation of the pension scheme. The higher service cost in the year to 31 March 2019 compared with the prior year is made up of two elements. Firstly, a change in discount rate assumption used (2.8% to 2.6%) has lowered the current service cost. The past service cost is higher in the year to 31 March 2019 as it includes an estimate of the McCloud/Sargent judgment (refer to note 13)

## **The English Institute of Sport Limited**

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

#### **Year Ended 31 March 2019**

#### **Results** *(continued)*

The balance sheet showed net liabilities as at 31 March 2019 of £33,820,000 (*2018: net liabilities of £30,225,000*) of which £33,812,000 (*2018: £30,172,000*) is caused by the Defined Benefit pension scheme liability. The pension scheme valuation for FRS102 purposes differs from the triennial valuation as a result of a different set of actuarial assumptions being used.

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

With approximately 29% of our funding secured through service level agreements with NGBs it is key that we meet the performance objectives set out in these agreements in order to retain this funding. To that end each of our sports has a dedicated point of contact who closely monitors both the quantity and quality of service provision provided, liaising regularly with the sport in the process.

The EIS is bound by Funding Agreements (alongside a separate Financial Memorandum) and KPIs are agreed annually to ensure we meet the requirements of our key funder, UKS. Progress against the KPIs is reviewed monthly by the EIS SLT and at least four times a year by the EIS Board. The majority of KPIs being reported against are on target, and corrective action is being taken for those that are not.

Regular meetings have been held throughout 2018/19 with UK Sport to review performance. In addition, governance/risk issues are addressed via the Group Audit and Risk Committee.

An EIS Risk Management Strategy is in place which covers all areas of risk, financial or otherwise, and the EIS Risk Register is reviewed and updated by the SLT and Board on at least a quarterly basis. Specific areas of risk are addressed through the internal audit programme.

The EIS has considered the impact of the UK leaving the European Union and determined this will have minimal direct effect on the organisation

#### **Remuneration Policy**

In the interest of transparency, the EIS publishes the collective salary of the Senior Leadership Team which for the year ended 31 March 2019 was £902,085 (*2018: £1,032,733*). The decrease on the prior year is mainly due to the Group HR Director being employed directly by the EIS for the whole of the year ended 31 March 2019, whereas for the year ended 31 March 18 they were employed via a secondment arrangement invoiced by The Department for Work & Pensions (DWP) at a higher rate.

## The English Institute of Sport Limited

### Directors' Report *(continued)*

Year Ended 31 March 2019

#### Directors

The directors who served the company during the year and their remuneration are detailed below, together with details of reimbursed meeting expenses for unremunerated non-executive directors:

| Name              | Position          | Emoluments<br>(£000) | Expenses<br>(£000) |                          |
|-------------------|-------------------|----------------------|--------------------|--------------------------|
| J Steele          | Chairman          | 10-15                | -                  |                          |
| N Walker          | National Director | 140-145              | -                  |                          |
| V Aggar           | Director          | -                    | -                  |                          |
| Professor J Doust | Director          | -                    | -                  | Resigned 4 July 2018     |
| JC Hunter         | Director          | -                    | -                  | Resigned 4 July 2018     |
| V Luck            | Director          | -                    | 3                  |                          |
| S Munday          | Director          | -                    | -                  | Resigned 16 May 2019     |
| Sir D Tanner CBE  | Director          | -                    | 1                  |                          |
| C Warr            | Director          | -                    | -                  |                          |
| J Skiggs          | Director          | 95-100               | -                  |                          |
| A Panter          | Director          | -                    | -                  | Appointed 31 July 2018   |
| M Rogan           | Director          | -                    | -                  | Appointed 2 October 2018 |
| K Van Someren     | Director          | -                    | -                  | Appointed 2 October 2018 |

The company has indemnity insurance in relation to the directors.

#### 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



## **The English Institute of Sport Limited**

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

**Year Ended 31 March 2019**

#### **Directors' Responsibilities** *(continued)*

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;  
The Manchester Institute of  
Health and Performance  
299 Alan Turing Way  
Manchester  
M11 3BS

Signed by order of the directors

N Walker  
Director

Approved by the directors on 28 August 2019

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

**Year Ended 31 March 2019**

### **Opinion on financial statements**

I certify that I have audited the financial statements of The English Institute of Sport Limited for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including Financial Reporting Standard 102- “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102).

In my opinion:

- the financial statements give a true and fair view of the state of the company’s affairs as at 31 March 2019 and of the total comprehensive net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the United Kingdom accounting standards, including FRS102; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

### **Opinion on regularity**

In my opinion, in all material respects the income and expenditure 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.

### **Basis on opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 ‘Audit of Financial Statements of Public Sector Entities in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council’s Revised Ethical Standard 2016. I am independent of The English Institute of Sport Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK, and me and my staff have fulfilled our other ethical responsibilities in accordance with these requirements. 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**

I am required to conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the English Institute of Sport’s ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

## **The Certificate and Report of the Comptroller and Auditor General to the Members of The English Institute of Sport Limited** *(continued)*

### **Responsibilities of the directors for the financial statements**

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.
- Such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
- assessing The English Institute of Sport Limited's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

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. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The English Institute of Sport Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and

**The Certificate and Report of the Comptroller and Auditor General to the Members of The  
English Institute of Sport Limited** *(continued)*

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

expenditure 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.

**Other Information**

Management is responsible for the other information. The other information comprises information included in the Strategic Report and Directors' Report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In my opinion:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; 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

**Gareth Davies 3 September 2019  
Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London  
SW1W 9SP

**The English Institute of Sport Limited**

**Statement of comprehensive income**

**Year ended 31 March 2019**

|  | Note     | 2019<br>£000   | 2018<br>£000 |
|--|----------|----------------|--------------|
| <b>Income</b>  | <b>2</b> | <b>28,004</b>  | 27,306       |
| Payroll costs  | 3,4      | (20,827)       | (20,221)     |
| Operating costs  | 3        | (11,351)       | (10,777)     |
|  |          | <hr/>          | <hr/>        |
| <b>Operating deficit before interest and taxation</b>            | <b>3</b> | <b>(4,174)</b> | (3,692)      |
| Interest receivable and similar income                           | 5        | 9              | 5            |
| Interest payable   | 6        | (763)          | (879)        |
|  |          | <hr/>          | <hr/>        |
| <b>Deficit on ordinary activities before taxation</b>            |          | <b>(4,928)</b> | (4,566)      |
| Tax on ordinary activities                                       | 7        | 1              | (1)          |
|  |          | <hr/>          | <hr/>        |
| <b>Deficit for the financial year</b>                            |          | <b>(4,927)</b> | (4,567)      |
| Remeasurement of the net defined benefit liability               | 13       | 1,332          | 6,622        |
|  |          | <hr/>          | <hr/>        |
| <b>Total comprehensive net income/(expenditure) for the year</b> |          | <b>(3,595)</b> | 2,055        |
|  |          | <hr/> <hr/>    | <hr/> <hr/>  |

All of the activities of the company are classed as continuing.

For a detailed breakdown of payroll and operating costs please refer to page 35.

The notes on pages 19 to 33 form part of these financial statements

**The English Institute of Sport Limited**

**Balance sheet**

**31 March 2019**

|  | Note | 2019<br>£000   | £000                          | 2018<br>£000   | £000                          |
|--|------|----------------|-------------------------------|----------------|-------------------------------|
| <b>Fixed assets</b>                                    |      |                |                               |                |                               |
| Tangible assets  | 8    |                | 1,688                         |                | 1,669                         |
| Intangible assets                                      | 9    |                | <u>960</u>                    |                | <u>1,024</u>                  |
|  |      |                | <b>2,648</b>                  |                | <b>2,693</b>                  |
| <br><b>Current assets</b>                              |      |                |                               |                |                               |
| Debtors  | 10   | 1,987          |                               | 1,227          |                               |
| Cash at bank   |      | <u>928</u>     |                               | <u>2,148</u>   |                               |
|  |      | <b>2,915</b>   |                               | <b>3,375</b>   |                               |
| <b>Creditors: Amounts Falling due Within One Year</b>  | 11   | <u>(2,825)</u> |                               | <u>(3,302)</u> |                               |
| <br><b>Net current assets</b>                          |      |                | <u><b>90</b></u>              |                | <u><b>73</b></u>              |
| <br><b>Total assets less current liabilities</b>       |      |                | <b>2,738</b>                  |                | <b>2,766</b>                  |
| <br><b>Deferred income</b>                             | 12   |                | <u>(2,746)</u>                |                | <u>(2,819)</u>                |
| <br><b>Net liabilities excluding pension liability</b> |      |                | <u><b>(8)</b></u>             |                | <u><b>(53)</b></u>            |
| Defined benefit pension scheme liability               | 13   |                | <u>(33,812)</u>               |                | <u>(30,172)</u>               |
| <br><b>Net liabilities including pension liability</b> |      |                | <u><u><b>(33,820)</b></u></u> |                | <u><u><b>(30,225)</b></u></u> |
| <br><b>Reserves</b>                                    |      |                |                               |                |                               |
| Retained earnings                                      |      |                | <u><u><b>(33,820)</b></u></u> |                | <u><u><b>(30,225)</b></u></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 the date of the C&AG's signature of the audit certificate and are signed on their behalf by:

Nigel Walker on 28 August 2019  
 Director  
 Company number: 04420052

The notes on pages 19 to 33 form part of these financial statements

**The English Institute of Sport Limited**

**Statement of changes in equity**

**31 March 2019**

|  | <b>2019</b>                | 2018                |
|--|----------------------------|---------------------|
|  | <b>£000</b>                | £000                |
| Retained earnings brought forward                            | <b>(30,225)</b>            | (32,280)            |
| Total comprehensive net income/(expenditure)<br>for the year | <u><b>(3,595)</b></u>      | <u>2,055</u>        |
| <br>Retained earnings carried forward                        | <br><u><b>(33,820)</b></u> | <br><u>(30,225)</u> |

The notes on pages 19 to 33 form part of these financial statements

**The English Institute of Sport Limited**

**Statement of cash flows**

**31 March 2019**

|   | <b>2019</b>    | 2018    |
|---|----------------|---------|
|   | <b>£000</b>    | £000    |
| <b>Cash flows from operating activities</b>                 |                |         |
| Deficit for the financial year                              | <b>(4,927)</b> | (4,567) |
| <i>Adjustments for:</i>                                     |                |         |
| Depreciation of tangible assets                             | <b>707</b>     | 748     |
| Amortisation of intangible assets                           | <b>411</b>     | 368     |
| Other interest receivable and similar income                | <b>(9)</b>     | (5)     |
| Interest paid   | <b>763</b>     | 879     |
| Loss on disposal of fixed assets                            | <b>14</b>      | 14      |
| Provision for service cost of defined pension scheme        | <b>5,804</b>   | 5,397   |
| Defined benefit pension scheme contributions paid           | <b>(1,645)</b> | (1,679) |
| Administration expenses of defined pension scheme           | <b>50</b>      | 44      |
| Tax on profit on ordinary activities                        | <b>-</b>       | -       |
| Deferred income   | <b>(73)</b>    | (247)   |
| Provisions  | <b>-</b>       | (69)    |
| <i>Changes in:</i>  |                |         |
| Trade and other debtors                                     | <b>(760)</b>   | 78      |
| Trade and other creditors                                   | <b>(477)</b>   | 563     |
| Cash generated from operations                              | <b>(142)</b>   | 1,524   |
| Interest payable  | <b>-</b>       | -       |
| Tax received  | <b>-</b>       | -       |
| Net cash used in operating activities                       | <b>(142)</b>   | 1,524   |
| <b>Cash flows from investing activities</b>                 |                |         |
| Purchase of tangible assets                                 | <b>(733)</b>   | (427)   |
| Purchase of intangible assets                               | <b>(354)</b>   | (352)   |
| Interest received   | <b>9</b>       | 5       |
| Proceeds from sale of tangible assets                       | <b>-</b>       | 3       |
| Net cash used in investing activities                       | <b>(1,078)</b> | (771)   |
| <b>Cash flows from financing activities</b>                 |                |         |
| Repayments of finance lease obligations                     | <b>-</b>       | -       |
| Net cash (used in)/from financing activities                | <b>-</b>       | -       |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(1,220)</b> | 753     |
| <b>Cash and cash equivalents at beginning of year</b>       | <b>2,148</b>   | 1,395   |
| <b>Cash and cash equivalents at end of year</b>             | <b>928</b>     | 2,148   |

The notes on pages 19 to 33 form part of these financial statements



# **The English Institute of Sport Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2019**

### **1 Accounting policies**

#### **General Information**

The English Institute of Sport Limited (the “EIS”) provides sport science, medicine, technology and engineering services to elite athletes, primarily in World Class funded sports. The company is a wholly owned subsidiary of The United Kingdom Sports Council (UKS).

The company is a private company limited by guarantee and is incorporated in England. The address of its registered office is The Manchester Institute of Health and Performance, 299 Alan Turing Way, Manchester, M11 3BS.

#### **Basis of Accounting**

The financial statements of the EIS are prepared on a going concern basis as referred to in the Directors’ report and in accordance with FRS102, “The Financial Reporting Standard applicable in the UK and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

#### **Use of Estimates and Judgements**

The preparation of financial statements requires management to make key judgements, assumptions and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The pension costs recognised within these financial statements are subject to key assumptions as set out in note 13.

#### **UK Sport Grant Income**

The UK Sport grant income shown in the income and expenditure account represents amounts receivable 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 (see note 12).

#### **Income from sale of services**

The income from sale of services shown in the income and expenditure account represents amounts receivable from National Governing Bodies for services provided during the year.

#### **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.

# The English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

### 1 Accounting Policies *(continued)*

#### 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 | - up to 5 years |
|---------------------|-----------------|

#### Financial Instruments

Basic financial assets including trade and other debtors, and cash and bank balances are recognised at transaction price, as are the basic financial liabilities of trade and other creditors.

#### 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 statement of comprehensive income 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.

# The English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

### 1 Accounting Policies *(continued)*

#### Pension Costs and Other Post-Retirement Benefits

The London Pension Fund Authority pension scheme is a defined benefit scheme. The amount charged to the Statement of comprehensive income 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 comprehensive income.

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 is liable for taxation on interest receivable and any non-lottery funded income in excess of expenditure.

### 2 Income

The deficit before tax is attributable to the one principal activity of the company.

| An analysis of income is given below:   | 2019          | 2018          |
|---|---------------|---------------|
|   | £000          | £000          |
| UK Sport grant  | 20,426        | 20,459        |
| Sport England grant   | 422           | 107           |
| Income from sale of services  | 6,932         | 6,246         |
| Sponsorship income  | 15            | 52            |
| Other income  | 155           | 166           |
| Grant released to the income & expenditure account in respect of depreciation | 902           | 60            |
| Transfer of fixed asset additions to deferred income                          | (872)         | 279           |
| Grant income released from prior year   | 70            | 7             |
| Unused grant released carried forward   | (46)          | (70)          |
|   | <u>28,004</u> | <u>27,306</u> |

# The English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2019

#### 3 Operating deficit

|   | 2019<br>£000  | 2018<br>£000  |
|---|---------------|---------------|
| Operating deficit is stated after charging: |               |               |
| Wages and salaries                          | 13,596        | 13,438        |
| Social security costs                       | 1,451         | 1,441         |
| Redundancy costs                            | 17            | 64            |
| Other pension costs                         | 5,763         | 5,278         |
| <b>Total payroll costs</b>                  | <b>20,827</b> | <b>20,221</b> |
| Travel and subsistence                      | 1,428         | 1,601         |
| Information systems costs                   | 767           | 770           |
| Research and technical consultancy          | 3,083         | 2,095         |
| Auditor's remuneration *                    | 13            | 13            |
| Depreciation of tangible fixed assets       | 707           | 748           |
| Amortisation of intangible fixed assets     | 411           | 368           |
| Loss on disposal of fixed assets            | 14            | 14            |
| Operating lease costs                       | 1,700         | 1,584         |
| Other operating costs                       | 3,228         | 3,584         |
| <b>Total operating costs</b>                | <b>11,351</b> | <b>10,777</b> |

\*No non-audit fees were paid to external auditors in 2018-19 (2017-18: Nil). The external audit fee for 2018-19 was £13,000 (2017-18: £13,000).

#### 4 Employees and directors

##### Employees

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

|                | 2019       | 2018 re-stated |
|----------------|------------|----------------|
| Management     | 11         | 10             |
| Administration | 24         | 23             |
| Operations     | 346        | 326            |
|                | <b>381</b> | <b>359</b>     |

During the year the staff categories have been re-stated to give a more accurate representation of the business. Management now contains all of the Senior Leadership Team (SLT) members.

##### Directors

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

**The English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2019**

**4 Employees and directors** *(continued)*

|   | <b>2019</b> | 2018       |
|---|-------------|------------|
|   | <b>£000</b> | £000       |
| Emoluments receivable   | 248         | 229        |
| Value of company pension contributions to defined benefit schemes | 27          | 28         |
|   | <b>275</b>  | <b>257</b> |

Three directors (*2018: three*) are accruing benefits under the company defined benefit pension scheme.

Of the total amount above, the emoluments attributable to the highest paid director are £141,439 (*2018: £137,736*) and the pension contributions attributable to the highest paid director are £14,573 (*2018: £16,528*).

The accrued pension of the highest paid director at year end is £21,379 (*2018: £18,491*) and the accrued lump sum of the highest paid director at year end is £Nil (*2018: £Nil*).

**5 Interest income and similar income**

|                          | <b>2019</b> | 2018     |
|--------------------------|-------------|----------|
|                          | <b>£000</b> | £000     |
| Bank interest receivable | 9           | 5        |
|                          | <b>9</b>    | <b>5</b> |

**6 Interest payable**

|   | <b>2019</b> | 2018       |
|---|-------------|------------|
|   | <b>£000</b> | £000       |
| Interest payable on finance leases        | -           | -          |
| Net interest on defined pension liability | 763         | 879        |
|   | <b>763</b>  | <b>879</b> |

**7 Taxation on Ordinary Activities**

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

|  | <b>2019</b> | 2018     |
|--|-------------|----------|
|  | <b>£000</b> | £000     |
| Current tax:   |             |          |
| UK Corporation tax based on the results for the Year at 19% ( <i>2018: 19%</i> ) | (1)         | 1        |
| Total current tax  | <b>(1)</b>  | <b>1</b> |

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2019

7 Taxation on Ordinary Activities *(continued)*

(b) Reconciliation of tax charge

The tax assessed on the deficit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

|   | 2019<br>£000   | 2018<br>£000   |
|---|----------------|----------------|
| Deficit on ordinary activities before taxation      | <u>(3,807)</u> | <u>(4,566)</u> |
| Deficit on ordinary activities by the rate of tax   | -              | -              |
| Net income and expenditure not attributable for tax | -              | 1              |
| Adjustment to tax charge in respect of prior years  | <u>(1)</u>     | <u>-</u>       |
| Total current tax                                   | <u>(1)</u>     | <u>1</u>       |

8 Tangible Fixed Assets

|                         | Leasehold<br>Improvements<br>£000 | Fixtures &<br>Fittings<br>£000 | Assets held<br>under<br>finance<br>leases<br>£000 | Computer<br>Equipment<br>£000 | Total<br>£000 |
|-------------------------|-----------------------------------|--------------------------------|---|-------------------------------|---------------|
| <b>Cost</b>             |                                   |                                |   |                               |               |
| At 1 April 2018         | 153                               | 5,546                          | 70  | 1,188                         | 6,957         |
| Additions               | -                                 | 577                            | -   | 156                           | 733           |
| Disposals               | <u>(8)</u>                        | <u>(24)</u>                    | <u>-</u>  | <u>(116)</u>                  | <u>(148)</u>  |
| <b>At 31 March 2019</b> | <u>145</u>                        | <u>6,099</u>                   | <u>70</u>   | <u>1,228</u>                  | <u>7,542</u>  |
| <b>Depreciation</b>     |                                   |                                |   |                               |               |
| At 1 April 2018         | 139                               | 4,116                          | 70  | 963                           | 5,288         |
| Charge for the year     | 5                                 | 568                            | -   | 134                           | 707           |
| On disposals            | <u>(8)</u>                        | <u>(19)</u>                    | <u>-</u>  | <u>(114)</u>                  | <u>(141)</u>  |
| <b>At 31 March 2019</b> | <u>136</u>                        | <u>4,665</u>                   | <u>70</u>   | <u>983</u>                    | <u>5,854</u>  |
| <b>Net book value</b>   |                                   |                                |   |                               |               |
| <b>At 31 March 2019</b> | <u>9</u>                          | <u>1,434</u>                   | <u>-</u>  | <u>245</u>                    | <u>1,688</u>  |
| At 31 March 2018        | <u>14</u>                         | <u>1,430</u>                   | <u>-</u>  | <u>225</u>                    | <u>1,669</u>  |

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2019

9 Intangible Assets

|                           | <b>Software &amp;<br/>Licences<br/>£000</b> |
|---------------------------|---|
| <b>Cost</b>               |   |
| At 1 April 2018           | 2,084                                       |
| Additions                 | 354   |
| Disposals                 | (66)  |
| <b>At 31 March 2019</b>   | <u><u>2,372</u></u>                         |
| <b>Amortisation</b>       |   |
| At 1 April 2018           | 1,060                                       |
| Amortisation for the year | 411   |
| On disposals              | (59)  |
| <b>At 31 March 2019</b>   | <u><u>1,412</u></u>                         |
| <b>Net book value</b>     |   |
| <b>At 31 March 2019</b>   | <u><u>960</u></u>                           |
| At 31 March 2018          | <u><u>1,024</u></u>                         |

10 Debtors

|                                    | <b>2019<br/>£000</b> | 2018<br>£000 |
|------------------------------------|----------------------|--------------|
| Trade debtors                      | <b>1,079</b>         | 615          |
| Amounts owed by group undertakings | 7                    | 31           |
| Other debtors                      | <b>11</b>            | 3            |
| Prepayments and accrued income     | <b>890</b>           | 578          |
|                                    | <u><b>1,987</b></u>  | <u>1,227</u> |

# The English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2019

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

|   | 2019         | 2018         |
|---|--------------|--------------|
|   | £000         | £000         |
| Trade creditors   | 1,097        | 1,470        |
| Amounts owed to group undertakings                      | 6            | 45           |
| Other creditors including taxation and social security: |              |              |
| Corporation tax   | -            | 1            |
| Other taxation and social security                      | 728          | 895          |
| Other creditors   | 34           | 41           |
| Accruals  | 960          | 850          |
|   | <u>2,825</u> | <u>3,302</u> |

£114,402 (2018: £101,979) of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

### 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 over the period to which it relates.

|   | 2019         | 2018         |
|---|--------------|--------------|
|   | £000         | £000         |
| Balance brought forward   | 2,819        | 3,066        |
| Income received in advance deferred to future periods                               | 79           | 126          |
| Release of income deferred from prior periods                                       | (107)        | (19)         |
| Income deferred in relation to fixed assets acquired less disposals during the year | 872          | (382)        |
| Amortisation of income in relation to fixed assets                                  | (917)        | 28           |
|   | <u>2,746</u> | <u>2,819</u> |

### 13 Pension Commitments

The company participates in the London Pension Fund Authority Superannuation Scheme. The company 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 £1,604,274 (2018: £1,560,015).

A Triennial Actuarial Valuation was carried out as at 31 March 2016 for funding purposes. As a result of this, employer contributions remained at 12%.



## The English Institute of Sport Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2019

#### 13 Pension Commitments *(continued)*

A valuation for FRS102 purposes was carried out as at 31 March 2019 by Barnett Waddingham, a qualified independent actuary. The assumptions used by the actuary for FRS102 valuation purposes were:

| Financial assumptions:       | 2019<br>% | 2018<br>% |
|------------------------------|-----------|-----------|
| Rate of increase in salaries | 3.85      | 3.75      |
| Rate of increase in pensions | 2.35      | 2.25      |
| Discount rate                | 2.45      | 2.60      |
| Inflation assumption         | 2.25      | 2.25      |

As at 31 March 2019 and 31 March 2018 all standard actuarial assumptions have been used.

| Average future life expectancies at age 65: | Males      | Females    |
|---|------------|------------|
| Current pensioners                          | 21.4 years | 23.8 years |
| Future pensioners                           | 23.2 years | 25.5 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:

|                                     | 2019<br>£000    | 2018<br>£000    |
|-------------------------------------|-----------------|-----------------|
| Equities                            | 24,122          | 23,332          |
| Target Return Portfolio             | 11,825          | 8,551           |
| Cash                                | 1,552           | 1,859           |
| Infrastructure                      | 2,672           | 1,669           |
| Property                            | 4,170           | 2,746           |
| Total market value of assets        | <u>44,341</u>   | <u>38,157</u>   |
| Present value of scheme liabilities | (78,153)        | (68,329)        |
| Net pension liability               | <u>(33,812)</u> | <u>(30,172)</u> |

The amounts recognised in the Statement of comprehensive income are as follows:

|                                       | 2019<br>£000 | 2018<br>£000 |
|---------------------------------------|--------------|--------------|
| Service cost                          | 5,804        | 5,397        |
| Net interest on the defined liability | 763          | 879          |
| Administration expenses               | 50           | 44           |
| <b>Total loss</b>                     | <u>6,617</u> | <u>6,320</u> |

For an explanation of movement in Service cost refer to page 8.

**The English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2019**

**13 Pension Commitments** *(continued)*

Remeasurement of the net assets/(defined liability):

|   | <b>31 March</b> | 31 March     |
|---|-----------------|--------------|
|   | <b>2019</b>     | 2018         |
|   | <b>£000</b>     | £000         |
| Return on Fund assets in excess of interest         | 2,619           | 967          |
| Other actuarial gains on assets                     | -               | -            |
| Change in financial assumptions                     | (5,883)         | 5,655        |
| Change in demographic assumptions                   | 4,596           | -            |
| Experience loss on defined benefit obligation       | -               | -            |
| Remeasurement of the net assets/(defined liability) | <b>1,332</b>    | <b>6,622</b> |

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

|   | <b>31 March</b> | 31 March      |
|---|-----------------|---------------|
|   | <b>2019</b>     | 2018          |
|   | <b>£000</b>     | £000          |
| <b>Opening defined benefit obligation</b>     | <b>68,329</b>   | <b>65,757</b> |
| Current Service cost                          | 4,683           | 5,285         |
| Interest cost                                 | 1,789           | 1,857         |
| Contributions by scheme participants          | 1,047           | 1,070         |
| Change in financial assumptions               | 5,883           | (5,655)       |
| Change in demographic assumptions             | (4,596)         | -             |
| Experience loss on defined benefit obligation | -               | -             |
| Past service costs, including curtailments    | 1,121           | 112           |
| Estimate benefits paid (net of transfers in)  | (103)           | (97)          |
| <b>Closing defined benefit obligation</b>     | <b>78,153</b>   | <b>68,329</b> |

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019 the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgement on those bodies that are part of the Local Government Pension Scheme. For The English Institute of Sport, Barnett Waddingham estimated that the impact on the total liabilities as at 31 March 2019 would be 1.5% of liabilities, which equates to £1,121,000. This adjustment is reflected in the table above within past service costs.

The impact on the projected service cost for the year to 31 March 2020 would be 3.3% of the service cost which equates to £158,000.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2019

13 Pension Commitments (continued)

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

|   | 31 March<br>2019<br>£000 | 31 March<br>2018<br>£000 |
|---|--------------------------|--------------------------|
| <b>Opening fair value of fund assets</b>            | <b>38,157</b>            | <b>33,604</b>            |
| Interest on assets                                  | 1,026                    | 978                      |
| Return on assets less interest                      | 2,619                    | 967                      |
| Administration expenses                             | (50)                     | (44)                     |
| Contributions by the Employer including unfunded    | 1,645                    | 1,679                    |
| Contributions by Fund participants                  | 1,047                    | 1,070                    |
| Estimated benefits paid net of transfers in         | (103)                    | (97)                     |
| <b>Closing fair value of Employers assets</b>       | <b>44,341</b>            | <b>38,157</b>            |
| <b>Net defined benefit pension scheme liability</b> | <b>33,812</b>            | <b>30,172</b>            |

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

|                     | 31 March<br>2019<br>% | 31 March<br>2018<br>% |
|---------------------|-----------------------|-----------------------|
| Equities            | 54                    | 61                    |
| Target return funds | 27                    | 22                    |
| Cash                | 4                     | 5                     |
| Infrastructure      | 6                     | 4                     |
| Property            | 9                     | 7                     |

The Actuaries estimate the employer's contributions for the year ending 31 March 2020 will be approximately £1,655,000.

14 Commitments under operating leases

At 31 March 2019 the future minimum lease rentals payable under non-cancellable operating leases as set out below:

|                     | 2019                  |                | 2018 restated         |                |
|---------------------|-----------------------|----------------|-----------------------|----------------|
|                     | Land and<br>Buildings | Other<br>Items | Land and<br>Buildings | Other<br>Items |
|                     | £000                  | £000           | £000                  | £000           |
| Within 1 year       | 1,066                 | 15             | 1,049                 | 1              |
| Within 2 to 5 years | 1,066                 | 15             | 2,097                 | 1              |
|                     | <b>2,132</b>          | <b>30</b>      | <b>3,146</b>          | <b>2</b>       |

## The English Institute of Sport Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2019

#### 14 Commitments under operating leases *(continued)*

The 2018 comparative has been restated as one lease commitment was omitted in error last year. The minimum lease rentals payable in respect of this lease amount to £975,000.

Included within operating lease costs are facility rental costs where the agreement is on an annual rolling basis. Such costs are not included within the commitments disclosed above.

#### 15 Related Party Transactions

The English Institute of Sport Limited's ultimate controlling party is The United Kingdom Sports Council. Copies of the group financial statements can be obtained from them at 21 Bloomsbury Street, London, WC1B 3HF, or from their website ([www.uk sport.gov.uk](http://www.uk sport.gov.uk)).

The following table details the grant income received from UK Sport during 2019 and 2018:

| Funding Stream                                     | 2019 (£)          | 2018 (£)          |
|--|-------------------|-------------------|
| Core Grant   | 12,239,341        | 13,467,556        |
| Research and Innovation Programme grant            | 4,685,001         | 3,256,269         |
| Performance Lifestyle grant                        | 957,189           | 934,719           |
| Sports Intelligence team grant                     | 426,652           | 381,150           |
| PDMS development grant                             | 280,000           | 258,680           |
| PDMS BI grant                                      | -                 | 20,000            |
| PDMS Sheffield Hallam grant                        | 25,000            | 37,000            |
| PDMS capital grant                                 | 45,000            | -                 |
| Performance Pathways grant                         | 648,101           | 791,919           |
| Equipment grant                                    | -                 | 41,000            |
| Data Protection Officer grant                      | 27,807            | 4,588             |
| Head of Mental Health grant                        | 24,130            | -                 |
| Head of Managed Sports grant                       | 26,336            | -                 |
| First Timers Project grant                         | 6,610             | -                 |
| Short Track Speed Skating Transition/MSP/WCP grant | 780,163           | 1,157,564         |
| Wheelchair Fencing World Class Programme grant     | 150,596           | 108,308           |
| Sport Climbing World Class Programme grant         | 104,322           | -                 |
| <b>Total</b>                                       | <b>20,426,248</b> | <b>20,458,753</b> |

**The English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2019**

**15 Related Party Transactions** *(continued)*

The following table details The English Institute of Sport's related party transactions for the year which are on an arm's length basis and any balances at 31 March 2019:

| Related Party   | Nature of Transaction   | Amounts (£)        |
|---|---|--------------------|
| John Steele (Chairman of The English Institute of Sport) – Observer on the UK Sport Board                               | Grant funding from UK Sport   | 20,426,248         |
|   | Services provided to EIS during the year<br>Balance owing to UKS  | 17,105<br>-        |
| Chelsea Warr (Director of The English Institute of Sport) – Director of UK Sport  | Recharged Exchequer expenditure from UKS<br>Balance owing to UKS  | 565,919<br>120,315 |
|   | Recharged Lottery expenditure from UKS<br>Balance owing to UKS  | 8,000<br>-         |
| John Craig Hunter (Former Director of The English Institute of Sport) – Former Group Audit and Risk Committee Member    | Recharged expenditure to UKS<br>Balance due from UKS  | 152,074<br>7,308   |
|   | Vic Luck (Director of The English Institute of Sport) – Group Audit and Risk Committee Member                           |                    |
| Anne Panter (Director of The English Institute of Sport) – Board Member of UK Sport                                     |   |                    |
| John Steele (Chairman of The English Institute of Sport) – Executive Director of Sport at Loughborough University       | Services provided to EIS<br>Balance owing to Loughborough   | 299,202<br>850     |
|   | Provision of services to Loughborough University<br>Balance due from Loughborough University                            | 8,815<br>-         |
|   | Sir David Tanner (Director of The English Institute of Sport) – Non-Executive Director of Lawn Tennis Association (LTA) |                    |
| Sir David Tanner (Director of The English Institute of Sport) – Non-Executive Director of Lawn Tennis Association (LTA) | Services provided to EIS<br>Balance owing to LTA  | -<br>-             |
|   | Provision of services to LTA<br>Balance due from LTA  | 68,871<br>10,189   |
| John Craig Hunter (Former Director of The English Institute of Sport) – Former Director at British Swimming             | Services provided to EIS<br>Balance owing to British Swimming   | 9,645<br>7,600     |
|   | Provision of services to British Swimming<br>Balance due from British Swimming  | 631,264<br>82,968  |

**The English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2019**

**15 Related Party Transactions** *(continued)*

| <b>Related Party</b>  | <b>Nature of Transaction</b>            | <b>Amounts (£)</b> |
|---|---|--------------------|
| Sir David Tanner (Director of The English Institute of Sport) – Former Performance Director of British Rowing   | Services provided to EIS                | 4,000              |
|   | Balance owing to British Rowing         | -                  |
|   | Provision of services to British Rowing | 467,440            |
|   | Balance due from British Rowing         | 127,731            |
| Sally Munday (Director of The English Institute of Sport) – Chief Executive of England Hockey<br><br>Anne Panter (Director of The English Institute of Sport) – Member of the Athlete’s Commission for England Hockey | Services provided to EIS                | 14,534             |
|   | Balance owing to England Hockey         | -                  |
|   | Provision of services to England Hockey | 559,063            |
|   | Balance due from England Hockey         | 54,002             |
| Victoria Aggar (Director of The English Institute of Sport) – Member of The Sport Advisory Group for the British Paralympic Association (BPA)   | Services provided to EIS                | 9,279              |
|   | Balance owing to BPA                    | 450                |
| Johnathan Doust (Former Director of The English Institute of Sport) – Head of Department University of Brighton   | Services provided to EIS                | 1,339              |
|   | Balance owing to University of Brighton | -                  |

**16 Company Limited by Guarantee**

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

**17 Financial instruments**

The financial instruments relate to trade and other debtors, cash and trade and other creditors. During the year 73% of funding (2018: 75%) was grant income from UK Sport and 25% (2018: 23%) of funding was secured through long standing service level agreements with NGB’s. The English Institute of Sport is therefore exposed to little credit or liquidity risk.

**18 Post Balance Sheet Events**

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019 the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgement on those bodies that are part of the

**The English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2019**

**18 Post Balance Sheet Events** *(continued)*

Local Government Pension Scheme. The impact of the judgement has been reflected within the pension disclosures within note 13 where further detail is also provided.

There are no further post balance sheet events between the year-end and when the accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. The financial accounts do not reflect events after this date.

**Management Information**

**Year Ended 31 March 2019**

**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 12 to  
14**



**The English Institute of Sport Limited**

**Detailed payroll and operating costs**

**Year Ended 31 March 2019**

|  |             | <b>2019</b> |               | <b>2018</b> |               |
|--|-------------|-------------|---------------|-------------|---------------|
|  | <b>£000</b> | <b>£000</b> |               | <b>£000</b> | <b>£000</b>   |
| <b>Payroll costs</b>                             |             |             |               |             |               |
| Wages and salaries                               | 13,596      |             |               | 13,438      |               |
| Redundancy costs                                 | 17          |             |               | 64          |               |
| Social security costs                            | 1,451       |             |               | 1,441       |               |
| Staff pension contributions                      | 5,763       |             |               | 5,278       |               |
|  |             |             | <b>20,827</b> |             | <b>20,221</b> |
| <b>Operating costs</b>                           |             |             |               |             |               |
| Utilities  | (1)         |             |               | 1           |               |
| Insurance  | 150         |             |               | 156         |               |
| Repairs and maintenance                          | 61          |             |               | 68          |               |
| Travel and motor expenses                        | 1,428       |             |               | 1,601       |               |
| Telephone  | 263         |             |               | 255         |               |
| Information systems costs                        | 767         |             |               | 770         |               |
| Meeting and workshops                            | 312         |             |               | 287         |               |
| Athlete equipment and consumables                | 553         |             |               | 575         |               |
| Relocation expenses                              | 12          |             |               | 24          |               |
| Stationery and postage                           | 67          |             |               | 60          |               |
| Staff training                                   | 528         |             |               | 549         |               |
| Other staff costs                                | 180         |             |               | 131         |               |
| Recruitment expenses                             | 21          |             |               | 38          |               |
| Contracted service providers                     | 679         |             |               | 1,039       |               |
| Athlete personal award                           | 8           |             |               | 25          |               |
| General expenses                                 | 75          |             |               | 89          |               |
| Marketing  | 83          |             |               | 54          |               |
| Legal and professional fees                      | 72          |             |               | 42          |               |
| Mental health referrals                          | 50          |             |               | 54          |               |
| Technical consultancy fees                       | 3,083       |             |               | 2,095       |               |
| Testing, development & Prototypes                | 14          |             |               | 45          |               |
| Pension administration costs                     | 50          |             |               | 44          |               |
| Payroll administration costs                     | 35          |             |               | 33          |               |
| Auditors remuneration & accountancy costs        | 23          |             |               | 21          |               |
| Depreciation of leasehold improvements           | 5           |             |               | 6           |               |
| Depreciation of fixtures and fittings            | 568         |             |               | 629         |               |
| Depreciation of assets held under finance leases | -           |             |               | -           |               |
| Depreciation of computer equipment               | 134         |             |               | 113         |               |
| Amortisation of intangible assets                | 411         |             |               | 368         |               |
| Loss on disposal of fixed assets                 | 14          |             |               | 14          |               |
| Operating lease: Property & P&E                  | 1,700       |             |               | 1,584       |               |
| Bank charges                                     | 6           |             |               | 7           |               |
|  |             |             | <b>11,351</b> |             | <b>10,777</b> |
| <b>Total costs</b>                               |             |             | <b>32,178</b> |             | <b>30,998</b> |





CCS0319888082  
978-1-5286-1106-0