

Annual Report & Accounts

**The English Sports Council
Grant-in-Aid and National
Lottery Distribution Fund**

Annual Report and Accounts for
the year ended 31 March 2020

The English Sports Council

Grant-in-Aid and National Lottery Distribution Fund

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A woman with glasses and a ponytail is shown in profile, performing a lunge stretch on a gravel path. She is wearing a dark blue athletic top with a light blue side panel and grey patterned leggings. The background is a lush green park with trees and sunlight filtering through the leaves.

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Chair's foreword

We know we can't stand still if we're going to change people's behaviours and transform the sport and physical activity landscape.

That's why we're constantly testing new ways of doing things, and staying flexible and adapting as we learn more.

And we're not doing this in a silo. Working collaboratively with organisations big and small, including partners we may have never worked with before, is so important for us.

Our nine priority areas have been the focus of our work in the last 12 months. One of these priorities is decreasing inactivity, and so it was hugely significant in the summer to see the launch of the We Are Undefeatable campaign, aimed at inspiring many of the 15 million people with one or more long-term health condition in England to get active.

The campaign has seen 15 of the country's leading health and social care charities come together, with our expertise and insight playing an important part – it's exactly the type of collaborative working that can really make a difference to people's lives.

Our This Girl Can campaign has also had a significant year, with its return to TV in January – showing real women in real situations exercising – garnering a hugely positive response.

As the year came to an end, the coronavirus crisis, and the restrictions brought in by the government to slow the spread, was having a big impact on both the sport and physical activity sector, and people's ability to be active.

We were able to react quickly to the crisis and we announced a number of key actions, including the creation of a £195m pot of funding to support the sector and launching the Join the Movement campaign. This was just the start of our response to the crisis, and I would like to express my thanks to our colleagues who began work on both of these priorities in the last few days of March, while adapting to what was a new working environment for many.

The Sport England Board has been crucial in helping deliver our work. I was delighted to appoint three new Board members in September and October 2019: Tove Okunniwa, David Mahoney and Azeem Akhtar. They each bring an impressive range of skills and expertise to the table, with backgrounds not just in grassroots and elite sport, but in business, law and marketing.

A more diverse board is essential if we're to truly represent the society whose behaviours we're seeking to change. That's why we've been working with recruitment agency Perrett Laver to help find and appoint potential board members from a range of backgrounds to sports bodies. More than 100 have already been identified and 20 board appointments made, with 75% female, 65% from a Black, Asian and minority ethnic background, 5% LGBT+ and 5% with a declared disability. This is a hugely encouraging step in the right direction.

As our Towards an Active Nation strategy enters its final year of delivery, I want to express my gratitude to everybody involved for helping us to build a more active nation. I am convinced that we have the building blocks and partnerships in place that will allow us to help the nation recover its activity habit when the current crisis abates.

Nick Bitel | **Chair**



CEO's introduction

After my first full year as CEO of Sport England, I did not expect to be writing the introduction here that I am. The onset of the coronavirus crisis in the final weeks of March has been hugely challenging for all of us and transformational on everything that we do.

When we were all spending so much more time at home, it was more important than ever to stay active, not just for our physical health, but crucially for our mental wellbeing.

That is why we launched our Join the Movement campaign in late March to support and inspire people to get active in and around their home, playing a key role as we all began to adapt to a new normal.

Keeping the nation moving was one of two immediate priorities we established in response to the pandemic, with the second – as important – being to support the sector.

In just days, we were able to announce significant funding, with our £20 million Community Emergency Fund helping sports clubs and community organisations facing short term financial hardship. We also introduced significant flexibility in how we managed our support to existing partners.

Supporting the sector through this crisis was fundamental so that it could come through it in as strong a position as possible, and the foundations of our Towards an Active Nation strategy are as relevant now as ever.

Prior to the crisis, and as this annual review shows, there have been many key moments.

I am proud that in November we unveiled our new organisational values. Set as statements of intent around our behaviour – expressing our determination to be more collaborative, inclusive, innovative and ambitious – they are

designed to be a key element of an ongoing change in our culture and ways of working, so that we are focused not just on what we are doing, but also on how.

This change of focus is important. We know the transformational impact that sport and physical activity can have on individuals and communities, but we have to think and work differently if we're going to encourage people from all backgrounds to get active.

We need to work differently because there are stubborn inequalities we collectively have to address and which the coronavirus crisis has the potential to make worse – we know, for example, that you're twice as likely to be inactive if you're less affluent, and the proportion is the same if you're disabled.

Our 'Sport for all?' report, published earlier in 2020, shows people from Asian, Black and Chinese backgrounds are far more likely to be inactive than those who are White. And our Active Lives Children and Young People Survey showed all of the inequalities surfaced in the first survey in 2018 remain, including that boys are more active than girls.

So that's why the following pages show we've had a real focus on doing things differently, including through our Local Delivery Pilots, which are a prime example of how we're able to test new ways of reaching and influencing people in 12 very different places in England.

I'd like to thank the Board and all my colleagues for their dedication and hard work. As we enter the final year of our current strategic plan, I know how important it will be that we continue to support the sector, and the public, through the coronavirus crisis. Our next strategy, published in early 2021, will build on what we know and how we can work more collaboratively to ensure we impact on every part of society. We are making progress, so the new approach will be more an evolution of the 'what'. But, I hope, it will point the way to a revolution of the 'how'.

Tim Hollingsworth OBE | **Chief Executive**

Sport and activity for all

Established by Royal Charter in 1996, Sport England is the arm's-length body of government responsible for growing and developing grassroots sport and helping get more people active across England.

We know playing sport and being physically active enriches lives, builds stronger communities and creates a healthier, happier nation and our job is to ensure that everyone, regardless of their age, background or level of ability feels able to participate in it.

This is a significant challenge because too often the people with the most to gain from being active are the least able to take part.

We know, for example, that you're twice as likely to be physically inactive if you're disabled or have a long-term health condition. But against that, being active has the power to significantly boost a person's health, and even their happiness.

Inactivity has an impact on the wider economy too. The figures are startling: research shows that one in six adults in the UK die as a result of being inactive. Half of all women and a third of all men in England are damaging their health through a lack of physical activity, costing the nation an estimated £7.4 billion a year (*Public Health England, Everybody active, every day – 2014*).

If we want everyone to be able to take part in sport and physical activity, then we must address the inequalities that prevent some people from doing so and our work is increasingly focused in this area.

We do this in several ways but primarily by providing expertise, by commissioning and publishing insight that helps individuals and organisations to encourage people to get

active, by targeted funding for projects that underpin that work, and by campaigning for change in key areas.

Looking ahead

Our Towards an Active Nation strategy, which was published in May 2016 as our response to the government's Sporting Future strategy, is entering its final year of delivery.

We focus our work around nine priorities against which we invest (*see pages 10-11*), with each one having a set of evidence-based plans behind it.

With the world changing, how people find out about sport and getting active and how they physically go and do it is vastly different now to even a decade ago. That means that we must keep the consumer (adults and children alike) at the front of our minds, so that as we test new concepts and do things differently, we stay flexible and adapt.

Through the considerable support of our partners, we've achieved a great deal since the start of Towards an Active Nation and learned a huge amount about how we, working together, can help people with different needs and circumstances to get active in a way that works for them – and that's continuing.

But we know there's still a lot more to do. And that's why our ongoing work with partners to develop our next strategy is so crucial (*see page 13*).

We expect it will be an important evolution from our current strategy, not least because it will need to take into account the unprecedented challenges and changes created by the coronavirus crisis. But also because we know that we cannot stand still in our mission to transform the sport and physical activity landscape.



Areas of focus

Over the past 12 months, we've:

- In the final weeks of the year, responded to the emerging coronavirus crisis by launching our **Join the Movement** campaign; announced up to £195 million of funding to help the sector; and introduced significant flexibility to how we managed our support to partners.
[see page 12](#)
- Seen the highest number of people being physically active ever recorded by our **Active Lives Adult** Survey.
[see pages 10-11 and 16-17](#)
- Seen a rise of 3.6% in the number of children doing an average of 60 minutes or more of physical activity each day, recorded by our **Active Lives Children and Young People** Survey.
[see pages 24-25](#)
- Made further investment in our Local Delivery Pilots including funding awards to Bradford, Calderdale, Pennine Lancashire, Hackney and South Tees. We've shared what we're learning from the pilots through national 'Community of Learning' events and webinars.
[see pages 16-17, 20-21 and 22-23](#)
- Worked in collaboration with 15 health and social care charities to launch the **We Are Undefeatable** campaign, with the aim of helping people in England who live with one or more long-term health condition to build physical activity into their lives.
[see pages 22-23](#)
- Launched the fourth phase of our **This Girl Can** campaign with a new TV advert, and opened the This Girl Can Community Fund.
[see pages 18-19](#)
- Continued key partnerships with the NSPCC's Child Protection in Sport Unit, the Ann Craft Trust, which protects adults at risk, and the National Working Group Network, which targets exploitation in all its forms.
[see pages 32-33](#)
- Continued to support the **Moving Healthcare Professionals** programme, which aims to embed physical activity into clinical practice, with 194 training sessions delivered by 43 Physical Activity Clinical Champions to 4,356 healthcare professionals so far.
[see pages 22-23](#)
- Produced our deepest piece of insight which focused on understanding Black, Asian and minority ethnic participation in sport and physical activity, highlighting significant inequalities that exist.
[see pages 22-23](#)
- Supported more than 2,000 sporting organisations to become compliant with Tier 1 of the Code for Sports Governance during the year, and a further 187 to become compliant with its two more advanced levels (Tiers 2 and 3).
[see pages 32-33](#)
- Launched the **Talent Plan for England**, setting out our ambition to create the world's best talent system, and helped national governing bodies develop their training and selection plans for the Birmingham 2022 Commonwealth Games.
[see pages 30-31](#)
- Developed and then launched four new values for our organisation:
 - **We are inclusive**
 - **We are collaborative**
 - **We are ambitious**
 - **We are innovative.**[see pages 34-35](#)

Our strategy

We launched our current strategy, Towards an Active Nation, in May 2016 as our response to the government's Sporting Future strategy.

All our work, from our insight to our investments, focuses on at least one of the five health and social outcomes identified by the government.

This helps us identify how sport and physical activity can contribute to improvements in people's long-term physical and mental wellbeing and increases in individual, social, community and economic development.

Everything we do must impact at least one of these five outcomes, because we know being active has the power to do so much for people and communities.

Our priorities

As well as setting out how we would do this in our Towards an Active Nation strategy, we also outlined how our work would deliver against two of the government's objectives in Sporting Future – to get more people from every background regularly and meaningfully engaging in sport and physical activity, and to develop a more productive, sustainable and responsible sport sector.

To do this, we've developed nine priorities against which we invest – these are the areas that we're focusing our resource and attention on:

- Children and young people
- Talent
- Active environments
- Decreasing inactivity
- Leadership and governance.

Each priority area is responsible for building an understanding of the issues and shaping the work that goes on across Sport England to respond to those issues in a joined-up way. We report regularly to our Board on our progress towards achieving each priority, and our three national-level physical activity targets.

Our targets

Our three organisational targets are measures of progress against our overall ambition to get more people active.

They include specific targets that aim to focus attention on inequalities in activity levels amongst women and people from lower socio-economic groups.

These targets, measured from November 2016 to November 2020, are to increase the number of:

- Increasing activity
- Tackling inequalities for women
- Tackling inequalities for lower socio-economic groups
- Volunteering
- people who are regularly active by 500,000 nationally
- women who are regularly active by at least 250,000 nationally
- people from lower socio-economic groups who are more active by 100,000 in targeted locations.



9 priority areas that we're focusing our resource and attention on

The May 18-19 Active Lives Adult Survey showed 1 million more people were regularly active than at the start of our strategy period (November 15-16), with 28.6m active in all – an Active Lives record.

It also showed that 122,000 more women aged 16-60 were regularly active in the same period, while among all women aged 16 and over, 507,000 have become regularly active since our strategy began. It means the gender gap between active men and women has narrowed by 43,000 to 313,000 over this time.

We're making progress against this target, not least through significant targeted investments starting to take effect in the past year and continuing high-profile campaigns such as This Girl Can.

Through our investments, we've engaged over 500,000 people from lower socio-economic groups across England. While some of these investments have taken some time to have an impact with individuals and communities that are traditionally 'harder to reach', data shows that 19,000 people from lower socio-economic groups were more active in the specific locations we've targeted.

The emergence of the coronavirus crisis at the end of the year presented an unprecedented level of challenge to building on the progress we've made with these targets and supporting people to stay active. This challenge was at the front of our minds as we ended the year *(see page 12)*.

5 health and social outcomes

Physical wellbeing

Mental wellbeing

Social and community development

Economic development

Individual development

Coronavirus: our response

In March 2020, as the government brought in restrictions in day-to-day life to tackle the coronavirus (Covid-19) crisis, we knew we had to act fast.

We quickly established two immediate priorities:

- Supporting the sector: action to ensure it came through the period in as strong a position as possible
- Keeping the nation moving: doing everything we could to encourage people to stay active, wherever possible.

On the first priority, we announced up to £195 million of National Lottery and government funding to help the sport and physical activity sector through the crisis.

One part of this, the £20m Community Emergency Fund, was opened on 31 March to help organisations, such as local sports clubs, experiencing short term financial hardship or the ceasing of operations.

Other funding package elements included:

- A £5m pot for existing partners to bid into if they were facing specific financial difficulty
- An additional £55m to support our sector during an ongoing period of restrictions, to fund new and innovative ways to keep people active and, when the period of restrictions was over, to help organisations get back to business and adjust to a different environment
- A £115m rollover of current funding into 2021-22 to give long term certainty to over 100 well established partners who play a vital role in the delivery of sport and physical activity in England.

We also introduced a significant amount of flexibility, initially until mid-June, to any individual or organisation who received funding, or any other type of support from us, for their work.

That included flexibility on the delivery of projects, programmes or events that may have no longer been possible; changes to the timings of work; and how future funding we'd committed to providing could be deployed.

Join the Movement

On our priority to keep the nation active, on 26 March we launched Join the Movement, a National Lottery-funded campaign to inspire and give trusted information about how to keep active, particularly with people spending so much more time at home.

It encouraged people to share how they were getting active using the social media hashtag **#StayInWorkOut**, with an online hub pointing people of all ages and abilities to some of the most useful online content.

A number of online providers opened up their content and extended their free trials to help people get easy access to home exercise, and the campaign received early backing from well-known names, including Olympic long jump champion Greg Rutherford and Strictly professional dancer Karen Hauer.

What next?

Our focus beyond this was to continue to work with the sector to understand the ongoing and future impact of coronavirus on organisations, clubs, members and the sector workforce, and we wanted to make sure that whatever action we took had the greatest positive impact.

This action was just the beginning of a sustained period of information and support.

Shaping our future strategy



We know sport and physical activity has the power to change lives – our mission is to help everyone feel the huge benefits that come with being active.

Our Towards an Active Nation strategy was built on this principle. It represented a significant change for our partners and for us when it was published in 2016, with a mission to transform sport and physical activity.

We've learned a lot since then about the things that influence people's experiences of sport and physical activity, such as people's awareness about what 'being active' really looks like and its benefits; the things seen as culturally and socially normal to people; the way streets are planned around where we all live and work; and whether people feel like they can really access the facilities and opportunities around them.

Equally, we're continuing to learn about the impact of Covid-19 on sport and physical activity, including how people are adapting to ensure they can continue to stay active. Our next strategy will also need fundamentally to reflect this and indeed to potentially benefit from some of the innovation that's been shown in this period.

Sport and physical activity must work for everyone, everywhere, and that's challenged us to think and do things differently. But there's more for us all to do, and now is our moment to shape the future.

New ideas

We expect our next strategy to be an evolution rather than a revolution, building on what we know has been successful, like our campaigns and focusing on the importance of 'place' to physical activity levels.

It's likely to see a stronger emphasis on long term strategic relationships, which will require a more collaborative and less transactional approach. This could mean bringing people together around important issues and co-producing solutions as well as learning, adapting and improving over time.

We're open to radical new ideas and ways of working, and our next strategy gives us the chance to do things differently too.

We're developing the strategy in four phases – holding conversations, capturing the big ideas, testing the emerging strategy, and launching our new strategy. Because of the impact of Covid-19, we now intend to launch it in early 2021.

As the phase of capturing big ideas ends, we've paused the next phase – we'll review the impact of Covid-19 before relaunching this phase.

The principles that will guide us as we shape our next strategy:

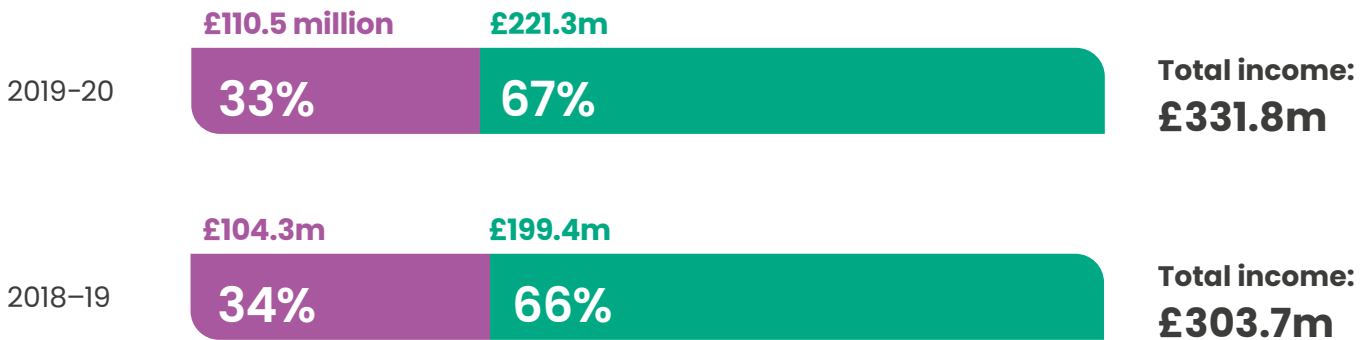
- Start with what's strong, not what's wrong
- Nothing about us, without us – we'll involve colleagues and partners in discussions
- Balance insight with evidence
- Simplify
- Everything should make sense in a place
- Build trust
- Stubborn on the vision, flexible on the details.

Launching our new strategy, online and via in-person events, will just be the start, as we work with partners big and small to make sport and physical activity for everyone.

Financial overview

National Lottery and Exchequer income

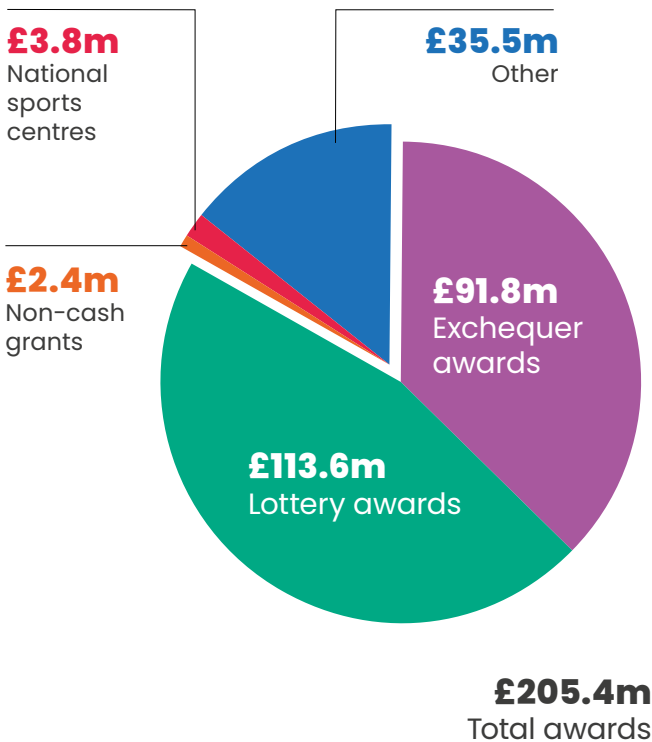
● Exchequer funding ● Lottery funding



Total expenditure

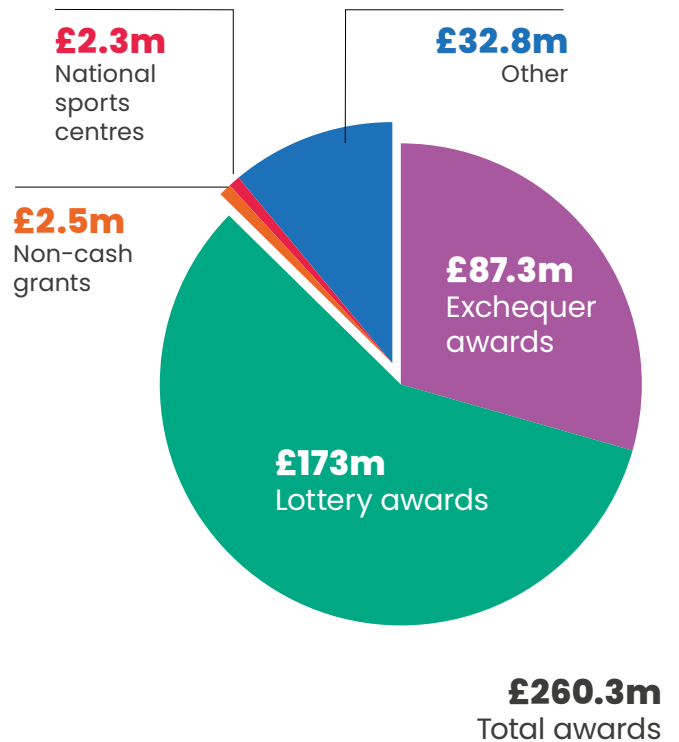
2019-20

£247.1m



2018-19

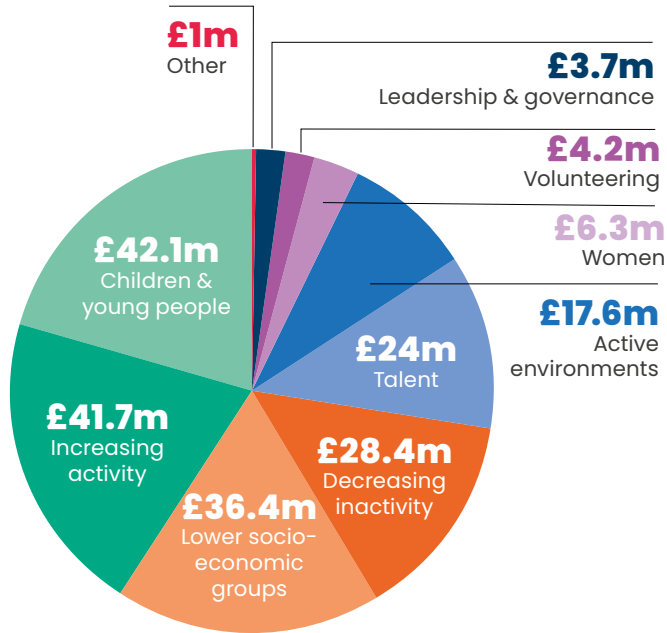
£297.9m



Awards

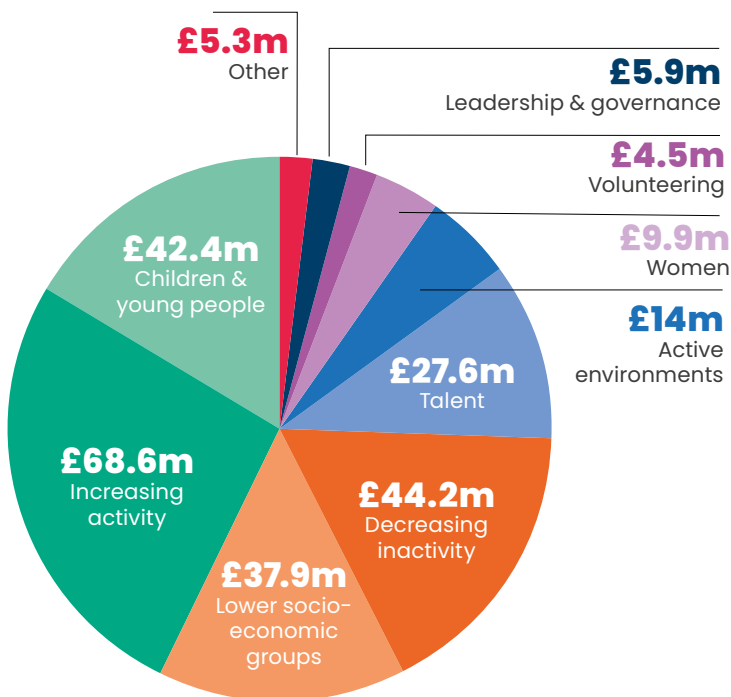
2019-20

£205.4m



2018-19

£260.3m



The breakdown for 2018-19 has been changed to reflect our nine priorities.



2,112
awards

(77% Lottery/
23% Exchequer)

(2018-19: 1,575 awards,
69% Lottery, 31% Exchequer)



81

different sports/
activities funded
(2018-19: 67)



£116.5k

Average award
(2018-19: £167k)



£18m

Largest award,
to the Football
Foundation



£300

Smallest awards,
to Sands United
Warwickshire and
Hughes House
Social Club

Increasing activity

We've taken an in-depth look at the six physical activities that people in England take part in the most, to help us unlock what could give more people the chance to get active.

Our focus has been on learning about and understanding how to overcome the barriers that prevent many people from engaging with sport and activity, specifically concentrating our work on those who we know need encouragement and opportunity to get active.

To do this, we continued our work in several key areas, including our ongoing relationships with national governing bodies of sport (NGBs), the Open Data Institute and our network of Local Delivery Pilots (LDPs).

We also took an in-depth look at the six activities in which the greatest numbers of people in England take part – walking, fitness, cycling, running, swimming and football.

We focused on coordinating our activities and understanding what more we need to do when it comes to these six activities to help get and keep more people regularly active.

As a result, we've identified the main problems we should prioritise, determined who we should work with on resolving them and what our exact role should be. We've now allocated these to our various priority groups that are responsible for reaching specific audiences, including women (*see pages 18-19*) and people from lower socio-economic groups (*see pages 20-21*).

As the year came to an end, we narrowed our focus on encouraging people to stay active in the four activities they could do under the government's coronavirus restrictions:

walking, fitness (at home), cycling and running.

With the NGBs, we carried out research into their performance, helping us learn from the success achieved by some and the challenges facing others. This showed that the 'core market' of people taking part regularly in activity has grown from a baseline of 11 million to 12.6 million people, close to 6% ahead of target. We also piloted a mystery shopper exercise, which showed that of the NGBs tested, all delivered high-quality services within their sessions.

We explored how we can better remove friction from the consumer experience by evaluating the potential of data and digital innovation.

Using open data

In April 2019 our chief executive, Tim Hollingsworth, and then Minister for Sport and Civil Society, Mims Davies, called upon the wider sporting sector to support the use of open data and digital innovation more effectively to make it easier for people to get active. This followed a survey we commissioned, which showed people find it twice as easy to order takeaway food online than to book a sport or fitness class.

At the same time, we made a further £1.5m investment into the OpenActive initiative, overseen by the Open Data Institute, which aims to create sector-wide confidence in the value of making data about where and when physical activities happen available for anyone to access, use or share.

By the end of March 2020, 47 organisations had opened up their data, resulting in almost 300,000 monthly physical activity sessions being made available online.



Local Delivery Pilots

- Birmingham & Solihull
- Bradford
- Calderdale
- Doncaster
- Essex
- Exeter & Cranbrook
- Greater Manchester
- Hackney
- Pennine Lancashire
- Southall
- South Tees
- Withernsea

 **28.6m**

adults (63.2%) were physically active, meeting the 150-minute-a-week threshold

 **122,900**

fewer adults inactive than 12 months earlier, with 11.2m (24.8%) doing less than 30 minutes a week

Figures from Active Lives Adult May 18-19

We also signed a memorandum of understanding (MOU) with ukactive, a key partner in the fitness sector whose objectives complement ours.

The MOU covers five strands of activity, aiming to create a customer-focused, efficient and sustainable sport and activity sector. The first of these is the creation of an online learning platform for the sector's leaders, designed to transform knowledge sharing between organisations.

Building relationships locally

Another strand of work involved our national network of 12 LDPs. Taken together, these disparate communities are representative of society as a whole, enabling us to work with a wide range of partners to research and test solutions and find those that work best in a range of local environments.

So, rather than funding local projects in a traditional sense, we're investing to build relationships, change cultures and work closely with communities, all with the aim of

creating more sustainable changes in behaviour.

Our continuing work with the LDPs throughout the year built on the programme's early promise. It helped to deepen our knowledge of barriers to activity at a community level and gain new understanding on how to challenge them and develop effective policies for the future.

We've not fallen into the trap of acting prematurely and have always been sure to measure our progress before taking meaningful action. All LDPs are now making substantial progress in testing ideas in communities, both helping with policy development and giving others insight into solutions that work.

Outside of these areas, our network of 43 Active Partnerships continued to play an important role, working with us to provide local capacity and capability to understand places and broker strong relationships that lead to better opportunities for people to get active.



Women

The gender gap that sees fewer women than men getting active is narrowing, and attitudes towards sport and physical activity among women are changing, but there's more for us all to do.

We know from our research that the fear of judgement, mainly linked to perceived ability, appearance, or not prioritising other commitments, such as family, is a powerful barrier that prevents many women from being regularly active.

But we also know that even women who are regularly active experience fear of judgement – they often develop their own way to manage those fears.

With women less likely than men to be active, the gender gap is one we're determined to close – it's already started to narrow since our strategy began in 2017.

But if we're to see a significant change, those who deliver opportunities to be active need to themselves understand the fears women have and develop solutions which help women to manage those fears.

That's why we're working collaboratively with lots of partners, and sharing what we know, so that all women can be supported to find their way into activity in an environment that works for them.

Showing real women

Our This Girl Can campaign aims to show women they're not alone, encouraging more of England's 5.9 million inactive women (25% of the adult female population) to do 150 minutes or more of moderate physical activity each week.

The first year of the campaign's third phase – called Fit Got Real – completed during the first half of 2019.

Its primary aim was to engage women from lower socio-economic groups with a range of accessible activities, with paid social and digital media, video on demand and paid searches among the communications channels used.

Research showed these channels to be very popular among those women the campaign reached.

However, we knew that TV would once again be central to delivering the impact and audiences of the size we were aiming for. So during the summer of 2019, we developed a refreshed strategic and creative approach to returning to TV.

Ahead of this, we released the findings of a YouGov poll of 4,000 women. The findings revealed a clear appetite for media content that women can more easily relate to – nearly two-thirds of women said 'slim-toned' bodies on social media had a negative impact on them. Many said they would be keen to see women exercising without make-up, sweating and discussing challenges to keeping active.



These findings were reflected in the advert's creative treatment, which showed how challenging (but emotionally rewarding) it can be to fit activity into lives complicated by factors including lack of time, caring for children, periods and the symptoms of menopause.

This approach received widespread support from public figures including broadcaster Clare Balding and England Netball captain Ama Agbeze, as well as endorsements from Zoe Ball, Davina McCall and other celebrities.

The advert itself had one million organic views online in its first two days, and research showed three in 10 women reported taking an action as a result of this phase of the campaign. Just under half of women asked (47%) said they recognised the campaign.

From parkrun to PE

The advert, launched in January 2020, was just part of a wide range of activities by us and our partners. For example, we worked with Unilever to deliver an on-pack promotion with the Sure deodorant brand that supported the new This Girl Can Community Fund. The fund invited local groups and organisations to bid for awards ranging from £300 up to £10,000, to bring great ideas to life that encouraged women to get active.

And This Girl Can partnered with parkrun to celebrate International Women's Day, encouraging women and girls to take part in their local parkrun on 7 March. We supported the event with a campaign showing women the nature of the parkrun community,

highlighting its accessible and welcoming character and featuring the inspirational stories of many female parkrunners.

More than 1,300 women and girls took part in their first ever parkrun on the day, with 10,000 more women taking part in a parkrun in England than during a normal weekend.

1 million



organic views of the new **This Girl Can** advert in its first two days

We've also partnered with the Press Association to make high quality images of real women being active freely available to the campaign's partners, while we've worked with the Youth Sport Trust to develop a refreshed This Girl Can schools resource which encourages girls to motivate their peers – by campaigning and influencing – to get active. It also gives teachers the tools they need to help girls be active.

Our partnership with ukactive is also helping the leisure and gym sector by translating This Girl Can into opportunities to help it further engage with and mobilise less active women.

Meanwhile, we've invested £915,000 in the eight English core cities – Birmingham, Bristol, Leeds, Liverpool, Newcastle, Nottingham, Manchester and Sheffield – plus London, funding resources, activities and inspiration to help get women active in whatever ways work best for them.

Lower socio-economic groups

We know that people who are in a lower-socio economic group are more likely to be inactive. There's not one single reason for this, but we know it's vital we understand how we can help people in these groups find their way into activity.

As our most recent Active Lives Adult Survey shows, less affluent people are both more likely to be inactive than those who are better off (33% vs 16%) and less likely to be active (54% vs 72%). This is an important part of a backdrop of inequalities that strengthens barriers to activity, such as confidence, cost and lack of time.

Defining socio-economic status can be complicated, not least because of the wide range of circumstances that can lead people into economic difficulties, including education and disability.

That's why it's important for us to explore different ways of reaching and influencing people, making our network of 12 Local Delivery Pilots (LDPs) across England key.

Each of the LDPs is driving forwards new ways of engaging with people and communities and learning about how system change can impact real lives on the ground.

This approach is also strengthening our understanding of how working in places to develop and trial new solutions can be effective in other communities too. Importantly, it's helping to ensure that we focus primarily on finding answers with a genuine positive impact on people's lives, not simply on hitting a target.



5,000

people engaged through our 35 Tackling Inactivity and Economic Disadvantage fund projects



Projects making a difference

To help address the barriers to activity people from more disadvantaged communities face, we fund 35 projects through our Tackling Inactivity and Economic Disadvantage fund – in their first year, they've collectively engaged almost 5,000 people from lower socio-economic groups.

Most of these organisations had never received funding from us before and did not have a track record of delivering sport or physical activity, but they all wanted to make a difference for the communities they work in.

Projects are focusing on a broad range of different audiences, from people in employment who sometimes struggle to make ends meet, to those facing more complex challenges such as substance misuse or homelessness.

Their approaches to engaging these audiences are also varying greatly, from late-night physical activity sessions for shift-workers in Manchester, to a programme of activity sessions at a women's refuge charity in Yorkshire.

Football for all

One sport, football, is at the forefront of our efforts thanks to its widespread appeal across communities. We've concentrated on working more strategically with partners, allowing us to direct investments more accurately to a lower socio-economic group audience.

We've invested in a wide range of football-related projects with partners including the FA, Premier League and English Football League (EFL) Trust. This included a £2.2 million investment in the Football Fans in Training project, known as 'Fit Fans', where EFL clubs encourage 'armchair' fans who'll do anything for the badge to use their training grounds, stadium steps and nutrition expertise to get fit.

We've also developed a partnership with Age UK and the FA to encourage older people to take part in walking football, promoting social contact as well as physical activity.

At the other end of the age scale, we responded to research showing that less formal opportunities for exercise are popular among young people. We funded two interactive 'football walls' in parks in Manchester and Sheffield, featuring interactive games, light-up skills training and target practice.

We also started work with the FA on a targeted legacy opportunity based around the 2020 UEFA European Championships, which are being partly hosted in England in 2021. We've ring-fenced £500,000 of National Lottery funding from our Small Grants programme, with the aim of helping to sustain recreational football activities in up to 50 areas of high deprivation.

Inactivity



Less affluent people are twice as likely to be inactive than those who are better off

We've continued our strong partnership with the FA and Premier League on football facilities, alongside our delivery partner the Football Foundation. We've helped the Football Foundation transform its approach to the delivery of community football facilities – it's currently making significant changes to ensure its processes are focused on outcomes, with the audience at the heart of everything.

Away from football, we invested in many new and existing place-based partner projects across the country. These include Street Games, Rugby League Cares, Active Burnside, Roots to Wellbeing and Access Sport, which uses cycling to engage children in urban communities, including London, Bristol, Manchester and Oxford.

Decreasing inactivity

We're working to encourage those who deliver sport and physical activity to place tackling inactivity much higher up their agenda, because too many people are missing out on the benefits that activity can bring.

The importance of working to decrease inactivity was again emphasised during the year by the Chief Medical Officer's updated advice, which highlighted how those who exercise least stand to gain the most from becoming active.

This is also the essential purpose behind the We Are Undefeatable campaign, which launched in August. It's designed to inspire many of the 15 million people in England who live with one or more long-term health condition to build physical activity into their lives.

Featuring 20 campaign films, three radio ads, hundreds of social media posts, PR support and a dedicated website, the campaign is led by a collaboration of 15 leading health and social care charities ([see page 23](#)) and benefits from our expertise and insight, along with National Lottery funding. This is the first time these charities have come together in this way, meaning the campaign could reach a wider audience.

The campaign messages were further amplified through Public Health England, which sent campaign packs to every GP surgery and community pharmacy in the country.

Early results have been encouraging, with 40% of people with long-term conditions showing unprompted awareness of the campaign, and 44% of these taking positive action as a result. This initial success has helped to gain support for the campaign's continuation into 2020, and possibly beyond.

Another major strand of our work to decrease inactivity was Active Ageing, a fund that supports innovative and experimental approaches that put older people at the heart of our efforts to tackle inactivity.

It's already helped more than 9,000 inactive older people get involved in a range of activities, from hiking to coastal rowing, cycling to seated gymnastics. This is making a real difference to people's lives, involving them in fun, social and supportive environments to help tackle entrenched problems like loneliness, addiction, dementia and poor mental health.

Working together

In partnership with Public Health England, we continue to support and encourage healthcare professionals to embed physical activity into clinical practice through the Moving Healthcare Professionals programme. Landmarks included the launch of nine updated e-learning modules, and 194 training sessions delivered by 43 Physical Activity Clinical Champions to 4,356 healthcare professionals.

With the Royal College of General Practitioners, we launched the Active Practice Charter, which celebrates those practices that promote physical activity to their patients and staff. To date, 50 practices have gained accreditation.

We worked with several partners to help make sport and physical activity more accessible to people living with health conditions. For example, we continue to work closely with the Richmond Group of Charities, which consists of 15 of the country's leading health and social care organisations. We've also helped Mind to deliver its Get Set to Go programme to more than 3,000 people. The programme helps people with mental health problems access and benefit from physical

Sport for all

In January, we published 'Sport for all?', a report drawing on more than 100,000 Active Lives survey responses, which showed people from Asian, Black and Chinese backgrounds are far more likely to be physically inactive than those who are White.

We convened a special conference in the same month to explore some of the actions and projects already in place to bring about change and address the ethnicity gap.

Our director of sport, Phil Smith, told attendees that the whole sports sector needs to work together to solve this problem.

15 charities collaborating on We are Undefeatable



activity, combined with group and one on one peer support.

And we continued our support for the social prescribing agenda, encouraging GPs to take a holistic approach to individual wellbeing.

Tackling inactivity locally

Social prescribing is also a focus for our work with our 12 Local Delivery Pilots (LDPs). The LDPs, which include cities like Birmingham and towns like Withernsea, have at their heart a focus on tackling inactivity among under-represented groups.

LDP work during the year helped us understand some of the basic needs that can make it hard for people to engage in physical activity, such as putting food on the table. This has led several pilots to include

elements like holiday hunger programmes and form collaborations with charitable partners like Junk Food Projects.

Our experience during the year helped the 12 LDPs develop a growing list of tools for enabling a more systemic approach to tackling inactivity. These have helped us shift the emphasis from disconnected delivery to collective action, from transactional relationships to collaborative partnerships and from community consultation to co-creation.

These shifts are helping us gain a better understanding of the approaches that work in areas including adult social care, general practice, social prescribing and public health, active environments and active travel.



Children and young people

We want to help promote more positive attitudes to sport and physical activity among children and young people. We made solid progress in this area during the year, but challenges remain, particularly with influencing under-represented groups.

Our second Active Lives Children and Young People Survey, published in December 2019, revealed a rise in activity for boys and girls and across all levels of family affluence. Overall, the number of children reaching the recommended daily average of 60 minutes or more of physical activity has risen by 3.6%, to a total of 3.3 million.

But much room for improvement remains. More than half (53.2%) of children and young people are failing to reach the 60-minute average, while 2.1 million (29%) are achieving less than the minimum recommended daily average of 30 minutes of activity a day. Though encouragingly, this represented an almost 4% drop on the 2018 results.

All of the inequalities surfaced by the first survey remain. More than half (54%) of children from the most affluent families are considered active, compared with 42% from the least affluent. Boys are still more active than girls at every age from five upwards. And children from Black, Asian and minority

ethnic (BAME) backgrounds are more likely to do less than an average of 30 minutes a day.

Findings like these from the 2018 and 2019 surveys continue to inform our approach of targeting a range of under-represented groups. This is important, as the survey shows a positive association between being active and being more mentally resilient and trusting of peers. Active children are also happier, with enjoyment the biggest factor in getting and keeping youngsters active.

Projects and programmes

Targeted projects and programmes during the year included our £500,000 investment in the Sport Inspired charity. This aims to help more than 9,000 children, young people and families from some of England's most deprived areas lead healthier and happier lives by trying new sports.

We also made available a budget of up to £1.5 million for PE Your Way, a Netflix-style digital library of workout videos designed for use during PE lessons by 13-16-year-old girls who are disengaged from the traditional approach to physical education. This new online resource, which Hopscotch Consulting is leading on the creation of, will be launched in September 2020.



 **3.3m**

children and young people (46.8%) did a daily average of 60 minutes or more of physical activity

 **42%**

of children from the least affluent families were active, compared with 54% from the most affluent

 **2.1m**

children and young people (29%) were doing less than a daily average of 30 minutes of activity a day

Figures from Active Lives Children and Young People, academic year 18-19

The year saw the launch of the government's new School Sport and Activity Action Plan, which aims to create better opportunities for children to get active at school. In one project under the plan, through Active Partnerships we're investing £2m in 400 new after-school Satellite Clubs with the goal of helping more young people from disadvantaged areas to get active. The 5,600 clubs already in place currently engage around 45,000 new young people each year, 50% of whom are female and 22% from BAME backgrounds.

Our continuing Secondary Teacher Training programme gives teachers resources and bespoke training to help all pupils engage with physical activity, regardless of their ability. Our impact report on the teacher training pilots we held showed that after the training, 82% of pupils reported having more choice in what activities they did in PE lessons and 53% said they enjoyed PE more than they did the previous year.

The programme will continue to be rolled out over the next academic year, as schools reopen following the disruption caused by the coronavirus outbreak. Over 50% of schools in England have already benefited from this professional development opportunity.

We also continued our long-standing support for the School Games, the multi-

tiered sporting tournament that encourages participation by school-age competitors at every level from beginner to elite athlete. In the 2018-19 academic year, 2.5 million students from 17,742 schools had the opportunity to take part in inter-school events, building to around 100 county finals.

Targeting a slightly older age group, we also continued to give colleges across England funding to help them get more students active through activities from parkour to Pilates, gym to judo.

Away from schools and colleges, our Families Fund continued to invest in projects designed to improve our understanding of how to help more families be active together.

During the year, our focus was on learning from the portfolio of projects already underway. A report on 25 of these showed that close to half of the 964 families (nearly 3,000 people) involved live in the top fifth of England's most deprived areas.

Meanwhile, our continuing and strong relationship with Active Partnerships adds value to our children and young people work, connecting us to what's needed on a local level and enabling flexible support based on those needs. For example, they've supported primary schools to effectively use their share of the PE and School Sport Premium.

Active environments

We want to ensure that physical environments, from city streets to local parks and leisure centres, provide the conditions and opportunities for people to be more active.

Our ultimate aim is to grow the number of places that provide the right conditions for people to get more active.

Protecting and improving playing fields for continued community use is an important part of this work.

We're a statutory consultee for local councils on any planning application affecting playing fields. We object to all plans except those where developers can prove their proposals will protect or improve sports provision.

Figures show the value of this approach: in the 2017-18 financial year – the most recent year figures are available for – we protected or improved sports provision in 94% of the 1,274 planning applications affecting playing fields that were made.

In 45% of the cases where we objected, further negotiations led to improved provision. Applications were withdrawn or refused in 61 of the 135 cases where we maintained an objection.

This is an important part of our work with local authorities to help improve sports provision in their areas. Other support we provide includes helping councils maximise the contribution of sport and activity to their communities. The Sport Outcomes Planning Guidance we've developed shows how a clear, strategic and sustainable approach is essential to making effective investments.

Our Strategic Facilities Fund help councils invest strategically to deliver essential local outcomes. During the year, we opened 10

new facilities which had received £12 million of investment from the fund. Overall, the fund has leveraged external investment of over £1 billion into the sector since 2012. This is increasing levels of activity and helping authorities turn loss-making facilities into ones which create a financial surplus.

A vision for the future

The new Strategic Outcomes Planning Guidance was launched during the year. It's already being extensively used by local authorities to develop their strategic vision for their leisure provision and future investment.

We give support and financial assistance through this critical phase, which includes community engagement to identify barriers to behaviour change, and options appraisal and guidance to ensure investments bring an effective benefit to the community.

Our involvement in the planning system also covers negotiating contributions to local sports. In 2018-19, we secured £14m in contributions to local authority partners and negotiated 119 community use agreements across the country. This helps secure well-managed and safe community access to sports facilities on educational sites.

Our Community Asset Fund is dedicated to enhancing the spaces in local communities that give people the opportunity to be active. During the year, it invested £19.4 million of government and National Lottery funding into 479 projects, ranging from activating parks and open spaces like Friends of Cotteridge Park in Birmingham, to a Riding for Disabled group in Buxton creating a covered area and better environment for riding therapy for disabled adults, children and volunteers.

The fund is also flexible enough to be able to support emergency work, investing £1.3m of

Lottery money into 280 facilities damaged by Storms Ciara and Dennis, which both hit in February 2020.

We worked with a range of partners during the year. For example, we collaborated with British Cycling to deliver the £15m Places to Ride Fund, helping organisations develop cycling in their communities. Projects funded to date include the creation of a 1km, traffic-free circuit in Doncaster, part of a programme to ensure Yorkshire's hosting of the UCI Road World Championships in 2019 left a lasting legacy.

Active travel

Enabling active travel – walking or cycling to get from place to place rather than specifically for leisure or fitness – is an important consideration for both new and established communities.

As part of our focus on this area, we signed a memorandum of understanding with the Town and Country Planning Association to deliver a programme creating healthy, active communities. And we worked with the

Building Research Establishment to develop and promote the principles of Active Design – adapting where we live to encourage activity in everyday lives.

Our Essex Local Delivery Pilot, meanwhile, has launched an Active Design quality mark for housing schemes. And we continued our partnerships with the National Trust and Forestry Commission, encouraging more people to walk.

Encouraging more people to choose to ride a bike is about changing behaviour. The Places to Ride programme, which we deliver in partnership with British Cycling and the Department for Digital, Culture, Media and Sport, supports people across the country to access safe spaces to ride a bike in their local community – this could be anything from providing bikes and bespoke learn to ride facilities, to improving cycle trails in a park or investing in new multi-activity hubs.

We also increased our knowledge around active travel through new relationships with organisations including Living Streets, Sustrans and the Department for Transport.



94% of the 1,274 planning applications we were involved in led to improved or protected sports provision

Volunteering

Volunteers make sport and activity happen – their role couldn't be more important. Increasing the number and diversity of these volunteers is fundamental.

Without volunteers giving their energy, passion and expertise to grassroots sport and activity, most of the sessions that help people of all ages get active simply wouldn't happen.

Sport and physical activity should be for everyone – this also means supporting people from all backgrounds to be able to give their time, skills and energy to volunteer in sport.

Sports volunteer numbers have declined in recent years, and parts of our community remain under-represented. That's why it's important to us that we work with community organisations to support them to increase the numbers and diversity of their volunteers.

During the year, we started to see the early results from some of our work with new partners, which we set in motion when Towards an Active Nation began in 2017.

Much of this centred around our two investment funds, which have been running since 2018. Partners of our Opportunity Fund, aimed at engaging adults from lower socio-economic groups, have included She's Ready, Sustrans and Chester Voluntary Action.

Our Potentials Fund, focusing on young people taking part in social action and match-funded by the #iwill Fund, has been running projects with partners including Football Beyond Borders, Laureus Sport for Good and Derby County Community Trust.

Early results from the first 18 months of these investments show that volunteers

supported by both funds have given 82,594 hours and benefited from taking part, with positive outcomes such as gaining greater confidence and life satisfaction, to new skills, new friends, better mental wellbeing and greater levels of trust.

Eight out of 10 also thought the volunteering they had undertaken had positively impacted their community and brought different community members together.


We refer to this as the 'dual benefit', where those who give their time and those they support both benefit. With these early successes in mind, we're now looking at how we can support them to grow even more.

We're helping Football Beyond Borders, Laureus Sport for Good and Derby County Community Trust to reach even more young people, and we've invested up to a further £300,000 in each of them, again with the #iwill Fund's support.

To help us understand more about how successful local organisations can grow in a sustainable way, we're working with Spring Impact to support five of our Potentials or Opportunity fund projects to learn and grow through an incubator-style programme.

Another highly successful programme during the year was our partnership with the England and Wales Cricket Board (ECB), focusing on engaging South Asian women to become volunteer "Activators".

By designing a fantastic, enjoyable programme, the ECB is seeing hundreds of women sign up to run cricket sessions for young children in their local area. The £1.2 million programme has proven to be exceptionally popular in its first season and is on track to reach its goal of 2,000 female volunteer Activators supporting up to 15,000 children over four years.



35% of major event volunteers who don't take part in grassroots sport would consider doing so

Major event volunteers

Community sports clubs provide vital opportunities for people to get active, as volunteers or participants. We aim to give clubs as much support as we can to help them develop, grow and become more sustainable and successful, for example through our Club Matters website or our work with Active Partnerships. But in our 2018 Club Survey, 70% reported that they need even more people to give their time.

So, during the year we commissioned research from Goodform to examine the barriers that prevent the thousands of people who volunteer at major sporting events (such as the Games Makers at the London 2012 Olympics and Paralympics) from continuing their volunteering experience at a community level.

While initial findings show that 35% of major event volunteers who currently don't take part in grassroots sport would consider doing so, the reality is that only a small proportion actually take the step. We've published these findings alongside a top-tips guide for those who host major events.

We've also set up an investment fund – called the **Major Event Volunteer Fund** – to pilot different ways of supporting those who want to continue to volunteer their time and support others into activity in their communities.

Talent

By creating the world's best talent system, we aim to help produce better athletes who enjoy positive experiences and come together to form better England teams.

We launched our Talent Plan for England in April 2019, setting out our ambition to create the world's best talent system.

This is based on a set of beliefs about the role of performance sport, not only for the young athletes involved but for society. We believe that national and international sport can act as a unifier, allowing people and communities to celebrate what they are, what they represent and what they value.

The plan's twin objectives are based around progression and inclusion. Firstly, delivering a fun and engaging experience for talented children and young people that keeps them in the system. And secondly, providing easy access to the opportunities and coaching support they need to achieve their full potential.

Commonwealth Games



We've awarded £2.2m to support the preparation and presentation of Team England for Birmingham 2022

These objectives guided our activities over the last year. For example, we continued our programme of investing in national governing bodies of sport (NGBs), helping them create programmes in which people of all backgrounds, circumstances and experiences can take part.

To help us improve inclusivity, we commissioned research from the Sports Industry Research Centre, based at Sheffield Hallam University.

This revealed some current weaknesses in the system – for example, more than 70% of athletes on our Talent Pathway are from more affluent areas of England. The nation's coaches are currently overwhelmingly male (70%) and from White ethnic backgrounds (94%). We're encouraging NGBs to understand how these findings relate to their sport and develop practical plans to make them more inclusive and diverse.

We also worked with a range of other partners, including UK Sport, the English Institute of Sport (EIS) and the wider UK high-performance system, to make sure our investments and activities work together towards British sporting success. In an aligned programme, we worked alongside the EIS on a benchmarking exercise to understand the development priorities of individual sports in readiness for the upcoming 2021–25 funding cycle.

In addition, we have a cohort of leaders working in the England talent system taking part in a new 'Transformational Leadership' programme. This gives them the opportunity to develop themselves and their immediate areas of work, with the ultimate aim of the sporting talent system becoming more inclusive and diverse, for both athletes and staff.

A home Games

Birmingham's role as the host of the Commonwealth Games in 2022 is a great opportunity for the city and for sport. As one of the world's great sporting events, we want to create the best possible environment for Team England athletes to excel at a home Games. Just as importantly, it's a fantastic opportunity for athletes and their support teams to build on for future performance.

We've already awarded £2.2 million to directly support the preparation and

presentation of Team England for the Games, initially via Commonwealth Games England (CGE) and other partners. We've been supporting CGE with their performance planning, recruitment of key roles and scoping a project alongside Birmingham 2022 to enable athletes within England Talent Pathways to benefit from an inspirational, immersive, major Games experience.

A number of key recruitments have been made, most prominent amongst them was the appointment of Mark England as Chef de Mission. Mark is a well-known and respected figure in the high-performance sport system, and he'll have a pivotal role to play in ensuring Team England's success. We're very grateful to the British Olympic Association for supporting his secondment.

We've also helped NGBs across England develop their plans and recruit team leaders, as well as commencing an investment process to provide additional support to athletes and programmes not in receipt of World Class programme funding from UK Sport. This will help to ensure athletes in all sports and disciplines have the best possible preparation for the Games.

But our Commonwealth Games vision is not entirely restricted to England. We collaborated during the year with other home-nation sports councils, UK Sport and the EIS to help underpin a great performance from Scottish, Welsh and Northern Irish athletes too, delivering success for Great Britain as a whole.



Coaches

70%

of coaches
are male

94%

are from
White ethnic
backgrounds

Leadership and governance

We help the sport sector in England build the leadership and diversity it needs to be productive, sustainable and responsible, supported by a culture of good and progressive governance to create a safe and supportive environment for all.

Three years ago we wrote the Code for Sports Governance, together with UK Sport, which aimed to set a world-leading standard. The Code sets out the levels of transparency, accountability and financial integrity expected of sporting organisations applying for government and National Lottery funding.

We've seen increasing levels of compliance with the Code during the year, which clearly demonstrates rising standards across the sector. In total, more than 2,000 sporting organisations across England were compliant with the Code's basic level (Tier 1) during the year, while a further 187 were assessed as compliant with its two more advanced levels (Tiers 2 and 3).

Our focus during the year evolved from ensuring mandatory compliance alone to helping organisations develop and live a culture of good governance – an example of this is our work with the Sports Governance Academy, which launched in early 2020 in partnership with the Institute of Governance.

We've seen national governing bodies (NGBs) continue to grow their efforts around good governance. For example, The Football Association is spreading good governance internally, and there's been an increase in the appointment of governance professionals across the sector.

Good governance also needs good leadership, and we invested in programmes

to help prepare the sector's future leaders and support those already in senior positions.

For example, our work with the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA) on developing 50 professional standards across the sector, covers the full spectrum of roles, from assistant trainer to elite high-performance coach. It also spans the development bridge between entry level and management and leadership roles.

Diverse leaders

In a specific focus on the needs of leaders in sport, we tripled our investment into CIMSPA to further support work to raise standards in key sector roles, with an emphasis on leaders and managers. CIMSPA has since worked with the Institute of Management to develop cross-sector leadership and management standards that will improve the quality of leadership within sport and physical activity sector organisations.

We've also been working to address the issues involved in ensuring that the leadership teams of sporting organisations reflect the diversity of the communities they represent.

This is directly linked to a requirement of our Code, which makes it a condition for Tier 3 organisations – those which receive the largest public investment – to have a minimum 30% representation on their boards of either gender. In addition, to encourage diversity in every form, sports bodies have been encouraged to seek skilled board members from diverse backgrounds, to bring different perspectives and experiences into their thinking.

While most organisations are committed to meeting these ambitions, many have struggled in recent years to appoint new and



20 people from a range of backgrounds have already been appointed to sports boards as part of our work with Perrett Laver

different candidates. Despite 40% female representation on funded sports' boards, very few sports board members have come from BAME, LGBT+ and declared disabilities groups.

To address this directly, we partnered with specialist recruitment agency Perrett Laver to help sports bodies find and appoint the right people. Perrett Laver's brief was to create a pool of 140 suitably-skilled potential board members from a range of backgrounds.

The results have been extremely encouraging, with over 100 candidates already identified and around 20 successful board appointments made since mid-September. Of these, 75% have been female, 65% from a BAME background, 5% LGBT+ and 5% with a declared disability. The industry's board rooms are changing.

Safeguarding

We believe that helping to ensure children and adults at risk are protected from abuse and harm is a key part of responsible governance.

So we raise awareness across the sector of the issues involved, providing training and development services alongside others, to help organisations and individuals spot and address any instances of abuse and harm.

We continued key partnerships during the year with the NSPCC's Child Protection in

Sport Unit, the Ann Craft Trust, which protects adults at risk, and the National Working Group (NWG) Network, which tackles child sexual exploitation in all its forms.

We also continued the Safeguarding Code in Martial Arts, which recognises clubs and providers who've reached and maintained good safeguarding standards. More than 350 clubs and providers have now met the requirements of the Code.

And we worked in further partnership with LimeCulture and Sport Resolutions to pilot the provision of safeguarding case management/legal support for nine NGBs. Late in the year, we partnered with the NWG Network and The Lawn Tennis Association to launch Safe to Play, an augmented-reality tool that gives affiliated coaches and venues guidance on safeguarding young people.

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

11 December 2020

Nick Bitel

Chair
The English Sports Council

11 December 2020

How we work

We've defined who we are, and how we act as an organisation, as part of the development of our new values.

During the year, many of our employees were directly involved in a project to create and develop Sport England's new values.

This was an exciting project involving a breadth of people including external collaborators, our Executive team, our Board, employee focus groups, and an all-staff event that took place in Bisham Abbey in July 2019.

Even after the November launch of the four values, the programme of work was not over. In fact it was just beginning.

Our HR team orchestrated efforts to conceptualise what the values really mean in terms of recruitment, learning and development and wider aspects of performance management and our day-to-day work.

What's already clear is that our values resonate closely with our employees and our partners, helping us define who we are and how we act as an organisation, and highlighting exactly what sets us apart.

Learning and development

The recruitment environment was challenging during the year. However, we've found different ways to attract high-performing people into our organisation. Diversity remains at the forefront of our thinking when we're looking to attract new talent.

One important positive factor is our approach to flexible working, which enables around a third of our employees to be home-based.

During the year, we recruited a number of individuals, including a new Executive Director of Digital, Marketing and Communications, Ali Donnelly, who was formerly the Prime Minister's head of news and deputy official spokesperson.

We also appointed three new Board members: Tove Okunniwa, Chief Executive of London Sport; Azeem Akhtar, Chief Technology Officer at NBT Global; and David Mahoney, Chief Operating Officer at the England and Wales Cricket Board.

On the learning and development front, we introduced a broad range of programmes, tools and processes during the year. Two programmes stand out.

Our values



We are collaborative



We are ambitious



We are inclusive



We are innovative

Our Executive team

'Activate Your Potential' is a development programme supporting the career progression of people currently in entry-level roles. 'Line Manager as Coach', meanwhile, is designed to equip all line managers with coaching skills and create a coaching culture. Its ultimate aim is to embed a coaching leadership style that drives the better performance, engagement and development of all colleagues.

With diversity being one of our core values, it's appropriate that we've achieved the Leaders in Diversity award, recognised as a national equality standard. During the year, we built on this achievement with the creation of three new employee groups: Culture Crew, which is our BAME employee network, the Disability & Wellbeing Network, and LGBT+.

The wellbeing of our people is fundamentally important to us, and we recruited six new mental health first-aiders during the year, as well as cascading a series of wellbeing workshops throughout the organisation.

Coronavirus

In response to government advice over the coronavirus outbreak, we closed all our offices from 17 March 2020, and all our employees began to work from home.

Our IT team ensured all our colleagues had the equipment and tools they needed to carry out their work as efficiently and effectively as possible.

While the move from being office-based for many colleagues to being home-based was naturally a challenge – with schools also closing across the country – we actively supported colleagues in their new environment, not just by being as flexible as possible, but by providing a number of mental health and wellbeing initiatives to support colleagues and their line managers.



Tim Hollingsworth OBE
Chief Executive



Nick Pontefract
Chief Operating Officer



Mike Diaper OBE
Executive Director of
Children and Young
People, Tackling
Inactivity



Ali Donnelly
Executive Director of
Digital, Marketing and
Communications



Charles Johnston
Executive Director
of Property



Lisa O'Keefe
Executive Director
of Insight



Phil Smith
Executive Director
of Sport



Chris Perks
Executive Director
of Local Delivery

Consolidated activities

We prepare separate accounts for our Grant-in-Aid and Lottery Distribution Fund as required by the Secretary of State for Digital, Culture, Media and Sport (DCMS).

We do not prepare a full set of consolidated accounts due to the differing accounting policies we're required to follow under the two

separate accounts directions. However, to give a better understanding of our activities, we've prepared the following summary results for the two accounts combined for the 2019–20 and 2018–19 financial years.

	Sport England Group ¹		Sport England	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income				
Grant-in-Aid income	102,425	98,765	102,425	98,765
National Lottery income	221,300	199,419	221,300	199,419
Other income	2,222	2,386	2,160	2,346
Total	325,947	300,570	325,885	300,530
Expenditure				
Net Grant-in-Aid grant commitments	91,805	87,317	91,737	87,277
Net Lottery grant commitments	113,617	165,783	113,617	172,985
Non-cash grants	2,435	2,503	2,435	2,503
Operating and sports development costs	34,147	32,313	34,196	32,363
National sports centres	3,766	2,268	3,766	2,268
Media buying and planning (This Girl Can)	3,413	1,171	-	-
Depreciation	4,375	4,177	1,278	431
Assets gifted to subsidiaries ²	-	-	1,099	1,994
Total	253,558	295,534	248,128	299,821
Net income for the year	72,380	5,036	77,757	709
Net (loss)/gain on revaluation of properties	(1,647)	3,958	-	-
Net (loss)/gain on investments	(49)	30	-	-
Increase in the defined benefit pension liability	(2,270)	5,801	(2,270)	5,801
Total income for the year	72,963	14,825	80,027	6,510

¹ Includes the accounts of the two subsidiaries: The Sports Council Trust Company and English Sports Development Trust Limited.

² Capital expenditure at the national sports centres owned by The Sports Council Trust Company.

Our income

Exchequer funding available for 2019–20 was £110.5 million (2019: £104.3 million) and covers the fourth year of the spending review period 2016–17 to 2019–20. £102.4 million of this funding was received in cash, which included £24.1 million deferred from 2018–19 with £30.9 million deferred to 2020–21 primarily driven by delays with the ParkLife, RFL/ Cycling Legacy and Community Asset Fund programmes. £0.9 million was not drawn down to reflect the 2018–19 underspend.

Lottery income of £221.3 million (2019: £199.4 million) was higher than expected following a record year for Lottery ticket sales and reflects the increased investment in marketing during 2019–20, as well as the impact of the National Lottery on communities with the 25th birthday celebrations.

We continue to monitor actual and projected income closely to ensure affordability of our investment plans and particularly levels of Lottery ticket sales following the social restrictions implemented due to Covid-19. Lottery distributors have worked closely with DCMS and the Gambling Commission during the year to have an informed view of Lottery income projections and the impact of Camelot's marketing initiatives.

Our commitments

We committed to spend a total of £247.1 million (2019: £297.9 million), of which £207.8 million (2019: £262.8million) was invested as awards to achieve our strategic priorities, with the remaining element being spent on sports development, administration and staff costs as detailed below.

The breakdown of the £247.1 million commitments is as follows:

We awarded £91.8 million of Exchequer awards (2019: £87.3 million) and £113.6 million (2019: £173 million) of Lottery awards during the year.

We provided £2.4 million (2019: £2.5 million) of Lottery non-cash grants primarily for the This Girl Can campaign and the Club Matters club development tool, and £3.8 million (2019: £2.3 million) expenditure on the national sports centres.

All Lottery awards, including non-cash grants, were consistent with our policy on additionality, the details of which can be found on our website via: www.sportengland.org/fundingfaqs.

During the year £35.5 million (2019: £32.8 million) was spent to support the delivery of our strategy award programmes and core operations, which are separated into three areas: sports development, administration (operating costs), and staff costs in the Exchequer and Lottery accounts. This expenditure is incurred at regular intervals throughout the year. No significant changes are anticipated over the longer term and where possible we seek to drive efficiencies.

The costs are apportioned between our Exchequer and Lottery activities in accordance with the methodology set out in note 1.6 of the Exchequer and note 1.7 of the Lottery accounts. As the apportionment of costs varies between years, the costs have been aggregated to make a comparison easier.

Sports development costs support the delivery of our award programmes as well as promoting the development of sport and physical activity in local communities. The costs for the year were £9.0 million (2019: £9.4 million). Costs were lower across a number of areas but mainly legal costs, with some reductions in grant programme support costs.

Administration costs are incurred to operate the business. During the year operating costs were £8.5 million (2019: £6.7 million). The majority of the increase relates to the impact on depreciation and property costs of the adoption of IFRS16 – Leases. £0.8 million of the costs is offset by the asset hire recharge shown as Other Income in Exchequer.

Licenses to support new cloud-based systems (Finance and Office 365), additional investment in staff training and no purchase order provision reversals make up the balance of the increase.

The **costs of staff** who deliver and support both sports development and administrative functions was £18.0 million (2019: £16.7 million). The increase in cost is due to the full structure of staff being in place for a full year, as well as additional capacity to support delivery of strategic objectives in the final year of the strategy.

Working efficiently

There are a number of key targets used to measure our financial efficiency.

Exchequer: We're set an absolute administration cost target as part of our spending review settlement for the period 2016–2020, which has been achieved.

In addition, we're required to operate within the overall budget limits set by DCMS. Resource and capital Grant-in-Aid (GIA) were underspent by £1.2 million for the year (2019: £0.8 million), which is 1.05% (2019: 0.8%) of total GIA funding of £110.5 million (2019: £104.3 million).

Lottery: The benchmark 8% gross costs target uses a three-year rolling average Lottery income as its base to reflect fluctuations in Lottery income over a longer period, and excludes irrecoverable VAT.

Due to the cross-governmental nature of the Active Lives Survey, and with the agreement of DCMS, the cost of the Active Lives Survey has been excluded from this calculation, as have the costs of operating the Be Inspired database, which is the consumer database transferred from the London Organising Committee of the Olympic and Paralympic Games.

The achievement against targets for 2019–20 is 8.0% (2019: 7.9%). The three-year rolling average income for the 2018–19 target calculation was £201.8 million and for 2019–20 is £208.0 million.

Cash management

Management of our **Exchequer cash resources** is in line with the requirement to minimise our cash balances, which is contained within Managing Public Money.

Our Exchequer cash balance at 31 March 2020 was £12.1 million (2019: £13.8 million).

The management of our **Lottery cash resources** is by a rolling five-year investment and cash flow plan, which is regularly reviewed by the Executive and Board. The investment and cash plan ensure that the right balance is maintained between having award programmes in place to achieve our strategic priorities while taking into account the uncertainty of Lottery income, and ensuring that forecast cash balances are always greater than £50 million.

Our Lottery cash balance at 31 March 2020 was £194.7 million (2019: £167.4 million). The balance has increased mainly due to higher Lottery income. The movement in the NLDF balance is detailed in note 2 of the Lottery accounts.

Other financial information

Equity

Exchequer: Taxpayers' equity is £67.4 million (2019: £77.5 million) and includes decreases in the revaluation, pension and the general reserve (2019: increase in the revaluation and pension reserve and decrease in the general reserve).

The decrease in the pension reserve results from the calculation of liabilities in IAS 19 is explained below.

The decrease in the general reserve by £7.6 million is mainly due to the net cash deferral increase of £6.8 million from 2019–20 to 2020–21 (£24.1 million from 2018–19 to 2019–20 offset by £30.9 million deferral from 2019–20 to 2020–21).

Lottery: The deficit in equity amounted to £62.8 million (2019: deficit £148.5 million).

The decrease in the deficit reflects that our grant commitments during the year were less than the annual income received. How we manage our income and commitments is explained in the cash management section ([see page 38](#)).

Defined benefit pension scheme

The IAS 19 valuation of the defined benefit and unfunded pension liability for accounting purposes is £40.5 million (2019: £42.2million). This includes the value of the unfunded liability at £7.2 million (2019: £8.0 million). The change in the financial assumptions decreased the value of the liability, which was offset by a decline in the asset values of the fund resulting in a small overall increase of the deficit.

On 31 March 2020 Sport England subsumed the pension liabilities of the Mountain Training Ltd LPFA scheme into its scheme. The deficit attributable to this scheme is £0.8m and is reflected as a transfer into the Exchequer portion of the pension liability (see note 22 of the Exchequer Accounts).

The last triennial actuarial valuation as at 31 March 2019 indicated a surplus of £11 million. The surplus increased by £10.5 million from the previous valuation as at 31 March 2016.

Sport England contributions to pension schemes are detailed in note 22 of the Exchequer and note 15 of the Lottery accounts.

Audit

Sport England is required to have its Exchequer and Lottery accounts audited by the Comptroller and Auditor General (C&AG). The audit fee was £52,000 for the Exchequer accounts (2019: £50,000) and £52,000 for the Lottery account (2019: £50,000). Both subsidiary companies were also audited by C&AG and the audit fees for the year were £21,825 (2019: £19,800).

Sustainability reporting

Sport England currently falls below the threshold for mandatory inclusion of a sustainability report, however, we're committed to supporting and promoting sustainable development.

This includes:

1. Investing in projects and facilities that demonstrate sound sustainable business plans
2. Reducing printed material by using our website and email newsletters to disseminate information
3. The use of recycled or sustainable sources of paper when printing and recycling redundant ICT equipment through charities that repurpose it for use in developing countries.

Our environmental champions across our national sports centre sites are working with key onsite partners to reduce waste and consumption annually. This year the sites used the theme from World Environment Day of reducing plastic pollution to identify all the single use plastics and develop an action plan to reduce use and replace with more sustainable alternatives.

Special losses and payments

There were no individual losses or special payments during the year ended 31 March 2020 (2019: Nil) which exceeded £100k, nor did the aggregate exceed £100k.

Supplier payment performance

During the year the average period from date of receipt to payment of valid invoices was 9 days, 96% were paid within 30 days (2019: 8 days, 98.5% within 30 days).

Gifts

There were no individual gifts, either received or made, during the year ended 31 March 2020 (2019: Nil) which exceeded £300k, nor did the aggregate exceed £300k.

Remuneration and staff report

The contents of the remuneration and staff report cover the accountability report disclosure requirements, as stated by the Companies Act 2006 as adapted for the Public Sector and both the Exchequer and Lottery accounts.

Remuneration policy

The Chairs and Remuneration Committee has responsibility to agree the terms and remuneration of the Chief Executive and to be aware of and comment on the remuneration of the Executive Directors, including bonuses. The Chairs and Remuneration Committee's discretion to make decisions will at all times be in accordance with the Civil Service Pay Guidance published by HM Treasury and any additional guidance issued by the DCMS, our sponsor department.

The principles governing Sport England's remuneration policy are:

1. To work within the financial constraints set by HM Treasury, DCMS and the Cabinet Office through the annual pay remit process.
2. To provide a strong relationship between pay and performance, with annual salary increases reflecting individual performance and success.
3. To effectively promote all aspects of Sport England's employee offer (pay, benefits, personal development, work-life balance, environment and culture) to attract, engage and retain the right talent needed to deliver our strategic outcomes.
4. To promote equal pay and operate a pay and reward system which is transparent, based on objective criteria and free from bias. Sport England reports annually on our

gender pay gap in line with legislation. This information is published on our website.

Appointments

All appointments including Executive Directors are made in accordance with Sport England's stated Recruitment Guidance. Sport England's recruitment and selection process ensures practices are compliant with legislation, are based on merit and are fair and transparent.

The Executive Directors covered by this report hold appointments which are open-ended. Early termination, other than resignation, frustration or dismissal for disciplinary or capability reasons would result in the individual receiving payments as set out in the Redundancy Policy. This Policy is not applicable to Non-Executive Board Members.

Non-Executive Board Members are appointed for a term of three years. Appointments are renewable for a further fixed term of up to three years on the basis of a performance review, conducted as part of the Board Evaluation process. In the event of early termination, for whatever reason, there is no provision for compensation.

Remuneration ratio

We're required to disclose the relationship between the remuneration of the highest paid director (which is the Chief Executive) and the median remuneration of Sport England's workforce.

The banded remuneration of the highest-paid director during the year was £165k – £170k (2018-19 £145k–£150k). This was 3.37 (2018-19: 3.40) times the median remuneration of the workforce, which was £44,360 (2018-19: £43,332). Staff remuneration ranged from £18k to £138k and no employees received remuneration

in excess of the highest paid director in 2019–20 or 2018–19. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Related party transactions

Details of all related party transactions and register of interests of Board Members, Executive Directors and other key managerial

staff are disclosed in note 25 of the Exchequer and note 16 of the Lottery accounts.

Board Members' remuneration

Board Members' remuneration includes travel and subsistence and an allowance for attendance at Board and sub-committee meetings of £218 per day (2018–19: £218). There were no bonuses or benefit-in-kind payments made to Board Members during 2019–20 or 2018–19.

Board Member	Term of appointment ³	Subject to audit	
		2020 £'000	2019 £'000
Nick Bitel ¹	Sep 2010–Apr 2021	40–45	40–45
Full Time Equivalent is		100–105	100–105
Charles Reed	Oct 2013–Oct 2018	-	0–5
Debbie Jevans CBE	Oct 2013–Oct 2019	0–5	0–5
Kate Bosomworth	Oct 2013–Feb 2019	-	0–5
Chris Grant	Sep 2016–Sep 2022	0–5	0–5
Andy Long ²	Sep 2016–Sep 2022	-	-
Professor Ian Cumming OBE	Oct 2016–Oct 2022	0–5	0–5
Karen Pickering MBE	Oct 2016–Oct 2022	0–5	0–5
Wasim Khan	Oct 2016–Jan 2019	-	0–5
Sue James	Apr 2018–Apr 2021	0–5	0–5
Natalie Ceeney ²	Jun 2018–Jun 2021	0–5	-
Rashmi Becker	Jul 2018–Jul 2021	0–5	0–5
Mohamed Elsarky ²	Oct 2018–Jan 2020	0–5	-
Azeem Akhtar	Sep 2019–Sep 2022	0–5	-
Tove Okunniwa ²	Sep 2019–Sep 2022	-	-
David Mahoney ²	Oct 2019–Sep 2022	-	-

Notes

¹ Nick Bitel served as a Non-Executive Board Member from September 2010. He was appointed Chair of Sport England in April 2013.

² Some Board Members have chosen to waive their attendance allowance and thus their remuneration may have a NIL value.

³ Details of appointment and resignation dates can be found in the Governance Statement page 60.

Executive Directors' remuneration

Salary

'Salary' includes gross salary, performance pay and any other allowances to the extent that they're subject to UK taxation. In 2019-20 all employees, including Executive Directors, received an average 2.0% pay award (2018-19: 1.5%); with a limited number of staff (excluding Executive Directors) receiving (in line with government policy) a fixed amount (£400) of performance related pay.

Bonus

Performance pay or bonuses are based on performance levels attained, are made as part of the appraisal process and are subject to HM Treasury Civil Service Pay Guidance. There have been no non-consolidated performance or bonus payments in either 2019-20 or 2018-19.

Benefits-in-kind

The monetary value of benefits-in-kind covers any benefits provided by the employer and treated by the HMRC as a taxable emolument. There were no benefits-in-kind for either of the two years contained in this report.

Pension benefits

Pension benefits are provided through two schemes.

The **London Pension Fund Authority Superannuation Scheme (LPFA)** was closed to new members on 30 September 2005. Benefits are based on final salary and accrue at a rate of 1/80th per year to 31 March 2008, 1/60th per year from 1 April 2008 until 31 March 2014, and on a career average salary basis from 1 April 2014.

The value of pension benefits accrued during the year is calculated for members

of the LPFA as the real increase in pension multiplied by 20, plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation, or any increase or decrease due to a transfer of pension rights. Lisa O'Keefe and Chris Perks are the only Executive Directors who are members of the LPFA scheme.

The Aviva Group Personal Pension Plan (GPPP)

opened for staff on 1 April 2012. Funds were transferred across to the GPPP from the previous AEGON fund which had commenced on 1 October 2005. Six Executive Directors are members of the scheme. The value of pension benefits accrued during the year is the total pension contributions made by the employer.

Colleagues choose to make one of four levels of contribution into their personal pension fund. This scheme includes death in service life assurance cover of three times salary. Since 2014 new staff are auto enrolled into the scheme. Colleagues may also choose to contribute to the GPPP through salary exchange arrangements.

Employee and employer contribution rates for the above schemes are detailed in note 22 of the Exchequer accounts and note 15 of the Lottery accounts.

Executive Directors' appointment dates

Tim Hollingsworth OBE	November 2018
Mike Diaper OBE	November 2009
Charles Johnston	August 2008
Lisa O'Keefe	July 2008
Phil Smith	September 2008
Chris Perks	November 2017
Nick Pontefract	March 2018
Ali Donnelly	November 2019

Executive Director	Salary	Bonus payments	Benefits-in-kind	Pension benefits accrued to nearest	Total
	£'000	£'000	£'000	£'000	£'000
2020					
Tim Hollingsworth OBE	145-150	-	-	18	165-170
Nick Pontefract ²	125-130	-	-	15	140-145
Charles Johnston	135-140	-	-	16	150-155
Lisa O'Keefe ³	120-125	-	-	22	145-150
Phil Smith	120-125	-	-	14	135-140
Mike Diaper OBE ²	105-110	-	-	13	115-120
Chris Perks ³	100-105	-	-	14	115-120
Ali Donnelly	45-50	-	-	6	55-60
Full time equivalent is ¹	120-125	-	-	-	-
2019					
Tim Hollingsworth OBE	55-60	-	-	6	60-65
Full time equivalent is ¹	145-150	-	-	-	-
Jennie Price CBE	115-120	-	-	11	125-130
Full time equivalent is ¹	170-175	-	-	-	-
Nick Pontefract	120-125	-	-	14	130-135
Rona Chester	0-5	-	-	-	0-5
Full time equivalent is ¹	155-160	-	-	-	-
Charles Johnston	135-140	-	-	16	150-155
Lisa O'Keefe ³	120-125	-	-	32	150-155
Phil Smith	120-125	-	-	13	130-135
Mike Diaper OBE	100-105	-	-	12	115-120
Chris Perks ³	100-105	-	-	25	125-130

Notes

¹ FTE salary bands are included where an Executive Director has not been in post for the full financial year.

² The 2.0 per cent pay award has resulted in the movement to a higher salary band for Nick Pontefract and Mike Diaper.

³ The pension benefits for Lisa O'Keefe and Chris Perks are calculated using the method described under pension benefits on page 42, which resulted in a movement to a lower total pay band due to lower in-pension benefits compared to 2019.

Subject to audit							
Accrued pension	Real increase	Real increase	Lump sum	CETV at	CETV at	CETV at	
at age 65 as at 31/03/20	in pension at age 65	lump sum at age 65	at age 65	31/03/20	31/03/19	in CETV	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Lisa O'Keefe	35-40	0-2.5	(2.5)-0	35-40	559	477	74
Chris Perks	40-45	0-2.5	(2.5)-0	60-65	721	637	73

Cash equivalent transfer values

Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme

or arrangement which the individual has transferred to the LPFA pension scheme and for which transfer payment commensurate with the additional pension liabilities assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Exit packages

Cost band	Number of compulsory redundancies	Number of other departures agreed	2020 (subject to audit)
			Total number of exits
<£10,000 Nil	Nil	1	1
£10,000-£25,000	Nil	1	1
£100,00-£150,000 ²	Nil	1	1
Value of exit packages	Nil	£163,496	

Cost band	Number of compulsory redundancies	Number of other departures agreed	2019 (subject to audit)
			Total number of exits
£10,000 - £25,000	Nil	1	1
£25,000 - £50,000	Nil	2	2
Value of exit packages	Nil	£78,598	

Notes

¹ Exit packages are paid under terms of employment. No ex-gratia payments were made.

² Exit packages include legally required defined benefit pension scheme capital costs for members over age 55. These costs are the majority of the package in excess of £100,000 in 2019-20.

Staff costs, numbers and compositions

	Costs £'000s	
	2020	2019
Permanent and fixed term temporary staff		
Wages and salaries	12,888	11,823
Social security costs	1,453	1,345
Pension costs	2,663	2,118
Total permanent and fixed term temporary staff	17,004	15,286
Agency staff	966	1,430
Total staff	17,970	16,716

The table above shows the consolidated position. The total permanent and fixed staff amount of £17.0 million is made up of Exchequer £6.5 million (38%) and Lottery £10.5 million (62%). Included in Wages and Salaries is £163.5k of exit packages (see page 44). We have a total of 283 full time equivalent (2019: 258) permanent and fixed-term temporary staff and a total of 21 full time equivalent (2019: 25) agency staff. Within the above staff numbers there were 89 homeworkers (2019: 75) which represented 31.4% and 29.1% of the headcount in each of the respective years. As at 31 March 2020, the senior Executive team comprised of two women and six men (2019: one woman and six men). Women currently make up 57% of our workforce (2019: 55%). Sickness absence during the year excluding long-term sick absence averaged 1.4 days per person (2019: 1.7 days). There were 13 colleagues who had long-term sickness of greater than 20 days (2019: six). There was no relevant consultancy expenditure during the year (2019: £nil).

Sport England is a Disability Confident employer. This scheme helps employers recruit and retain great people, and draw from the widest possible pool of talent, secure

high quality staff who are skilled, loyal and hardworking and improve employee morale and commitment by demonstrating that we treat all employees fairly

Sport England appoints to positions on merit and employees joining Sport England do so on the basis of fair and open competition.

Off payroll tax engagements

As at 31 March 2020, there was one off payroll tax engagements (2019: two) earning more than £245 per day who had been engaged for longer than six months at this date. The required evidence and declarations were obtained for all off payroll engagements.

Trade Union Facility time

During 2019-20 Sport England had one employee who acted as a union official (full time equivalent: one). This employee spent 25% of their time on facility time, at a total cost of 0.1% of the total pay bill, excluding agency staff, of £16.0 million, based on a notional hourly cost. A notional hourly cost has been used to protect the privacy of the individual, who is easily identifiable.

Governance statement

Overview

As Accounting Officer, it's fundamental to my responsibilities to manage and control the resources that Sport England uses. This statement, which covers both our Exchequer and Lottery funding, explains how I do that, supported by our Chair, our Board, the Audit, Risk and Governance Committee and the Executive Team. Collectively, we work to ensure that effective governance and risk management processes and practices are in place and that they operate as intended.

Our governance framework

Sport England was established on 19 September 1996 by Royal Charter as a non-departmental public body (NDPB) of the Department for Digital, Culture, Media and Sport (DCMS). Accountability to Ministers is managed through the usual control mechanisms for NDPBs in accordance with a Management Agreement agreed with the Secretary of State for DCMS. Our accounts for Grant-in-Aid and Lottery distribution are prepared separately in order to comply with the accounts directions issued by the Secretary of State.

Sport England's strategy for 2016–2021, *Sport England: Towards an Active Nation*, was launched on 19 May 2016. The strategy sets out our ambition to help to develop a sports sector that welcomes everyone, meets their needs, treats them as individuals and values them as customers, with a particular focus on further engaging less active groups – such as women, disabled people, those from lower socio-economic groups and older people. At its heart are five outcomes: physical wellbeing, mental wellbeing, individual development, social and community development and economic development.

The strategy for sport and physical activity moves beyond merely looking at how many people take part. It considers what people get out of participating and what more can be done to transform sport and physical activity so that everyone can benefit. Funding decisions are made on the basis of the outcomes that sport and physical activity can deliver, not simply on the number of participants.

Our governance framework supports the way in which we work to help deliver the five outcomes and ensures the right committee and accountability structure is in place to help us deliver our strategic objectives.

The following sub-committees of the Board contribute to the foundation behind Sport England – the Audit, Risk and Governance Committee; the Investment Committee; the Workforce Committee (since disbanded as of September 2019) and the Chairs and Remuneration Committee. Each of these committees provides challenge and input from a non-executive perspective and, where indicated in the Terms of Reference, may have the remit to sign off individual investments. Information about the work of each committee is provided later in this statement.



Board

Comprises a maximum of 12 Board members (Chair, Vice-Chair and up to 10 other members)

Meets at least six times each year

Takes overall responsibility for Sport England's strategy, policies, delivery and performance

Approves and monitors major projects, top level grant awards (over £5 million) and the Annual Report and Accounts

Executive Group members, a DCMS nominee and others as invited by the Chairman also attend meetings, but are not Board members

Investment Committee

- Comprises a Chair and up to seven members, of which at least three are Non-Executive Board members and one is an Independent member and the CEO (or COO)
- Meets at least six times each year
- Supports the Board in fulfilling its obligations relating to all existing and potential investments
- Key role in the evolution of Sport England's approach to investment under the 2016-2021 strategy
- Approves and monitors major grant awards (between £2 million and £5 million).

Audit, Risk and Governance Committee

- Comprises a Chair and up to eight members, of which at least three are Non-Executive Board members and two are Independent members
- Meets at least four times each year
- Undertakes scrutiny and provides advice to support the Board in carrying out its responsibilities for risk management, financial reporting, control and governance.

Chairs & Remuneration Committee

- Comprises the Chairman of Sport England and the Chairs of the Audit, Risk and Governance; Investment and Workforce Committees (before disbandment) and up to one additional member
- Meets at least four times each year
- Serves as a Remuneration Committee with responsibility to agree the terms and remuneration of the CEO.

Workforce Committee

- (Disbanded September 2019).

Subsidiaries

The Sports Council Trust Company (SCTC) is a company limited by guarantee which is governed by its Memorandum and Articles of Association. It's also a charity registered with the Charity Commission for England and Wales. The sole member and parent body is Sport England. The SCTC is responsible for the preservation and safeguarding of the physical and mental health of the community through physical recreation, including sports, education and the provision of facilities. The charity looks at increasing participation in sport through a wide range of sporting activities. It owns a number of world-class sports facilities around the country and the SCTC Board's main responsibility is for

the performance of the contracts to manage these National Sport Centres, overseeing the provision, improvement and maintenance of the facilities. The Centres are used by members of their local communities and Olympic and Paralympic competitors. The SCTC Board members have a role in ensuring the Centres are leading the standards for elite training provision across the country and providing community access to the facilities. The charity also has a small grants policy which enables awards to be granted to suitable applicants.

The English Sports Development Trust Limited (ESDTL) is a company limited by guarantee whose sole member and parent body is Sport England. The company's current

main purpose is to deliver the commercial contracts related to the media buying arrangements for the women's behaviour change campaign (This Girl Can). The campaign is one of major significance to Sport England and is designed to encourage the increased participation in sport and exercise of women and girls. The day-to-day management of the campaign is overseen by the This Girl Can Project Board.

Separate annual accounts are produced for both the SCTC and the ESDTL.

Our governance standards

Throughout the year we have, as demonstrated in this Governance Statement, worked hard to ensure our own governance practices continue to be robust and fit for purpose. In parallel, we've continued to work with the sector to encourage and support continuous improvement in sports governance, ensuring both we and our partners are better able to effectively fulfil our various roles and responsibilities.

Since April 2017, all organisations seeking public funding from Sport England (and UK Sport) have had to meet the governance requirements in A Code for Sports Governance (the Code). Developed by Sport England and UK Sport, the Code sets out the levels of transparency, accountability and financial integrity required from those seeking Government and National Lottery funding. The Code can be found on our website at: www.sportengland.org/code.

Implementing the formal process for assessing compliance with the Code continues as we make new investments. We continue to engage closely with the sector to achieve this and, in line with our strategic priority in this area, to support our partners to reach the high governance standards set by the Code. The assessment process helps to protect the value for money the public receives from investment into sport and maximises the effectiveness of those investments. It also provides us with a

more detailed level of assurance over the investments we make.

The Code adopts a proportionate approach, expecting the highest standards of governance from those organisations requesting the largest public investments. It has three tiers, with Tier 3 representing the top level of mandatory governance requirements. Sport England complies with Tier 3 requirements, which include independence and diversity on the Board, term limits for appointments, primacy of the Board in decision-making and transparency and accountability. We publish a wide range of information about our governance structure, strategy and financial position.

We also comply with the Corporate Governance in Central Government Departments: Code of Good Practice (to the extent that its application is relevant to non-departmental public bodies) and with the relevant principles set out in HM Treasury's Managing Public Money (2015).

Our Board

Sport England has an experienced, effective and diverse Board of 11 members (correct as of 31 March 2020), openly recruited on a skills basis, and led by our Chairman, Nick Bitel.

Two Board members retired from the Board during 2019-20 – Debbie Jevans, Vice-Chair, retired in October 2019 having served a maximum of six years and Mohamed Elsarky, who resigned in January 2020. Natalie Ceeney took on the position of Vice-Chair, following Debbie Jevans' retirement.

Three new Non-Executive members joined the Board in 2019-20 – Azeem Akhtar and Tove Okunniwa in September 2019 and David Mahoney in October 2019, all of whom are serving their first Term.

Chris Grant, Andy Long, Ian Cumming and Karen Pickering, were all extended for a second term of three years, in September and October 2019.

Non-Executive Board members are appointed for a term of three years following a formal, rigorous and transparent procedure, with appointments made on merit and in line with the skills required of the Board. Appointments are renewable for a further fixed term of three years on the basis of a performance review, conducted as part of the Board Evaluation process. In the event of early termination, for whatever reason, there is no provision for compensation.

We recognise that diversity is the key foundation for introducing different perspectives into Board debate. We have five women on our Board representing 41% of total membership. This exceeds the requirement of a minimum of 30% of each gender on the Board as required by the Code. We also have four BAME members on our Board. All members of the Board are Non-Executive members.

A key priority was set out in Sport England's Diversity Action Plan to further strengthen the diversity of our Board, with the aim of moving towards a Board composition that represented the communities in which we serve. In the 2019-20 financial year, we continued to work closely with the Department for Digital, Culture, Media and Sport on Board appointments to achieve this aim.

The Executive Group, including the Chief Executive and the Chief Operating Officer, attend all Board meetings.

Board and Committee evaluations

In line with relevant good governance practice as set out in the Code, the Sport England Board undertakes evaluation annually, with this being externally facilitated at least every four years (next external evaluation is due in 2021).

The Board undertook an internal evaluation in January 2020, using a questionnaire broadly structured around the five principles contained in the Code. The Executive Team participated in the evaluation, as did the three newest members of the Board. The overall outcome of the evaluation was positive, with the responses confirming a high level of performance. Some recommendations were identified, with actions put in place to address these.

The Audit, Risk and Governance Committee undertook an internal evaluation of their performance using a questionnaire process in February 2020. Some areas received more positive results than others. Recommendations were identified in the weaker areas, with actions put in place to address these. The Investment Committee's internal evaluation has been postponed until 2021 due to the impact of Covid-19 and to allow for new members to experience a few meetings before undertaking a review. The Chairs of the Audit, Risk and Governance and Investment Committees provide verbal reports on the activity and performance of the committees to the Sport England Board throughout the year.

Board activity

Board activities are structured to assist the Board in achieving its goal to support and advise executive management on the delivery of Sport England's strategy within a transparent governance framework.

The Board met eight times during 2019-20. Attendance records for Board and committee meetings are provided at the end of this statement.

The Chairman is responsible for ensuring that each Non-Executive Board member receives an induction on joining the Board and receives the training he or she requires, tailored to their specific requirements. Induction programmes were provided for the new Non-Executive Board members – Azeem Akhtar, Tove Okunniwa and David Mahoney. During the induction process the new members met with the Chief Executive and Executive Directors of Sport England to hear about the various aspects of the organisation’s business for which they were responsible.

This year, the Board’s principal focuses has been on continuing to implement the 2016–21 strategy, which aims to ensure everyone in England, regardless of age, background or level of ability, feels able to engage in sport and physical activity. As well as on shaping the principles and process that would guide the development of our next strategy.

Set out below are some of the key areas which the Board focused on during the year:

Sport England current strategy	Delivery and implementation of the strategy for Sport England (2016–2021) that delivers the goals of the Government’s cross-government strategy for sport, including regular discussion of Sport England’s priorities and internally, the culture of the organisation and the challenge to work in a different way.
Sport England next strategy	The overall approach to the development of the next Sport England strategy. Shaping the principles and process (including consultation) that would guide the strategy development.
Sport England values	Shaping, delivering and implementing the Sport England values
Strategic review of Sport England’s investment priorities	Approval of the process and approach to allocating Sport England’s available resource to our strategy through the creation of a new investment plan, including key insights and tactics for each strategic priority to facilitate the achievement of our targets in the most effective and efficient way.
Sport England measurement framework	Developing the measurement framework and setting targets for engagement levels in sport and physical activity, including performance/impact on targets set for Increasing Activity, Women and Lower socio-economic groups; and ongoing work to agree targets for Volunteering.
Local Delivery Pilots	Regular discussion of the Local Delivery Pilots programme and approval of investment into 12 of the pilot places – Greater Manchester; Birmingham and Solihull; Essex; Doncaster; Exeter and Cranbrook; Bradford; South Tees; Calderdale; Pennine Lancashire; Southall; Withernsea and Hackney.
Birmingham Commonwealth Games 2022	Regular discussions on the Birmingham Commonwealth Games 2022.

Code for Sports Governance	How Sport England is supporting organisations to enable them to meet the requirements, including a particular focus on helping organisations to meet the diversity requirements of the Code.
Active Lives Adult and Active Lives Children & Young People	Regular discussion of the results of these two world-leading survey results measuring sport and activity across England.
Equality and diversity	Regular review and monitoring of equality, diversity and inclusion (EDI) work to ensure that EDI runs through everything that Sport England does as an employer and is a central feature of the organisation's work.
Talent inclusion	Discussion of the organisation's work to deliver its three strategic aspirations for talent: progression, positive experience and inclusion.
Safeguarding children and young people plus adults at risk	Regular discussion of safeguarding, with formal consideration of safeguarding at least twice a year.
Corporate risk	Regular discussion of corporate risk and the organisation's risk strategy and appetite.
Annual Report and Accounts	Approval of Sport England Annual Report and Accounts.
2019-20 financial budget	Approval of Sport England budget for the next financial year.
Funded partner investments	Over the year the Board considered major investment into a number of bodies, including: national governing bodies, Active Partnerships, Public Health England and other organisations.
This Girl Can Fit Got Real and #MeAgain campaigns	Regular updates on the campaign and approval of overall funding for the campaign.
We are Undefeatable – long term health conditions campaign	Regular updates on the campaign and approval of overall funding for the campaign.
Covid-19	Discussion on the organisation's new priorities in response to the coronavirus pandemic, focusing on the five priority workstreams: internal staff wellbeing, working practices and health and safety; business planning; supporting the sector to come successfully through the lockdown period; keeping the nation active; and building for the future.

In addition to the above, at each meeting there was a report from the Chief Executive (including topics such as updates on organisational design and strategy implementation) and regular reports from the Chief Operating Officer (including topics such as financial performance and investment budgets).

The final meeting of the year on 24 March also addressed the emerging challenge of the coronavirus crisis, including approving the plans for a £195m package of support for the sport and physical activity sector. Sport England is committed to being transparent and open in how we operate. Our publication scheme sets out information

about who we are, how we're organised, how we spend public and Lottery money, what our goals are and how well we're doing in meeting those goals. Major policy proposals and decisions are made by the Board and the agendas and minutes for the Board meetings are published on Sport England's website as part of the publication scheme.

Our committee structure

In addition to the Board, Sport England has the following Committees – Audit, Risk and Governance Committee; Investment Committee; Chairs and Remuneration Committee and the Workforce Committee (since disbanded as of September 2019 to streamline the governance arrangements).

Set out below are some of the key areas the committees focused on during the year:

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none"> • Approval of all major capital and revenue awards under our priorities and tactics dashboard, including for example: <ul style="list-style-type: none"> - Strategic Facilities investments - Community Asset Fund - School Games and School Games Organisers - Funded partner investments including national governing bodies, Active Partnerships - Capital Exchequer Legacy Projects including the Rugby League World Cup and the Cycling Road World Championships. • Regular updates on the progress of Local Delivery Pilots • Regular updates on the Digital Innovation work • Regular discussion about the overall performance of the Sport England investment portfolio • Regular discussion on the overall approach to the development of the next Sport England strategy. Shaping the principles and process. 	<ul style="list-style-type: none"> • Regular review of corporate (strategic) and operational risk profile • The 2019-20 accounts preparation process • Review of financial forecasts including, critically, cash-flow and detailed monitoring of monthly management accounts every quarter • Review of funded partners, including key governance developments and related issues arising from the audit and assurance process • The internal audit plan for 2019-20 and internal audit reports • Regular reports on fraud and insolvency • Regular reports on Freedom of Information, Complaints and Data Assurance, including General Data Protection Regulation and our preparedness for the new regulations • Discussed the organisation's response to, and the implications of, Covid-19 at their meetings in March 2020. 	<ul style="list-style-type: none"> • Maintained overview of developments in public sector pay • Chief Executive's performance and objectives • Advising the Chief Executive on organisational design and any potential structural changes required to support the implementation of the new strategy.

Other groups

Sport England has an Equality, Diversity & Inclusion (ED&I) Group which has responsibility for overseeing activities that aim to improve equality, diversity and inclusion within Sport England. Much of this work has focused upon delivering our Diversity Action Plan. The group also provides broader challenge to Sport England on all matters of equality, diversity and inclusion to ensure that our impact in this important area is maximised.

The Group is chaired by Sport England's Chief Executive Officer.

System for managing risk

Risk management and internal control are embedded in our corporate governance and operational activity. All parts of our business play a part and have a share of accountability for managing risk, in line with their responsibility for the achievement of strategic priorities. We have a top down, bottom up and cross organisational process for identifying and assessing risks (in terms of threats and potential missed opportunities) on a continuing basis, which is summarised below.

Management's approach to risk

As part of our internal operational management, Sport England maintains directorate, team and project risk registers through which we record key risks, controls in place, risk assessments and planned actions. We also report on risks against delivery of our strategic priorities. Risks are managed on an active and dynamic basis by Directors and Project Leads, who review and update registers at least quarterly. Consideration and reporting of operational, corporate and strategic priority risks are aligned to enable full discussion on risk across the business.

The Cross Directorate Risk Group, which is composed of officers from across Sport England, meets quarterly to share risk registers, discuss key operational risks and

related matters, drawing on the internal expertise colleagues bring from a range of different functions. A summary of the key themes, highest operational risks and any significant emerging risks is then provided to the Executive Group to inform the Group's wider discussions on risk management.

Sport England's Risk Management Strategy, which sets out our approach to risk, including our risk appetite, is reviewed on an annual basis. This provides an opportunity to consider the environment within which we work and whether we have the right processes and approach in place. A dynamic approach to reviewing risk registers is adopted throughout the year leading to risks being added, amended and closed, as appropriate. During the year we actively reviewed and amended Sport England's corporate risks, considering also the external factors which might impact our ability to deliver our objectives. The internal audit programme also included a review of how we embed risk appetite into decision-making and ways of working.

Internal controls

The system of internal control is supported by various policies and procedures to ensure we're compliant with the policy, financial and accounts directions issued by our sponsor department DCMS (Department for Digital, Culture, Media and Sport).

All Executive Group members are required to provide me, the Accounting Officer, with assurance that proper and reasonable internal controls have been in place and have operated effectively over the accounting period and that proper standards of conduct have been maintained, within the areas for which they're each responsible.

While a number of areas were highlighted in the statements, all were known to me and I am satisfied that they either have been, or are being, managed appropriately. None was significant enough to merit inclusion in this statement.

Board scrutiny of risk management and risk appetite

The Board ensures there are effective arrangements for risk management and internal control at Sport England. The Corporate Risk Register and key operational risks are provided to, and scrutinised by, the Audit, Risk and Governance Committee on a quarterly basis. The Corporate Risk Register is then provided to the Board for its review, scrutiny and input every six months. Matters and proposals being reviewed by the Board and its Committees also include consideration of risk.

Our approach and the system of internal control are designed to manage risk to a reasonable level rather than to eliminate all risk. The Board considers Sport England's risk profile and the Board's risk 'appetite' (i.e. the level of risk it's prepared to tolerate to meet its strategic objectives) at least every two years, or in line with any changes to Sport England's strategic objectives. The Board believes it's important Sport England can be innovative and take managed risks to achieve its strategic objectives. The Board reviewed and agreed Sport England's risk management strategy and risk appetite in March 2019 to ensure alignment with the organisation's objectives. The risk appetite is described as follows:

- Sport England has a medium risk appetite overall, but recognises a multi-faceted approach to risk management is required to deliver its strategic aims, as described below
- Sport England will continue to adopt a low risk appetite around transparency and stewardship of public money
- Within its framework of evidence-based and well-controlled decision-making, Sport England is currently willing to adopt a higher risk appetite to deliver its strategic priorities in circumstances such as the following:

- innovations, where outputs can be evidenced and evaluated;
- exploratory projects that enable a 'test and learn' environment;
- rerouting investment where performance or governance is poor; and
- developing potential sources of partnership and/or commercial income, providing there's a clear alignment with our values.

During the coming year, the Board will review Sport England's approach to risk, in line with development of the new strategy. This will also reflect the outcome and findings of the internal audit review on risk appetite,

Managing our key delivery risks

As noted, the Executive Group and Board have actively reviewed the Corporate Risk Register during the year, with risks being added and amended as a result of these reviews. For example, when the new organisational values were launched, a risk was added recognising the work still required to ensure colleagues understood the values clearly and were able to adopt them. As work on delivering the strategy progressed during the year, the risk concerning achievement of strategic targets was also rearticulated alongside the addition of a new risk related to clear and timely development of Sport England's new strategy. Risk discussions were also mindful of uncertainty in the broader political and operating environment during the year and potential impact not only on delivery of our strategy but also our partners.

Aside from these changes, the operational and reputational risks Sport England has needed to manage as it implements its strategy have broadly remained the same throughout the year – at least up until the outbreak of coronavirus in the final weeks.

Delivery of a broad-ranging strategy and how we measure this, as well as manage the expectation of our stakeholders, have

remained dominant themes in our risk discussions. The long-term nature of behaviour change work, as well as the deep-rooted nature of some of the inequalities being tackled by our strategy, mean the perceived pace of delivery continues to be a risk. Working in newer areas, such as place and asset-based community development, where there was no current measurement framework at the start of the strategy period, meant thinking about what success measures would provide the most important indicators of impact and change. Measuring impact was identified as an emerging risk in last year's report and we've continued to use our Evaluation Framework to help address this. Our understanding of the new areas we're working in has also developed significantly over the last few years, enabling us to learn, adapt and respond to opportunities being presented. This stands us in good stead as we consider our future strategic ambitions. Key to all of this has been the need to build and maintain effective and collaborative relationships with stakeholders to help us better understand how to direct our involvement, especially as we look to work in different ways.

The Executive Group and the Board have maintained robust oversight of Sport England's strategic risks and worked to ensure they are mitigated. This includes adopting a dynamic approach to managing strategic priorities and agreeing a flexible budget plan. Alongside a one-year spending review settlement for 2020-21, we've also been granted increased flexibility to determine how budget allocations are defined and secured a commitment from government that any new tasks will be accompanied by additional budget.

Our externally-focused strategic risks are naturally underpinned by risks relating to our people resources and the way in which we work. Successful achievement of our strategic priorities requires us to manage both of those effectively, ensuring colleagues have a clear and common understanding

of what's required, are provided with the right tools and are supported to deliver their roles well. As explained earlier in this report, the organisation introduced new values this year supported by various complementary initiatives. This included new processes for decision-making and delegation which seek to establish a simpler, quicker and more consistent system that empowers colleagues and reduces duplication, ensuring scrutiny and challenge happens at the right level. Assessment of risk is an integral part of both processes. A new approach to learning and development and a revised performance review process have also been introduced, with staff wellbeing supported in several ways, including the introduction of colleagues trained as Mental Health First Aiders. Information gathered as part of a colleague survey planned at the close of this year and the outcome of a planned internal audit review on culture change will provide important direction about areas of emphasis for our people and ways of working as we look to the year ahead.

The continued development of several system projects, either as upgrades to existing tools (e.g. grants management) or to embed more agile ways of working (e.g. Office 365) has meant an ongoing period of change for the organisation. Alongside the actions outlined above, the Executive Group and Board have maintained close oversight to ensure these risks are being managed effectively. This includes recruitment of a Project Manager, embedding a new approach to project governance and senior-level engagement on escalated issues.

A risk emerging this year relates to our future strategy and the need to ensure our ambitions are articulated in a managed, timely and clear way, ready for our next investment period. A dedicated project team is leading this, supported by multiple cross-organisational and external initiatives and our communications strategy, which actively seeks to reach out to new and existing partners. In support of this, I have

continued to spend much of my time meeting stakeholders and speaking at various events about Sport England's work. A stakeholder survey planned for the last part of this year will also provide important feedback as the strategy is developed.

We continue to take the opportunity to 'step back' in our risk discussions, considering outside influences or factors that could impact our risk environment. Although these may not always be within our control, we recognise they provide important context when considering Sport England's strategic risks and prompt us to consider if there are areas we should monitor more closely or additional mitigations we should put in place.

Approach to risk during the coronavirus pandemic

As noted earlier in the report, in March 2020 the coronavirus pandemic fundamentally changed the operating environment and we established new priorities in response. A corresponding Covid-19 risk register was developed and is used by the Executive and others as an active management tool. It follows the same principles set out in Sport England's risk management strategy, with some minor adaptations to ensure it suits the current circumstances.

In practical terms, the register sets out the strategic risks against each of the five priority workstreams (internal staff wellbeing, working practices and health and safety; business planning; support the sector to come successfully through the lockdown period; keeping the nation active; and building for the future) and categorises risk mitigations under themes such as workforce, internal communications, legal obligations, external communications and strategy delivery. The risks and corresponding actions are reviewed and updated on a regular basis by the Executive and priority working groups, with their overall status recorded through a high-level RAG rating. It's anticipated that the risk register will remain the primary tool for

managing risk within the business for at least a part of the next financial year.

Information risks

Within our management structure we have an Information Governance Committee, chaired by our Senior Information Risk Owner (SIRO), which meets quarterly to consider reports on the operation of key information governance controls and to review the Information Risk Register.

Sport England has provided regular assurances to the Audit, Risk and Governance Committee regarding its ongoing compliance with the General Data Protection Regulation (GDPR). Sport England continue to ensure organisational compliance with the GDPR, including through mandatory annual training.

As part of our ongoing development and management of the Sport England IT architecture, we've implemented a number of systems and controls to mitigate cyber security risks. These include enhancing our Mimecast email hygiene platform; email, URL, and attachment protection embedded as standard which prevents phishing and malicious applications arriving at our mail server; phish threat software which will be used to assess each colleagues' awareness and response to phishing threats; Checkpoint which forms the last line of defence against multiple threats including botnet armies and ransomware; passphrases for our passwords which are more difficult to crack via brute force methods; and piloting Multi-Factor Authentication with a small group of users. This multi-layered approach to security helps to prevent attacks on Sport England's network and information.

No significant data issues have been reported to the Information Commissioner's Office. However, Sport England keeps all data security incidents under close review and has continued to maintain a data breach and near-miss incident log.

Fraud risks

There's a risk to grant-giving bodies of fraud occurring while undertaking their day-to-day grant-giving process through which funds are made available to third parties. No matter how effective the controls and checks, which are in place and followed by the grant-giving body, there remains a possibility that fraud may occur.

During the 2019–20 financial year there have been only three new cases raised where fraud has been suspected concerning grant applicants, recipient organisations, or concerning individuals in management positions at recipient organisations. One of these related to an allegation of submission of false invoices, but where we were unable to find sufficient evidence of an offence. Two cases related to weak management controls within the funded organisations and subsequent concerns over the value of the investment. Of these, we continue to work with one to support them in developing their governance. The other resulted in closure of the project following a breakdown of communication within the organisation and a de-commitment of remaining project funds.

A fraud register is maintained within Sport England that monitors past and present cases, their status and final outcomes and quarterly updates are presented to the Audit Risk and Governance Committee. We also work collaboratively with partners, sharing information and best practice through the Lottery Funders Counter Fraud Forum.

Write-off

There were no fraud cases where write off was recorded. There were also no cases of write-off due to liquidation of organisations. There's an old case where we're awaiting the outcome of a Proceeds of Crime Act order to see whether we'll receive any of a £10,000 award deemed to have been obtained fraudulently.

Independent assurance

Internal Audit provides me with an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control processes.

An annual programme of internal audit work is carried out to professional standards by an external firm of accountants informed by our risk registers, and an assessment of my assurance requirements. We appointed new internal auditors this year who conducted an assurance mapping exercise at the start of the contract to inform their planning and understanding of Sport England. As well as meeting with me at least twice a year, internal auditors attend each Audit, Risk and Governance Committee meeting and provide periodic progress reports which include the findings of follow-up reviews, culminating in an annual report to the Committee on internal audit activity. The Audit, Risk and Governance Committee also considers the External Audit Plan and reports from the National Audit Office.

The internal auditors are BDO LLP, who have provided internal audit services for Sport England, including fulfilling the role of Head of Internal Audit, since 1 April 2019.

BDO LLP have concluded in their opinion that, on the basis of their work on the internal audit plan during 2019–20, Sport England's risk management and internal control arrangements are generally adequate and effective to manage achievement of the organisation's objectives.

In addition to assurance from internal audit, BDO LLP were also appointed under a separately procured contract, to provide independent financial and governance assurance over investments made to our funded partners. The timing and scope of this assurance programme is determined using a risk-based approach which takes into account factors such as level of investment, organisation size and a partner's role in

delivering Sport England's strategy. The internal process for assessing compliance with 'A Code for Sports Governance' is informed by evidence from these reviews and other independent sources, such as Companies House records.

We also rely on other types of independent assurance – for example, our capital programmes are supported by surveyors' reports, independent project monitors and a benchmarking service. Many of our capital grants extend for significant periods, often up to 25 years, therefore it's important to obtain assurance that the facility is being used for the purpose originally intended. Other projects benefiting from independent assurance include data collection for satellite clubs and the Measurement and Evaluation Framework noted earlier.

The Active Lives Adult Survey data is prepared and quality checked by Ipsos MORI and further assurance is then coordinated by Sport England's Quantitative Research team. As well as the direct checking carried out by the Quantitative Research team, Sport England has also engaged physical activity data experts at the University of Edinburgh to further support the assurance process. Adult survey data is also shared with analysts at DCMS, Public Health England (PHE) and the Department for Transport in advance of publication.

The Active Lives Children and Young People Survey data is also prepared and quality checked by Ipsos MORI and further assurance is then coordinated by Sport England's Quantitative Research team. As well as the direct checking carried out by the Quantitative Research team, Sport England has also engaged physical activity data experts at the University of Edinburgh to further support the assurance process. Child survey data is shared with analysts at DCMS, the Department for Education, Department of Health and Social Care and PHE in advance of publication.

Active Lives Survey

We've now completed four full years of data collection for the Active Lives Adult Survey, with the latest adult survey report summarising activity levels in England from November 2018 to November 2019, published on 23 April 2020 (due to the date of publication, the results referred to in this report relate to the period May 2018 to May 2019). This year, we also completed the second full year of data collection for the Active Lives Children and Young People Survey for the academic year 2018-19. The year two child survey results were published on 5 December 2019. The Active Lives Children and Young People Survey results will continue to be reported on an annual basis, while the Active Lives Adult Survey results will continue to be reported every six months.

Complaints

Through our formal complaints procedure, we've recorded 33 complaints to date in 2019-20, of which we had no complaints referred to the Parliamentary and Health Services Ombudsman. We continue to monitor trends and themes to determine if action can be taken to address issues raised, and to reduce the number of complaints received.

Whistleblowing

The Whistleblowing Policy was reviewed and approved by the Audit, Risk and Governance Committee in January 2017. This policy is reviewed on an annual basis.

Board and committee attendance

Name	Board Governance	Audit, Risk and Governance Committee	Investment Committee	Chairs and Remuneration Committee
Number of meetings in the year	8	6	5	1
Nick Bitel	8	-	-	1
Rashmi Becker	7	-	4	-
Natalie Ceeney	8	-	5	1
Karen Creavin	-	-	3	-
Ian Cumming ¹	5	2	-	-
Mohamed Elsarky ²	3	1	-	-
Chris Grant ³	8	1	5	-
Sue James ⁴	7	-	2	-
Eilish Jamieson	-	5	-	-
Hugh Spicer ⁵	-	4	-	-
Debbie Jevans ⁶	3	-	-	0
Andrew Long	8	6	-	1
Karen Pickering ⁷	8	3	-	-
Peter Rowley ⁸	-	-	1	-
Azeem Akhtar ⁹	4	2	-	-
Tove Okunniwa ¹⁰	5	-	2	-
David Mahoney ¹¹	5	-	2	-

There have been membership changes during the year that in some instances may affect the number of meetings attended. This table includes both Board members and independent members. Where there have been changes, appointment and tenure end dates are listed below:

¹ Appointed as Audit, Risk and Governance Member
11 September 2019

⁴ Appointed as Investment Committee Member
11 September 2019

⁷ Appointed as Audit, Risk and Governance Member
11 September 2019

¹⁰ Appointed as Board member
2 September 2019

² Resigned from the Board
27 January 2020

⁵ Appointed as Audit, Risk and Governance Independent Member
15 May 2019

⁸ Tenure as Investment Committee member ended
30 September 2019

¹¹ Appointed as Board member
28 October 2019

³ Stepped down from Audit, Risk and Governance Committee
3 September 2019

⁶ Resigned from the Board
27 October 2019

⁹ Appointed as Board member
2 September 2019

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

11 December 2020

Nick Bitel

Chair
The English Sports Council

11 December 2020

The English Sports Council

Grant-in-Aid

Consolidated Accounts for the year ended 31 March 2020

Statement of the Council and Chief Executive's Responsibilities

The Council's Royal Charter requires the Council to prepare a statement of accounts for each financial period in the form and on the basis determined by the Secretary of State for Digital, Culture, Media and Sport, with the consent of HM Treasury.

The financial statements are prepared on an accruals basis to show a true and fair view of the Council and Group's state of affairs at the period end, and of its income and expenditure and cash flows for the financial period.

In preparing the financial statements the Council is required to:

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

The Accounting Officer for the Department for Digital, Culture, Media and Sport has designated the Chief Executive of The English Sports Council as the Accounting Officer for the Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of public finances for which he is answerable, and for the keeping of proper records, are set out in "Managing Public Money", issued by HM Treasury.

The Accounting Officer of The English Sports Council is responsible for preparing financial statements that give a true and fair view, and for making available to the auditors all relevant information for their purposes.

So far as the Accounting Officer is aware there is no relevant audit information of which The English Sports Council's auditors are unaware. Further, the Accounting Officer has taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that The English Sports Council's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Tim Hollingsworth OBE
Chief Executive and Accounting Officer
The English Sports Council
11 December 2020

Nick Bitel
Chair
The English Sports Council
11 December 2020

The report of the Comptroller and Auditor General to The English Sports Council

Opinion on financial statements

I have audited the financial statements of The English Sports Council Grant-in-Aid for the year ended 31 March 2020. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of The English Sports Council's affairs as at 31 March 2020 and of the group's and the parent's net operating expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Royal Charter of The English Sports Council and Secretary of State directions issued thereunder.

Emphasis of Matter – Disclosure in relation to the Group's valuation of land and buildings

I draw attention to the disclosure made in note 11 to the financial statements concerning the material uncertainty in property valuations triggered by the Covid-19 pandemic. My opinion is not modified in respect of this matter.

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 of 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 Sports Council Grant-in-Aid in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- The English Sports Council Grant-in-Aid's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The English Sports Council Grant-in-Aid have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the English Sports Council Grant-in-Aid's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date in when the financial statements are authorised for issue.

Responsibilities of the Council and Chief Executive for the financial statements

As explained more fully in the Statement of the Council's and Chief Executive's Responsibilities, the Council and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements of The English Sports Council Grant-in-Aid.

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 group's and The English Sports Council Grant-in-aid'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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the English Sports Council Grant-in-Aid'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 Sports Council Grant-in-Aid's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 report. However, future events or conditions may cause English Sports Council Grant-in-Aid to cease to continue as a going concern.

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 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

The Council and Chief Executive are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, 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

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Royal Charter of The English Sports Council;
- in light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and

- the information given in Performance Report and Accountability 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 which I 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 and the parts of the Accountability Report to be audited 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; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

16 December 2020

Statement of comprehensive net expenditure for the year ended 31 March 2020

	Note	Group		Council	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income					
Grants received	2	3,325	1,259	-	-
Other income	3	1,230	647	1,168	607
Total		4,555	1,906	1,168	607
Expenditure					
Grants	4	91,805	87,317	91,737	87,277
Staff Costs	5	6,791	6,129	6,791	6,129
National sport centres	6	3,766	2,268	3,766	2,268
Sports development costs	7	6,675	4,571	3,262	3,400
Operating costs	8	6,689	6,370	3,618	2,647
Assets gifted to subsidiaries	11	-	-	1,099	1,994
Total		115,726	106,655	110,273	103,715
Other					
Net interest on net defined benefit liability	22	408	502	408	502
Impairment charge	11	58	82	-	-
Total		466	584	408	502
Net operating expenditure before interest, financial asset income, finance costs and taxation		(111,637)	(105,333)	(109,513)	(103,610)
Interest receivable					
Financial asset income		49	44	48	44
Finance costs		34	34	-	-
Taxation		(20)	-	(20)	-
Net operating expenditure for the year		(21)	(14)	(9)	(7)
		(111,595)	(105,269)	(109,494)	(103,573)
Other comprehensive income					
(Deficit) / surplus owing to revaluation of properties	11	(1,589)	4,040	-	-
Net (loss) / gain on financial assets	14	(49)	30	-	-
Re-measurement of defined benefit liability	22	1,358	2,794	1,358	2,794
Total comprehensive net expenditure for the year		(111,875)	(98,405)	(108,136)	(100,779)

All income and expenditure relate to continuing activities.

The notes on pages 71 to 98 form part of these accounts

Statement of financial position as at 31 March 2020

	Note	Group		Council	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Non-current assets					
Property, plant and equipment	11	108,572	112,114	415	312
Right-of-use assets	12	2,102	-	2,102	-
Intangible assets	13	1,235	941	1,235	941
Financial assets	14	943	992	-	-
Total		112,852	114,047	3,752	1,253
Current assets					
Trade and other receivables	15	7,958	6,803	7,556	5,939
Cash and cash equivalents		12,660	13,824	12,133	13,804
Total		20,618	20,627	19,689	19,743
Total assets		133,470	134,674	23,441	20,996
Current liabilities					
Grants outstanding	16	(38,332)	(31,435)	(38,332)	(31,435)
Trade and other payables	17	(7,045)	(7,485)	(7,301)	(7,642)
Lease liabilities	18	(804)	-	(804)	-
Total		(46,181)	(38,920)	(46,437)	(39,077)
Non-current liabilities					
Lease liabilities	18	(1,418)	-	(1,418)	-
Provisions	19	(375)	(186)	-	-
Pension liabilities	22	(18,107)	(18,097)	(18,107)	(18,097)
Total		(19,900)	(18,283)	(19,525)	(18,097)
Total liabilities		(66,081)	(57,203)	(65,962)	(57,174)
Assets less liabilities		67,389	77,471	(42,521)	(36,178)
Taxpayers equity					
Reserves		67,389	77,471	(42,521)	(36,178)
Total		67,389	77,471	(42,521)	(36,178)

The notes on pages 71 to 98 form part of these accounts.

Tim Hollingsworth OBE
Chief Executive and Accounting Officer
The English Sports Council
11 December 2020

Nick Bitel
Chair
The English Sports Council
11 December 2020

Statement of cash flows for the year ended 31 March 2020

	Note	Group		Council	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Net cash outflow from operating activities	24	(101,342)	(96,402)	(101,815)	(96,341)
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(1,582)	(2,132)	(1,582)	(2,132)
Purchase of intangible assets	13	(699)	(629)	(699)	(629)
Financial asset income	14	34	34	-	-
Net cash outflow from investing activities		(2,247)	(2,727)	(2,281)	(2,761)
Cash flows from financing activities					
Grant-in-Aid - resource		66,620	63,633	66,620	63,633
Grant-in-Aid - capital		35,805	35,132	35,805	35,132
Net cash inflow from financing activities		102,425	98,765	102,425	98,765
Net decrease in cash and cash equivalents		(1,164)	(364)	(1,671)	(337)
Cash and cash equivalents at 1 April		13,824	14,188	13,804	14,141
Cash and cash equivalents at 31 March		12,660	13,824	12,133	13,804

The notes on 71 to 98 form part of these accounts.

Statement of changes in taxpayers' equity – Group for the year ended 31 March 2020

	Note	Revaluation reserve £'000 23	Pension reserve £'000 22	General reserve £'000	Total reserves £'000
Balance at 1 April 2018		42,983	(20,384)	54,407	77,006
Net operating expenditure for the year		-	-	(105,269)	(105,269)
Surplus owing to revaluation of properties		4,040	-	-	4,040
Amortisation of revaluation reserve		(1,237)	-	1,237	-
Re-measurement of defined benefit liability		-	2,794	-	2,794
Prior period restatement in ESDT		-	-	105	105
Transfer between reserves		-	(507)	507	-
Net gain on financial assets		-	-	30	30
Grant-in-Aid received – resource		-	-	63,633	63,633
Grant-in-Aid received – capital		-	-	35,132	35,132
Balance at 31 March 2019		45,786	(18,097)	49,782	77,471
Net operating expenditure for the year		-	-	(111,595)	(111,595)
Deficit owing to revaluation of properties		(1,589)	-	-	(1,589)
Amortisation of revaluation reserve		(927)	-	927	-
Re-measurement of defined benefit liability		-	1,358	-	1,358
Pension transfer in	22	-	(818)	-	(818)
Transfer between reserves		-	(550)	550	-
Net gain on financial assets		-	-	(49)	(49)
Impact of change in accounting policy	1.19	-	-	186	186
Grant-in-Aid received – resource		-	-	66,620	66,620
Grant-in-Aid received – capital		-	-	35,805	35,805
Balance at 31 March 2020		43,270	(18,107)	42,226	67,389

The notes on pages 71 to 98 form part of these accounts.

Statement of changes in taxpayers' equity – Council for the year ended 31 March 2020

	Note	Pension reserve £'000 22	General reserve £'000	Total reserves £'000
Balance at 1 April 2018		(20,384)	(13,780)	(34,164)
Net operating expenditure for the year		-	(103,573)	(103,573)
Re-measurement of defined benefit liability		2,794	-	2,794
Transfer between reserves		(507)	507	-
Grant-in-Aid received – resource		-	63,633	63,633
Grant-in-Aid received – capital		-	35,132	35,132
Balance at 31 March 2019		(18,097)	(18,081)	(36,178)
Net operating expenditure for the year		-	(109,494)	(109,494)
Re-measurement of defined benefit liability		1,358	-	1,358
Pension transfer in	22	(818)	-	(818)
Transfer between reserves		(550)	550	-
Impact of change in accounting policy	1.19	-	186	186
Grant-in-Aid received – resource		-	66,620	66,620
Grant-in-Aid received – capital		-	35,805	35,805
Balance at 31 March 2020		(18,107)	(24,414)	(42,521)

The notes on pages 71 to 98 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with Article 14 of the Royal Charter of The English Sports Council (Sport England) account directions issued thereunder by the Secretary of State for Digital, Culture, Media and Sport with the consent of HM Treasury and the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury. A copy of the account directions can be obtained from Sport England at 21 Bloomsbury Street, London, WC1B 3HF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted by the European Union, and as adapted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by Sport England as set out and described below have been applied consistently to all periods presented in these accounts.

1.1 Accounting convention

The accounts have been prepared on a going concern basis under the historical cost convention modified by the revaluation of assets and liabilities to fair value.

Without limiting the information given, the accounts of Sport England Grant-in-Aid (Exchequer) meet the requirements of the Companies Act 2006, the International Accounting Standards Board and the HM Treasury guidance on accounts of Non-Departmental Public Bodies, as set out in the FReM, in so far as those requirements are appropriate to Sport England.

1.2 Going concern

Sport England continues to adopt the going concern concept in the preparation of Sport England's Exchequer accounts.

The Group and Council's Statement of financial position reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from Sport England's other sources of income, may only be met by future grants or Grant-in-Aid from Sport England's sponsoring department, the Department for Digital, Culture, Media and Sport

(DCMS). Under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Sport England has an Exchequer settlement agreed with DCMS to 31 March 2021.

1.3 Basis of consolidation

The Group accounts consolidate the accounts of Sport England Exchequer, The Sports Council Trust Company (a Charity), and English Sports Development Trust Limited. Details of the Group's investment in subsidiary undertakings are contained in note 14.

The accounts of The Sports Council Trust Company and English Sports Development Trust Limited have been included in the consolidation for all periods presented in these accounts, on the basis that Sport England holds controlling voting rights in these concerns and that it exercised significant management and financial control over their affairs. All the accounts consolidated are made up to 31 March 2020.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings are included in the Statement of comprehensive net expenditure from the date of acquisition. Intra-group transactions are eliminated fully on consolidation.

No acquisition or disposal of subsidiary undertakings occurred in the year.

Separate accounts have been prepared for Sport England's National Lottery Distribution Fund (Lottery) activities (pages 99 to 124), in accordance with the Lottery Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport, which follow different accounting policies.

1.4 Income recognition

All income, except for government grants and financial asset income referred to below, is accounted for on an accruals basis, net of VAT. HM Treasury has judged that Grant-in-Aid and grants from our sponsoring body, DCMS, should be recognised on a receipts basis as financing and therefore credited directly to reserves as opposed to income.

Government grants, including Lottery funding, in respect of capital and revenue expenditure are credited to the Statement of comprehensive net expenditure in the year in which the entitlement to the monies arise in accordance with the application of IAS 20 recommended by the FReM.

Financial asset income is recognised on a receipts basis due to the timing of statements from the investment fund. The accounting treatment adopted materially matches income accrued.

1.5 Grants

Grant awards are recognised as expenditure, and if unpaid, as liabilities if a constructive obligation exists.

For a constructive obligation to exist the award commitment must be communicated directly to the award recipient, and Sport England has the authority to commit the expenditure. Grant awards are only recognised in the year of funding as the Grant-in-Aid accounts cannot guarantee funding in future years.

Grant awards which are funded from future year's funding are shown as contingent liabilities (shown as future commitments - note 16).

1.6 Other expenditure

Staff costs are recognised as an expense at the time that the organisation is obligated to pay them and include the cost of any recorded untaken leave at the end of the financial year.

Costs relating to the National sports centres, Sports development and Operating costs are expensed in the year in which they are incurred.

Sport England is required to apportion expenditure between its Exchequer and Lottery activities. The apportionment of expenditure is calculated using metrics derived from the organisation's annual business planning process, unless the costs are considered to be entirely Exchequer or Lottery related. The resulting cost allocations are subject to annual review by the Executive Team.

The current methodology calculates charges on a full cost recovery basis in accordance with HM Treasury's Managing Public Money. The expenditure apportioned under this methodology to Sport England Lottery activities are reimbursed to the Exchequer account and vice versa - note 9.

1.7 Assets gifted to subsidiaries

Assets gifted to subsidiaries are expensed in the year in which they are gifted.

1.8 Property, plant and equipment

All property, plant and equipment, other than IT Equipment, are owned by The Sports Council Trust Company (SCTC). Asset additions were funded by a Lottery grant from the Sport England Lottery Fund and capital works paid for by Sport England Exchequer and gifted to SCTC.

Land and Buildings

Valuations are carried out by external experts. Land is valued annually. Full valuations of buildings are carried out on a quinquennial basis, between full valuations annual indexation is applied. The last full valuation of buildings was carried out as at 31 March 2019.

Valuations are based on Depreciated Replacement Cost (DRC) for specialist properties, and open market value for other properties.

The DRC basis generates an open market valuation of the land. The valuation of each building is derived through an estimate being made of the gross current replacement cost of the buildings and other site works, from which deductions are then made to allow for age, condition and obsolescence.

Any assets under construction are valued at the costs incurred to date.

Artworks and Antiques

Artworks and antiques are valued by external experts. The last valuation was carried out as at 31 March 2019. The valuations are derived with reference to the retail market (at the valuation date) and the probable cost of replacing the items when compared with items in a similar condition.

Equipment and leasehold improvements

Other property, plant and equipment have not been re-valued as fair value is considered not to be materially different to depreciated historical cost.

The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are normally expensed in year, with the exception of grouped assets. Grouped assets are assets, which individually, are less than £1,000 however together form a single collective asset.

Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land and artworks and antiques, at rates calculated to write off the cost or valuation, less estimated residual value evenly over its expected useful life.

Buildings	Unexpired life, maximum of 60 years
Bund	40 years
Leasehold Improvement	Expected life of lease
Equipment	5 years
IT Equipment	3 years

No depreciation is applied in the year of acquisition or construction. A full year's depreciation is charged in the year of disposal.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale and the carrying amount of the asset and is recognised in the Statement of comprehensive net expenditure for the period.

1.9 Leases

The Group has applied IFRS 16, refer to note 1.20, using the cumulative catch up approach and therefore the comparative information has not been restated and continues to be presented under the historic policy below.

Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is considered to be, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019. As mandated by the FReM the practical expedient that the Group has not reassessed whether a contract is, or contains, a lease at the date of initial application has been taken.

Payments made under non-cancellable leases (e.g. rental agreements) are recognised in the Statement of financial position, as a Lease liability equal to the net present value of future payments, discounted using a discount rate of 1.99% as provided by HM Treasury. This lease liability will be reduced as payments are incurred, with the associated interest being charged as Finance costs to the Statement of comprehensive net expenditure.

Corresponding Right-of-use assets recognised in the Statement of financial position, represent the value of assets held under non-cancellable leases of more than 12 months. These are valued at cost, being the net present value of future lease commitments, including those in respect of dilapidations, and are depreciated over the remaining lease term.

For short term (lease terms of 12 months or less) and low value leases (such as personal computers and office furniture), the Group opts to take the exemption permitted by the FReM and IFRS 16 and will continue to account for these through Property or other relevant costs.

Policy applicable before 1 April 2019

Payments made under operating leases (rental agreements) are recognised in the Statement of comprehensive net expenditure on a straight-line basis over the term of the lease. Lease incentives (e.g. rent-free periods) are recognised as an integral part of the total lease expense, over the term of the lease.

1.10 Intangible assets

Intangible assets predominantly comprise software installed and utilised in our computer systems.

Software is amortised on a straight-line basis over three years. The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are normally expensed in year with the exception of grouped assets. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

1.11 Financial assets

Subsequent to purchase, listed stocks and shares are recognised at fair value at each reporting date under IFRS 9, based on reference to the market in which they exist. These assets are classified as available for sale assets; however, there is no immediate intention to sell.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with commercial banks.

1.13 Trade and other receivables

Trade and other receivables are recognised at fair value, less a provision for any specific impairment.

A provision for the impairment of trade receivables is established when there is objective evidence that Sport England will not be able to collect all amounts due in accordance with the original terms of the receivables.

1.14 Trade and other payables

Trade and other payables are recognised at fair value.

1.15 Dilapidations

Provision for the probable cost of dilapidations at the date of the expected termination of the lease is made in the accounts in the year in which it is decided not to renew the lease.

1.16 Taxation

VAT

Sport England is involved in business and non-business activity for VAT purposes and operates a partial recovery methodology. Sport England recovers all VAT incurred on the business activity of running the National sports centres and on project and other costs which are recharged to partners. In the normal course of business VAT is charged at the standard rate as and where appropriate.

Corporation Tax

Sport England pays corporation tax on bank interest received net of bank charges. In the case of the subsidiary companies, corporation tax is payable on income derived from trading activities.

1.17 Pensions

Defined contribution scheme

Payments are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit scheme

A defined benefit scheme is a post-employment benefit plan. Sport England's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The pension liabilities and assets of the defined benefit scheme are recorded in accordance with IAS 19. This measures the value of pension assets and liabilities at the Statement of financial position date, determines the benefits accrued in the year, and the interest on the scheme's assets and liabilities. This valuation is undertaken by an independent actuary. The value of the benefits accrued during the year (service costs), past service costs, curtailments and settlements are recognised in the Statement of comprehensive net expenditure within staff costs. The net interest expense on the net defined liability is shown in the Statement of comprehensive net expenditure.

The scheme's administration expenses are shown in the Statement of comprehensive net expenditure within operating costs.

Re-measurement of the net defined benefit liability which comprises actuarial gains and losses and returns on plan assets (in excess of interest), is recognised immediately in the Statement of financial position and in Other comprehensive income.

The resulting pension liability or asset is shown in the Statement of financial position and is apportioned between Exchequer and Lottery activities based on the combination of the historic rate of 40% Exchequer and 60% Lottery and the current year corporate average cost allocation as determined by the methodology in note 1.6.

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2020, the actuary has estimated CPI to be lower than RPI by 0.8%, compared to a difference of 1.0% applied at 31 March 2019. This change reflects the movement in market implied RPI inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated. This change in accounting estimate has driven an increase in the defined benefit obligation for Sport England Exchequer of £1,974k.

1.18 Use of estimates and judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from the estimates used.

Estimates and assumptions are reviewed on an ongoing basis, to reflect significant events for example Covid-19. Revisions to accounting

Estimates are made in relation to:

- Land, buildings and bund held by the National sports centres including the valuation and revaluation, dilapidation, impairment and depreciation of Land, buildings and bund, as well as the valuation of artwork and antiques.
- Useful life of tangible and intangible fixed assets in determining depreciation and amortisation.
- Pension scheme defined benefit plan assets and liabilities which determine the scheme's deficit position.

1.19 Accounting standards adopted in 2019-20

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has applied IFRS 16 – Leases for the first time during 2019-20, two years earlier than required by the FReM in order to align with the policies of DCMS, the Group's sponsoring department, which meets the conditions set out in the FReM to adopt in 2019-20. As a result, the group has changed its accounting policy for lease contracts as detailed under Leases above.

The Group has applied IFRS 16 using the cumulative approach, under which the effect of initial application is recognised in retained earnings as at 1 April 2019.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of £3.8m (note 10) and a dilapidations provision of £186k (note 19). On transition to IFRS 16, the Group recognised from 1 April 2019 Right-of-use assets of £2.6m and a corresponding Lease liability of £3m in respect of these leases. The impact has decreased property costs by £420k, increased depreciation by £681k and finance costs by £60k in 2019-20. £450k of depreciation and £39k of finance costs have been recharged to Lottery as Asset hire.

When measuring Lease liabilities, the Group discounted lease payments using a discount rate of 1.99% as provided by HM Treasury for leases where there is no implicit rate of interest.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as

estimates are recognised in the period in which the estimates are revised and in any future periods affected.

personal computers and office furniture), the Group opts to take the exemption permitted by the FReM and IFRS 16 and will continue to account for these through property costs.

1.20 Accounting standards that have been issued but not adopted

There are no accounting standards that have been issued that have not been applied to these accounts.

2 Grants received

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Lottery grant	3,325	1,259	-	-

3 Other income

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
External funding income	74	68	74	68
Active Lives survey recharges	213	224	213	224
Asset hire recharges	843	285	843	285
Other income	100	70	38	30
Total	1,230	647	1,168	607

Other income is shown net of income apportioned to the Sport England Lottery Fund. Note 9 details the gross income and the recharge to the Lottery accounts.

4 Grants

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Resource grants				
Active Environments	143	268	143	268
Children and young people	14,699	11,501	14,699	11,501
Decreasing Inactivity	1,592	1,608	1,592	1,608
Evidence Base	15	15	15	15
Increasing Activity	11,933	10,572	11,933	10,572
Leadership and Governance	2,261	2,003	2,261	2,003
Low Socioeconomic Groups	2,878	2,267	2,878	2,267
Talent	17,953	19,982	17,953	19,982
Volunteering	662	592	662	592
Women	537	403	537	403
Other	(34)	63	(102)	23
Total	52,639	49,274	52,571	49,234
Capital Grants				
Active Environments	5,187	5,934	5,187	5,934
Decreasing Activity	393	-	393	-
Increasing Activity	16,545	13,455	16,545	13,455
Low Socioeconomic groups	14,722	14,376	14,722	14,376
Talent	906	634	906	634
Volunteering	40	39	40	39
Women	1,328	568	1,328	568
Other	226	3,197	226	3,197
Total	39,347	38,203	39,347	38,203
Total	91,986	87,477	91,918	87,437
Grant Recoveries	(181)	(160)	(181)	(160)
Total	91,805	87,317	91,737	87,277

The headings for 2019 have been changed to reflect the revision to nine strategic priorities. There is no change to the aggregate total of grants and the resource and capital split.

5 Staff costs

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Permanent and fixed term staff				
Wages and salaries	4,946	4,335	4,946	4,335
Social security costs	558	491	558	491
Pension costs	1,008	754	1,008	754
Total	6,512	5,580	6,512	5,580
Agency staff	279	549	279	549
Total staff costs	6,791	6,129	6,791	6,129

6 National sports centres

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income	7,274	7,882	7,274	7,882
Expenditure				
Centre operator expenditure ¹	8,982	9,073	8,982	9,073
Other expenditure	2,058	1,077	2,058	1,077
Total	11,040	10,150	11,040	10,150
Net expenditure	3,766	2,268	3,766	2,268

The Sports Council Trust Company (a Sport England subsidiary) owns the National sports centres: Bisham Abbey, Lilleshall and Plas y Brenin. The value of the assets can be seen in note 11 under the categories Land, buildings and bund. Sport England manages and funds the operational contracts of the National sports centres on behalf of The Sports Council Trust Company.

In 2019 expenditure included a one-off adjustment to remove £921k for the Biomass building at Lilleshall, which houses the central heating system.

¹ Includes operator management fees of £180,042 (2019: £176,338)

7 Sports development costs

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Grant programme support costs				
Local Delivery	54	23	54	23
Children and young people	3	48	3	48
Tackling Inactivity	3	-	3	-
Facilities	303	286	303	286
Core Market	73	168	73	168
Coaching	62	70	62	70
Total	498	595	498	595
Other sports development costs				
Communications	1	15	1	15
Facilities expertise and support	517	421	517	421
Irrecoverable VAT	123	349	123	349
Legal	6	16	6	16
Measurement surveys	1,036	1,062	1,036	1,062
Media buying and planning ¹	3,413	1,171	-	-
Other costs	139	84	139	84
Planning data and guidance	787	712	787	712
Research	155	146	155	146
Total	6,177	3,976	2,764	2,805
Total	6,675	4,571	3,262	3,400

Sports development costs is expenditure which aims to promote the development of sport, thereby creating increased opportunities to take part in sport or physical activity for the local community.

Costs are shown net of costs apportioned to the Sport England Lottery Fund. Note 9 details the gross costs and the recharge to the Lottery accounts.

¹ These costs are in relation to the women's marketing campaign "This Girl Can" funded by a Lottery grant from the Sport England Lottery Fund (note 2).

8 Operating costs

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Auditor's remuneration ¹	74	70	57	54
Board expenses	-	2	-	2
Communications	77	52	77	52
Depreciation ²	4,375	4,177	1,278	431
Grant outsourcing costs	192	167	192	167
Internal audit and governance	20	13	20	13
Irrecoverable VAT	217	323	217	323
IT infrastructure and systems costs	560	432	560	432
Legal	209	131	209	131
Other costs	72	(49)	72	(49)
Other staff costs	122	137	122	137
Property costs ²	237	421	281	462
Other property costs	19	14	19	14
Staff training	128	78	128	78
Travel and subsistence	338	356	337	354
Defined benefit scheme admin charges	49	46	49	46
Total	6,689	6,370	3,618	2,647

Operating costs are shown net of costs apportioned to the Sport England Lottery Fund. Note 9 details the gross costs and the recharge to the Lottery accounts, which includes provisions made in the year.

¹ No other payment was made to the auditors for non-audit work. The Group audit fees for the year were £74,000 (2019: £69,800), the Council audit fees for the year were £57,025 (2019: £53,800). Included within the Council for 2020 is £5,000 relating to the fees of English Sports Development Trust Limited (2019: £3,800) which were paid on its behalf by Sport England. All audit fees are excluding VAT.

² Included in 2020 is the impact of IFRS 16 Leases, which has reduced Property costs by £65k and increased Depreciation by £688k (refer to note 1.19).

9 Net costs apportioned from Exchequer to Lottery - Group

	2020				2019		
	Gross	Recharge to Lottery	Recharged from Lottery	Net	Gross	Lottery recharge	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Income	(1,757)	527	-	(1,230)	(1,600)	953	(647)
Staff Costs	18,117	(11,235)	-	6,882	16,630	(10,501)	6,129
Sports Development	10,622	(4,081)	134	6,675	10,525	(5,954)	4,571
Operating Costs	10,721	(4,032)	-	6,689	10,167	(3,797)	6,370
Total	37,703	(18,821)	134	19,016	35,722	(19,299)	16,423

9 Net costs apportioned from Exchequer to Lottery - Council

	2020				2019		
	Gross	Recharge to Lottery	Recharged from Lottery	Net	Gross	Lottery recharge	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Income	(1,695)	527	-	(1,168)	(1,560)	953	(607)
Staff Costs	17,970	(11,179)	-	6,791	16,630	(10,501)	6,129
Sports Development	7,209	(4,081)	134	3,262	9,354	(5,954)	3,400
Operating Costs	7,650	(4,032)	-	3,618	6,444	(3,797)	2,647
Total	31,134	(18,765)	134	12,503	30,868	(19,299)	11,569

The basis of apportionment of net costs between Exchequer and Lottery is set out in note 1.6. The amounts set out in the Lottery accounts include these costs plus costs borne wholly by Lottery.

10 Commitments under operating leases

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Land & Buildings				
Expiring within one year	-	1,028	-	1,028
Expiring between one & five years	-	2,735	-	2,735
Expiring after at least five years	-	38	-	38
Total	-	3,801	-	3,801

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases are therefore treated as those of Sport England. As detailed in note 1.19, the Group has applied IFRS 16 for the first time in 2019-20, refer to note 18 for details of Lease liabilities as at 31 March 2020.

The commitments reflect the earliest break clause within the lease. Total future payments due to Sport England under non-cancellable subleases were £0.7 million in 2019.

11 Property, plant and equipment– Group

	Land	Buildings and Bund	Leasehold Improv'm't	Equipment	IT Equipm't	Artworks and Antiques	Under Constr- uction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2018	15,870	116,623	1,170	2,807	842	827	695	138,834
Additions	-	1,124	-	50	138	-	820	2,132
Disposals	-	-	-	(154)	(30)	-	-	(184)
Revaluation	3,230	810	-	-	-	-	-	4,040
Impairment Charge	14	(134)	-	-	-	38	-	(82)
Transfers	-	376	-	-	-	-	(376)	-
At 31 March 2019	19,114	118,799	1,170	2,703	950	865	1,139	144,740
Additions	-	930	-	272	191	-	-	1,393
Disposals	-	-	-	(67)	(24)	-	-	(91)
Revaluation	-	(1,589)	-	-	-	-	-	(1,589)
Impairment charge	-	(58)	-	-	-	-	-	(58)
Transfers	-	1,139	-	-	-	-	(1,139)	-
At 31 March 2020	19,114	119,221	1,170	2,908	1,117	865	-	144,395
Depreciation								
At 1 April 2018	-	25,649	489	2,184	546	-	-	28,868
Charge for year	-	3,360	154	260	165	-	-	3,939
Disposals	-	-	-	(154)	(27)	-	-	(181)
At 31 March 2019	-	29,009	643	2,290	684	-	-	32,626
Charge for year	-	2,724	154	252	158	-	-	3,288
Disposals	-	-	-	(67)	(24)	-	-	(91)
At 31 March 2020	-	31,733	797	2,475	818	-	-	35,823
Net Book value								
At 31 March 2019	19,114	89,790	527	413	266	865	1,139	112,114
At 31 March 2020	19,114	87,488	373	433	299	865	-	108,572

Assets are valued in accordance with the accounting policy (note 1.9). The indices used as at 31 March 2020 include the valuer's judgement of the impact of Covid-19 (see page 11). The outbreak of the Novel Coronavirus (COVID-19) has impacted property markets with market activity being impacted in many sectors. As at the valuation date, less weight to previous market evidence and published build cost information for comparison purposes can be given to inform estimation of asset values which means less certainty and a higher degree of caution should be attached to the indices.

Land, buildings and bund comprise freehold properties. All other assets are owned. No assets are supported by either finance leases or PFI contracts.

The freehold properties were last fully valued as at 31 March 2019 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Global Standard 2017 and the UK national standards and guidance set out in national supplement (November 2018 Edition). The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost (DRC).

There is a collection of artworks, furniture and fittings at Bisham Abbey that date from the 16th century. The historical significance of these assets classifies the collection as Artworks and antiques. The collection was valued in 2019 externally by Sotheby's.

11 Property, plant and equipment - Council

	Buildings and Bund £'000	Equipment £'000	IT Equipment £'000	Total £'000
Cost				
At 1 April 2018	-	200	732	932
Additions	1,944	50	138	2,132
Gifted assets ¹	(1,944)	(50)	-	(1,994)
Disposals	-	(6)	(30)	(36)
At 31 March 2019	-	194	840	1,034
Additions	989	213	191	1,393
Gifted assets ¹	(989)	(94)	(16)	(1,099)
Disposals	-	(1)	(24)	(25)
At 31 March 2020	-	312	991	1,303
Depreciation				
At 1 April 2018	-	122	440	562
Charge for year	-	34	159	193
Disposals	-	(6)	(27)	(33)
At 31 March 2019	-	150	572	722
Charge for year	-	33	158	191
Disposals	-	(1)	(24)	(25)
At 31 March 2020	-	182	706	888
Net Book value				
At 31 March 2019	-	44	268	312
At 31 March 2020	-	130	285	415

¹Sport England has gifted assets to its subsidiary, The Sports Council Trust Company. The assets gifted are relevant to the operational activities of the National sports centres. All assets are owned, no assets are supported by either finance leases or PFI contracts.

12 Right-of-use assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2020	-	-
IFRS 16 transition adjustment ²	2,594	2,594
Additions	189	189
Gifted assets ¹	-	-
Disposals	-	-
At 31 March 2020	2,783	2,783
Depreciation		
At 1 April 2020	-	-
Charge for year	681	681
Disposals	-	-
At 31 March 2020	681	681
Net Book Value		
At 31 March 2020	2,102	2,102

Right-of-use assets are in respect of leased properties, being the offices at 21 Bloomsbury Street and in Loughborough.

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases and the corresponding right of use asset are therefore treated as those of Sport England. As detailed in note 1.19, the Group has applied IFRS 16 for the first time in 2019-20. Refer to note 18 for details of the associated Lease liabilities.

13 Intangible assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2018	3,810	3,810
Additions	629	629
Disposals	(5)	(5)
At 31 March 2019	4,434	4,434
Additions	699	699
Disposals	-	-
At 31 March 2020	5,133	5,133
Depreciation		
At 1 April 2018	3,260	3,260
Charge for year	238	238
Disposals	(5)	(5)
At 31 March 2019	3,493	3,493
Charge for year	405	405
Disposals	-	-
At 31 March 2020	3,898	3,898
Net Book Value		
At 31 March 2019	941	941
At 31 March 2020	1,235	1,235

Intangible assets comprise computer software and website development which provides ongoing economic benefits.

Additions include costs incurred for the finance and grant management systems development.

14 Financial assets

Listed stocks and securities

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Market value at 1 April	992	962	-	-
Revaluation of financial asset	(49)	30	-	-
Market value at 31 March	943	992	-	-

Listed stocks and securities relate to a managed investment fund held by The Sports Council Trust Company. These investments are held for medium to long-term strategic purposes. The holding is classified as 'not held for trading'. However, £261k (2019: £274k) of this investment is intended to purchase a property at the Lilleshall National Sports Centre during 2020-21.

The historical cost of the asset at 31 March 2020 was £910,000 (2019: £910,000).

The income received on the investment fund for the year to 31 March 2020 was £34,000 (2019: £34,000).

Group investments in subsidiary undertakings

Company and Country of Incorporation	Financial Activity	Proportion held	Status of Subsidiary	Total reserves at 31 March	Net (expenditure) / income
The Sports Council Trust Company (England and Wales)	Charitable trust dedicated to the promotion of sport	Sole member 100% guarantor	Active	2020: £109.5m	2019: (£2.1m)
				2019: £113.2m	2019: (£1.8m)
English Sports Development Trust Limited (England and Wales) ¹	Media buying for the campaign to increase women and girls participation in sport	Sole member 100% guarantor	Active	2020: £407,000 2019: £445,000	2020: (£38,000) 2019: £116,000

¹The Annual Report and Accounts for English Sports Development Limited have not been prepared on a going concern basis as trading is expected to cease on 31 March 2021.

15 Trade and other receivables

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade receivables	172	781	115	459
Other receivables	548	632	548	632
Staff travel loans	55	51	55	51
Prepayments and accrued income	2,044	2,367	1,699	1,825
Sport England Lottery	5,139	2,972	5,139	2,972
Total	7,958	6,803	7,556	5,939

The lifetime expected loss provision for trade receivables is £nil (2019: £nil).

16 Grants outstanding

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Grants outstanding	38,332	31,435	38,332	31,435

Future commitments

On the undertaking that funds are to be provided by DCMS, Sport England at 31 March 2020 had entered into commitments to pay grants to award recipients in respect of their approved programmes. These commitments, which are mainly for NGB 2017-21 funding, have not been recognised in the statement of comprehensive net expenditure or the statement of financial position and are shown below.

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
2019-20	-	63,345	-	63,345
2020-21	36,152	28,703	36,152	28,703
2021-22	305	305	305	305
Total	36,457	92,353	36,457	92,353

17 Trade and other payables

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade payables	2,484	9	2,509	297
Corporation tax	21	15	9	8
Accruals	4,036	6,920	3,664	5,723
Other payables	498	541	498	541
Prepaid Income	6	-	-	-
The Sports Council Trust Company	-	-	228	43
English Sports Development Trust Limited	-	-	393	1,030
Total	7,045	7,485	7,301	7,642

18 Lease liability

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Undiscounted lease liabilities				
No later than 1 year	848	-	848	-
Later than 1 year and no later than 5 years	1,461	-	1,461	-
Total undiscounted lease liabilities at 31 March	2,309	-	2,309	-
Future finance charges	(87)	-	(87)	-
Total lease liabilities at 31 March	2,222	-	2,222	-

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Net present value of lease liabilities				
No later than 1 year	804	-	804	-
Later than 1 year and no later than 5 years	1,418	-	1,418	-
Total	2,222	-	2,222	-

The lease liabilities relate to the Group's lease of its offices at 21 Bloomsbury Street and Loughborough, these were held as operating leases in 2018-19. The total cash payable in 2019-20 in respect of these leases was £847,739.

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases are therefore treated as those of Sport England. As detailed in note 1, the Group has applied IFRS 16 for the first time in 2019-20.

19 Provisions

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due after one year:				
Balance at 1 April	186	186	-	-
Provided during the year	189	-	-	-
Balance at 31 March	375	-	-	-

The provision is for dilapidations at Bloomsbury Street, the main operational premises occupied by Sport England. The lease expires in November 2022 with no option to extend. A provision of £186,000 was made in 2015 to cover the costs of dilapidations.

In March 2020 a dilapidations assessment was commissioned and undertaken by the Building Surveying team of the Bloomsbury Street property management company, Avison Young. This report indicated an increase of the expected cost of dilapidations to £375k.

20 Contingent Liabilities

Contributions towards property, plant and equipment

In 1979, the Football Association (FA) contributed £500,000 towards the construction of a hostel at Lilleshall National Sports Centre. A management agreement with the FA was entered into by Sport England which enabled the FA to run the Vauxhall School at the Centre which closed in July 1999. The Management Agreement continues to remain in place and at the present time, the accommodation is used by the FA's Medical and Education Units. If Sport England were to terminate the agreement at any time before 2039, then a proportion of the £500,000 would fall due to be paid to the FA calculated by the reference to effluxion of time. The Board consider it unlikely that the agreement will be terminated by Sport England.

Pensions

Pension liabilities are disclosed in Note 22 of these financial statements and include an estimate of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £9k which is 3.5% of the projected service cost of £264k.

The Ministry of Housing, Communities and Local Government (MHCLG) has published its consultation on proposals following the McCloud case and there is likely to be a change to the pension liability following the completion of this. There is currently insufficient information available to base any calculations of the impact on, therefore a reliable estimate of the impact cannot be made, and the timing of the consultation means that any resulting changes will be reflected in the pension liability at 31 March 2021.

21 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements as at 31 March 2020 amounting to £229,323 (2019: £804,806). These commitments include implementation of new IT systems of £0.5m (2019: £0.3m) and in 2019 the refurbishment of the main house at Lilleshall of £0.5m.

22 Pension liabilities

Sport England has a defined benefit scheme with the London Pension Fund Authority (LPFA) which was closed to new members on 30 September 2005. Sport England also operates a Group Personal Pension Plan (GPPP) defined contribution scheme which is available to employees who commenced service from 1 October 2005 onwards.

Defined benefit LPFA scheme

Sport England is one of a large number of employers whose staff participates in the scheme, however the information given in this note relates only to Sport England Exchequer.

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit as advised by the scheme's actuaries based on triennial valuations. The most recent triennial valuation was at 31 March 2019. Sport England will also make additional voluntary contributions to the scheme where the funding is available to do so.

Under Sport England's management agreement with its sponsoring department DCMS all assets and liabilities on the defined benefit scheme will be passed to a successor body if Sport England were to be wound up. If there was no successor body, then the assets and liabilities would revert to DCMS.

On 31 March 2020 Sport England subsumed the pension liabilities of Mountain Training Ltd (MTL) into its scheme. The net pension liability subsumed was £818k and is shown as a Transfer in within Changes in the present value of the defined benefit obligation and Changes in the fair value of the plan assets.

The tables below show employee contribution rates and employer contributions for 2019 and 2020 and those that are expected to be made in 2021 for the Exchequer portion of the scheme:

Employee contribution rates

2020 salary range	2020	2019 salary range	2019
Less than £14,400	5.5%	Less than £14,100	5.5%
£14,101-£22,500	5.8%	£14,101-£22,000	5.8%
£22,501- £36,500	6.5%	£22,001- £35,700	6.5%
£36,501- £46,200	6.8%	£35,701- £45,200	6.8%
£46,201- £64,600	8.5%	£45,201- £63,100	8.5%
£64,601- £91,500	9.9%	£63,101- £89,400	9.9%
£91,501- £107,700	10.5%	£89,401- £105,200	10.5%
£107,701- £161,500	11.4%	£105,201- £157,800	11.4%
Over £161,501	12.5%	Over £157,801	12.5%

Employer contributions to schemes

	2021	2020	2019
All figures in £'000s			
% Employer contributions	16.0%	16.1%	16.1%
Contributions to pension schemes			
Employer contributions	155	159	157
Required additional contributions	-	178	175
Voluntary additional contributions	-	-	-
Total contributions to pension schemes	155	337	332

22 Pension liabilities (continued)

International Accounting Standard IAS19 Employees Benefits requires the disclosure of additional information, in respect of the Sport England's superannuation scheme. The information has been provided by the LPFA's consulting actuaries. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities. The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.17).

The following information relates to the scheme as a whole:

Employer membership statistics (Sport England)

	Number	Salaries/Pensions £'000	Average Age
Actives	48	2,400	51
Deferred pensioners	454	1,846	52
Pensioners	427	3,413	71
Unfunded pensioners	129	438	74

Employer membership statistics (MTL)

	Number	Salaries/Pensions £'000	Average Age
Actives	1	36	54
Deferred pensioners	6	29	56
Pensioners	11	96	71
Unfunded pensioners	1	4	79

Represents membership data as at 31 March 2019 receiving funded and unfunded benefits.

Financial assumptions (expressed as weighted average)

	2020 % per annum	2019 % per annum	2018 % per annum
Price increases – RPI	2.75%	3.4%	3.3%
Price increases – CPI	1.95%	2.4%	2.3%
Salary increase	2.95%	3.9%	3.8%
Pension increase	1.95%	2.4%	2.3%
Discount rate	2.35%	2.4%	2.6%

Life expectancy assumptions from age 65

		2020 Years	2019 Years
Retiring today	Males	22.3	21.2
	Females	24.5	23.6
Retiring in 20 years	Males	23.7	23.0
	Females	26.0	25.3

22 Pension liabilities (continued)

The following information relates to the Exchequer portion of the fund only:

Statement of financial position disclosure

	2020 £'000	2019 £'000	2018 £'000
Present value of funded liabilities	(58,809)	(59,294)	(58,538)
Fair value of employer assets	43,644	44,407	41,421
Present value of unfunded liabilities	(2,942)	(3,210)	(3,267)
Net liability in the Statement of financial position	(18,107)	(18,097)	(20,384)
<hr/>			
Liabilities	(61,751)	(62,504)	(61,805)
Assets	43,644	44,407	41,421
Net liability in the Statement of financial position	(18,107)	(18,097)	(20,384)

65% of the London Pension Fund Authority's assets have quoted prices in active markets, but there are 35% of unquoted property, credit, infrastructure and private equity assets, with Sport England's Grant in Aid share of these amounting to an estimated £15.2m. The private equity, credit and infrastructure assets involve a degree of estimation in their valuation and due to the unprecedented impact of Covid-19 on the market and wider economy, there are inherent risks in the valuation techniques that mean there is a material uncertainty attached to the valuation of these assets. In addition, the property assets held by the fund are subject to valuation by external valuers, and due to the unprecedented impact of COVID-19 on the market and wider economy, the valuers have advised the pension fund that these assets are subject to material valuation uncertainty at 31 March 2020. Consequently, a higher degree of caution should be attached to the valuation of those assets within the overall scheme and, in turn, the proportionate value of those assets in Sport England's Grant in Aid accounts, than would normally be the case.

The major categories of plan assets as a percentage of total plan assets

	2020 £'000	%	2019 £'000	%
Equities	23,560	54	24,159	54
Target return portfolio	11,210	26	11,842	26
Infrastructure	3,174	7	2,676	7
Property	4,312	10	4,176	10
Cash	1,388	3	1,554	3
Total	43,644	100	44,407	100

22 Pension liabilities (continued)

Amounts recognised in the Statement of comprehensive net expenditure

	2020 £'000	2019 £'000
Service cost	430	291
Net interest on the net defined benefit liability	408	502
Administration expenses	49	46
Total	887	839

Re-measurement in Other comprehensive income

	2020 £'000	2019 £'000
Return on plan assets in excess of interest	1,212	3,288
Other actuarial gains/(losses)	1,677	-
Change in demographic assumptions	528	2,616
Change in financial assumptions	(4,456)	(3,110)
Experience gains	(319)	-
Total Re-measurement (cost)/credit	(1,358)	(2,794)

Changes in the present value of the defined benefit obligation

	2020 £'000	2019 £'000
Return on plan assets in excess of interest	62,504	61,805
Service cost	280	291
Interest cost	1,479	1,585
Change in demographic assumptions	528	(2,616)
Change in financial assumptions	(4,456)	3,110
Contributions by members	83	86
Curtailments	150	-
Estimated unfunded benefits paid	(178)	(175)
Estimated benefits paid	(1,627)	(1,582)
Experience gains	(319)	-
Transfer in	3,307	-
Closing defined benefit obligation	61,751	62,504

22 Pension liabilities (continued)

Changes in the fair value of the plan assets

	2020 £'000	2019 £'000
Opening fair value of employer assets	44,407	41,421
Interest on assets	1,071	1,083
Return on assets less interest	(1,212)	3,288
Actuarial gains	(1,677)	-
Administration expenses	(49)	(46)
Contributions by members	83	86
Contributions by employer	337	332
Estimated benefits paid	(1,805)	(1,757)
Transfer in	2,489	-
Closing fair value of employer assets	43,644	44,407

Sensitivity Analysis

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	57,423	58,444	59,484
Projected service cost	258	264	271
Adjustment to long-term salary increase	+0.1%	0.0%	-0.0%
Present value of total obligation	58,500	58,444	58,389
Projected service cost	264	264	264
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	59,431	58,444	57,473
Projected service cost	271	264	2,258
Adjustment to life expectancy assumption	+1 year	None	-1 year
Present value of total obligation	60,399	58,444	56,552
Projected service costs	273	264	256

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2020 were £326,166 (2019: £329,678). There were no amounts outstanding or pre-paid at 31 March 2020 (2019: £nil).

Contribution rates ¹	
Employee	Employer
3%	3% ²
4%	5%
5%	8%
6.5%	11%

¹ Contribution rates apply to all salary levels

² Relates to auto enrolment

23 Revaluation reserves – group

	2020 £'000	2019 £'000
Land and buildings		
Balance at 1 April	45,786	42,983
(Deficit) / Surplus owing to revaluation of properties	(1,589)	4,040
Amortisation of revaluation reserve	(927)	(1,237)
Balance at 31 March	43,270	45,786

For further detail relating to the surplus owing to the revaluation of properties see note 11 Property, plant and equipment – Group.

24 Reconciliation of net operating expenditure to net cash outflow from operating activities

	Group		Council	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Net operating expenditure	(111,637)	(105,333)	(109,513)	(103,610)
Depreciation	4,375	4,177	1,278	431
Disposal of property, plant and equipment	-	3	-	3
Impairment reversals	58	82	-	-
Net interest on net defined benefit liability and administration costs	457	548	457	548
(Increase)/decrease in receivables	(1,155)	630	(1,617)	775
(Decrease)/increase in payables	(447)	205	(343)	225
Increase in grants outstanding	6,897	3,297	6,897	3,297
Decrease in finance lease liabilities	(788)	-	(788)	-
Increase in provisions	189	-	-	-
LPFA service costs	430	291	430	291
LPFA employer contributions	(337)	(332)	(337)	(332)
Assets gifted to subsidiaries	-	-	1,099	1,994
Cumulative catch up reserve (IFRS 16)	602	-	602	-
Taxation	(15)	(14)	(8)	(7)
Interest received	49	44	48	44
Finance costs	(20)	-	(20)	-
Net cash outflow from operating activities	(101,342)	(96,402)	(101,815)	(96,341)

25 Related party transactions

Sport England is a non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party and during the year Sport England had material transactions with DCMS.

Sport England has two subsidiaries that are also regarded as related parties. There were material transactions with The Sports Council Trust Company during the year, and with the English Sports Development Trust Limited.

Sport England has a conflict of interest policy and Board Members, Executive Directors and staff maintain publicly available registers of interests and declare any direct interests in grant applications made to Sport England and any direct commercial relationships.

If any member has an interest in a grant application, they exclude themselves from the relevant grant appraisal, discussions and decision-making processes.

The following table details where Board and Committee Members, Executive Directors and principal decision makers declared a current or past interest relating to Sport England's Exchequer funding.

The related party transactions are in relation to:

- Awards made during the year ended 31 March 2020. Decommittments are shown in brackets.
- Awards unpaid at 31 March 2020.
- Supplier transactions during the year ended 31 March 2020.
- Unpaid supplier transactions at 31 March 2020.

In a number of cases there may be relationships not disclosed in the tables below as a result of no awards being made to the third party, or supplier transactions with the third party, during the year.

Relationship	Awards made in 2019-20	Awards unpaid at 31 March 2020	Supplier transactions in 2019-20	Unpaid supplier transactions at 31 March 2020
	£	£	£	£
Department for Digital, Culture, Media and Sport				
Grant-in-Aid funding	-	-	102,425,000	-
Payable by Sport England	-	-	-	-
The Sports Council Trust Company				
Payable by Sport England	-	250,000	405,727	4,459
Nick Bitel				
Consultant to advisors of Rugby Football Union	690,000	690,000	-	-
Partner: Member, Lawn Tennis Association	562,500	750,000	-	-
Partner: Member, British Triathlon Federation	606,139	606,139	-	-
Board Member: UK Sport	-	-	1,332	-
Professor Ian Cumming OBE				
Member, Amateur Swimming Association	1,127,000	1,127,000	-	-
Chris Grant				
Consultant, Swim England	-	10,000	-	-
Consultant, UK Sport	-	-	1,322	-
Karen Pickering MBE				
Member, Amateur Swimming Association	1,127,000	1,127,000	-	-
Imm. Family: Member, Amateur Swimming Association	-	-	-	-

25 Related Parties (continued)

Relationship	Awards made in 2019-20	Awards unpaid at 31 March 2020	Supplier transactions in 2019-20	Unpaid supplier transactions at 31 March 2020
	£	£	£	£
Andy Long				
Imm. Family: Member, Amateur Swimming Association	1,127,000	1,127,000	-	-
Imm. Family: Member, British Rowing	278,699	709,590	-	-
Rashmi Becker				
Member, UK Coaching	2,000,00	2,000,00	-	-
Associate Member, Activity Alliance	1,217,495	1,214,495	12,300	-
Tove Okunniwa				
Chief Executive Officer, London Sport Limited	117,317	117,317	-	-
Board Member, British Cycling Federation	2,421,301	3,713,690	-	-
David Mahoney				
Director, England and Wales Cricket Board	1,100,000	1,000,000	-	-
Tim Hollingsworth				
Board Member, Football Foundation	15,221,600	18,084,000	4,615	-
Imm. Family: Member, British Rowing	278,699	709,590	-	-
Member, University of Bath	193,203	(2,237)	-	-
Lisa O'Keefe				
Member, British Mountaineering Council	72,700	72,700	-	-
Member, British Cycling Federation	2,421,301	3,713,690	-	-
Alison Selfe				
Imm. Family: Member, British Cycling Federation	2,421,301	3,713,690	-	-
Al Strang				
Member, Lawn Tennis Association	562,500	750,000	-	-
Kevin Mills				
Member, Royal Yachting Association	869,428	869,428	-	-
Ali Donnelly				
Member, Rugby Football Union	690,000	690,000	-	-

26 Derivatives and other financial instruments

Sport England Exchequer relies mainly on Grant-in Aid funding to finance its operations. Other than items such as trade receivables and trade payables that arise from its operations and cash resources, it holds no other financial instruments nor enters into derivative transactions.

Sport England Exchequer performs all transactions in Pound Sterling and therefore has no currency exchange risk. Sport England does not enter into any forward foreign currency contracts or similar financial instruments.

The Sports Council Trust Company holds a financial instrument listed in the United Kingdom. The return from investments is not material £34,000 (2019: £34,000). Due to the value of the investment held by The Sports Council Trust Company, Sport England is not exposed to significant market risk. The Board of The Sports Council Trust Company regularly undertakes reviews to mitigate the risks of performance of this instrument.

Sport England Exchequer does not borrow money and therefore has no exposure to interest rate risk or liquidity risk in this regard. Cash balances are held in commercial bank accounts and attract market rates of interest. Sport England Exchequer does not enter into any interest rate swaps or similar financial instruments.

27 Events after the reporting period

There were no 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.

The English Sports Council

National Lottery Distribution Fund

Accounts for the year ended 31 March 2020

Statement of the Council's and Chief Executive's responsibilities

Under section 35(2) and (3) of the National Lottery etc. Act 1993 (as amended), The English Sports Council is required to prepare a statement of accounts for the financial period in the form and on the basis directed by the Secretary of State for Digital, Culture, Media and Sport with the consent of HM Treasury.

The financial statements are prepared on an accruals basis and must show a true and fair view of the state of affairs of The English Sports Council's Lottery distribution activities at the period end and of its income and expenditure and cash flows for the financial period.

In preparing the financial statements The Council is required to:

- Observe the accounts direction issued by the Secretary of State for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply the suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether the applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements and

- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that The Council will continue in operation.

The Accounting Officer for the Department for Digital, Culture, Media and Sport, has designated the Chief Executive of The English Sports Council as the Accounting Officer for The Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of public finances for which he is answerable, and for the keeping of proper records, are set out in "Managing Public Money", issued by the HM Treasury and in the Financial Directions issued by the Secretary of State for Digital, Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993 (as amended).

The Accounting Officer has taken all the steps that ought to have taken to make themselves aware of any relevant audit information and to establish that The English Sport Council's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

11 December 2020

Nick Bitel

Chair
The English Sports Council

11 December 2020

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of The English Sports Council National Lottery Distribution Fund for the year ended 31 March 2020 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Income, Financial Position, Cash Flows, Changes in Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of The English Sports Council National Lottery Distribution's affairs as at 31 March 2020 and of its comprehensive net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

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 of 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 Sports Council National Lottery Distribution Fund in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- The English Sports Council National Lottery Distribution Fund's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the English Sports Council National Lottery Distribution Fund have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the English Sports Council National Lottery Distribution's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Council and Chief Executive for the financial statements

As explained more fully in the Statement of the Council's and Chief Executive's Responsibilities, the Council and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993.

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 Sports Council National Lottery Distribution Fund'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.
- Conclude on the appropriateness of the English Sports Council National Lottery Distribution Fund'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 Sports Council National Lottery Distribution Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 report. However, future events or conditions may cause English Sports Council National Lottery Distribution Fund's to cease to continue as a going concern.

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 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

The Council and Chief Executive are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, 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 fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993;
- in the light of the knowledge and understanding of The English Sports Council National Lottery Distribution Fund and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in Performance Report and Accountability 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 which I report to you if, in my opinion:

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

- 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 and the parts of the Accountability Report to be audited 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; or the Governance Statement does not reflect compliance with HM Treasury's guidance.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

16 December 2020

Statement of comprehensive net income for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Income			
National Lottery share of proceeds	2	220,235	198,402
National Lottery investment returns	2	1,065	1,017
Grant recoveries		96	615
Interest receivable		11	7
Other income	3	896	1,124
Total		222,303	201,165
Expenditure			
Grants made	4	115,752	175,773
Grant de-commitments	4	(2,135)	(2,788)
Non-cash grants	5	2,435	2,503
Staff costs	6	11,179	10,587
Sport development costs	7	5,773	5,954
Operating costs	8	4,899	4,120
Total		137,903	196,149
Net interest on net defined benefit liability	15	595	732
Net income before taxation		83,805	4,284
Taxation	9	(2)	(1)
Net income for the year		83,803	4,283
Other comprehensive income			
Re-measurement of defined benefit liability	15	1,915	4,241
Total comprehensive net income for the year		85,718	8,524

All Income and Expenditure relates to continuing activities.

The notes on pages 108 to 124 form part of these accounts.

Statement of financial position as at 31 March 2020

	Note	2020 £'000	2019 £'000
Current assets			
National Lottery Distribution Fund	2	194,668	167,368
Trade and other receivables	10	1,172	441
Cash and cash equivalents		310	8
Total		196,150	167,817
Current liabilities			
Trade and other payables	12	(6,892)	(3,319)
Grants payable	13	(137,430)	(175,707)
Total		(144,322)	(179,026)
Total assets less current liabilities		51,828	(11,209)
Non-current liabilities			
Grants payable	13	(91,434)	(113,163)
Pension liabilities	15	(23,166)	(24,118)
Total		(114,600)	(137,281)
Net liabilities		(62,772)	(148,490)
Equity			
General reserve		(39,606)	(124,372)
Pension reserve		(23,166)	(24,118)
Total		(62,772)	(148,490)

The notes on pages 108 to 124 form part of these accounts

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

11 December 2020

Nick Bitel

Chair
The English Sports Council

11 December 2020

Statement of cash flows for the year 31 March 2020

	2020 £'000	2019 £'000
Net income before taxation	83,805	4,284
Decrease/(increase) in trade and other receivables	(731)	425
Increase/(decrease) in trade and other payables	3,573	(1,048)
(Decrease)/increase in grants payable	(60,006)	36,468
Corporation tax	(2)	(1)
Prior period restatement in ESDT	-	(105)
Transfer between reserves	963	904
Increase in NLDF	(27,300)	(41,419)
Net cash inflow/(outflow) from operating activities	302	(492)
Net increase/(decrease) in cash and cash equivalents	302	(492)
Cash and cash equivalents at 1 April	8	500
Cash and cash equivalents at 31 March	310	8

The notes on pages 108 to 124 form part of these accounts.

Statement of changes in equity for the year ended 31 March 2020

	Pension Reserve £'000	General Reserve £'000	Total £'000
Balance at 31 March 2018	(27,455)	(129,454)	(156,909)
Net income for the year	-	4,283	4,283
Re-measurement of defined benefit liability	4,241	-	4,241
Prior period restatement in ESDT	-	(105)	(105)
Transfer between reserves	(904)	904	-
Balance at 31 March 2019	(24,118)	(124,372)	(148,490)
Net income for the year	-	83,803	83,803
Re-measurement of defined benefit liability	1,915	-	1,915
Transfer between reserves	(963)	963	-
Balance at 31 March 2020	(23,166)	(39,606)	(62,772)

The notes on pages 108 to 124 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with the National Lottery etc. Act 1993 (as amended), the Lottery Accounts Direction issued thereunder by the Secretary of State for Digital, Culture, Media and Sport with the consent of HM Treasury and the 2018-19 Government Financial Reporting Manual (FRoM) issued by HM Treasury. A copy of the Lottery Accounts Direction can be obtained from Sport England at 21 Bloomsbury Street, London, WC1B 3HF. The accounting policies contained in the FRoM apply the requirements of the Companies Act 2006, and International Financial Reporting Standards (IFRS) as adopted by the European Union, and as adapted or interpreted for the public sector.

Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by the Sport England National Lottery Distribution Fund (Lottery) as set out and described below have been applied consistently to all periods presented in the accounts.

1.1 Accounting convention

The accounts have been prepared on a going concern basis under the historical cost convention modified by the revaluation of assets and liabilities to fair value and only reflects the activities associated with the Sport England Lottery.

Without limiting the information given, the accounts of the Sport England Lottery meet the requirements of the Companies Act 2006, the Accounting Standards issued or adopted by the International Accounting Standards Board, the HM Treasury guidance on the accounts of Non-Departmental Public Bodies as set out in the FRoM, and the National Lottery etc. Act 1993 (as amended) in so far as those requirements are appropriate to the Sport England Lottery.

In compliance with Section 35 of the National Lottery etc. Act 1993 (as amended), the accounts cover the year to 31 March 2020. Comparative figures are shown for the year ended 31 March 2019.

A separate set of accounts has been prepared for Sport England activities funded from Grant-

in-Aid, in accordance with the instructions issued by the Secretary of State for Digital, Culture, Media and Sport.

1.2 Going concern

Sport England continues to adopt the going concern concept in the preparation of the Sport England Lottery accounts.

Grant commitments for future years (note 13) have been entered into after consideration of the cash requirements of grant recipients (these can extend over a number of years) and after taking account of income projections informed by DCMS, Gambling Commission and Camelot. In taking this view of future income the Board assumes as a matter of public policy the continued operation of the Lottery.

There is expected to be no change to the continued provision of services by Sport England. Future financial provision has been made for Sport England's Lottery distribution activities through section 23 of the National Lottery etc. Act 1993.

1.3 National Lottery Distribution Fund

Funds with the National Lottery Distribution Fund (NLDF) are held through a combination of investments in government gilts and call notice deposits. The NLDF funds are classified by the NLDF as available for sale assets and are valued at market value. Gains or losses associated with the gilts held are accordingly accounted for in the NLDF accounts.

Sport England's share of proceeds is recognised on a receivable basis.

1.4 Income recognition

The recovery of grants is recognised as income on an accruals basis.

The conditions associated with grants permit the recovery and repayment of grants from the grant recipient. A recovery of an element or the entire grant paid can arise when the recipient of the grant fails to comply with the terms and conditions of the grant, or actual expenditure incurred by the recipient falls below the value of the grant that has been paid.

Government grants, including Lottery funding, in respect of capital and revenue expenditure are credited to the Statement of comprehensive net income in the year in which the entitlement to the monies arise in accordance with the application of IAS 20 recommended by the FRM.

All other income is accounted for on an accruals basis, net of VAT.

1.5 Grants

Grant awards are accounted for as expenditure in the Statement of comprehensive net income and, until paid, as liabilities in the Statement of financial position, if they meet the definition of liabilities in IAS 37 as a legal or constructive obligation.

Grant awards which do not meet the definition of liabilities are not included in expenditure in the Statement of comprehensive net income but are disclosed as contingent liabilities in note 14. These are amounts which the Board, or the relevant delegated authority, have agreed to consider at a future date subject to the required conditions being met.

1.6 Non-cash grants

Non-cash grants are services procured by Sport England from third parties for the benefit of other organisations (i.e. the service provider is only the deliverer and not the end recipient of the grants) and where:

- Sport England is not the beneficiary of the goods and/or services
- The substance of the procurement is directly in line with Sport England's strategic priorities
- The goods and/or services do not fall within any of Sport England's statutory planning or administration functions.

Non-cash grants are recognised in the Statement of comprehensive net income when the services contracted for are provided to the beneficiary of the non-cash grant.

1.7 Other expenditure

Staff costs are recognised as an expense at the time that the organisation is obligated to pay them and include the cost of any

recorded untaken leave at the end of the financial year.

Costs relating to Sports development and Operating costs are expensed in the year in which they are incurred.

Most Lottery expenditure on Staff, Sports development and Operating costs is initially funded by Exchequer. Sport England is required to apportion expenditure between its Exchequer and Lottery activities. Amounts used by Exchequer to initially fund Lottery activities are reimbursed throughout the year by Lottery and any outstanding balance at the year-end is reflected as a payable balance in the Lottery accounts with a corresponding receivable balance in the Exchequer accounts. The apportionment of expenditure is calculated using metrics derived from the organisation's annual business planning process, unless the costs are considered to be entirely Exchequer or Lottery related. The resulting cost allocations are subject to annual review by the Executive Team.

The current methodology calculates charges on a full cost recovery basis in accordance with HM Treasury's Managing Public Money.

1.8 Trade receivables

Trade receivables are recognised at fair value, less a provision for any specific impairment.

A provision for the impairment of trade receivables is established when there is objective evidence that Sport England will not be able to collect all amounts due in accordance with the original terms of the receivables.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with commercial banks.

1.10 Trade and other payables

Trade and other payables are recognised at fair value.

1.11 Taxation

VAT

Sport England Lottery is registered for VAT as part of Sport England's VAT registration,

however, does not undertake any business activities for VAT purposes. VAT is not recoverable on any of its operational expenditure.

Corporation Tax

Corporation tax is payable on bank interest received net of bank charges and other income derived from trading activities.

Investment income generated on balances held and invested by the NLDF on Sport England's behalf is not taxable.

1.12 Pensions

Defined contribution scheme

Payments are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit scheme

A defined benefit scheme is a post-employment benefit plan. Sport England's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The pension liabilities and assets of the defined benefit scheme are recorded in accordance with IAS 19 (2011) which measures the value of pension assets and liabilities at the Statement of financial position date, determines the benefits accrued in the year, and the interest on the scheme's assets and liabilities. This valuation is undertaken by an independent actuary.

The value of the benefits accrued during the year (current service costs), past service costs, curtailments and settlements are recognised in the Statement of comprehensive net income within staff costs.

The net interest expense on the net defined liability is shown in the Statement of comprehensive net income.

The scheme's administration expenses are shown in the Statement of comprehensive net income within operating costs. Re-measurement of the net defined benefit liability which comprises actuarial gains and losses and returns on plan assets (in excess

of interest), is recognised immediately in the Statement of financial position and in Other comprehensive income.

The resulting pension liability or asset is shown in the Statement of financial position and is apportioned between Exchequer and Lottery activities based on the combination of the historic rate of 40% Exchequer and 60% Lottery and the current year corporate average cost allocation as determined by the methodology in note 1.7.

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2020, the actuary has estimated CPI to be lower than RPI by 0.8%, compared to a difference of 1.0% applied at 31 March 2019. This change reflects the movement in market implied RPI inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated. This change in accounting estimate has driven an increase in the defined benefit obligation for Sport England Exchequer of £2,880k.

1.13 Use of estimates and judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from the estimates used.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to the pension scheme defined benefit plan assets and liabilities which determine the scheme's deficit position, and for the profiling of the future periods when grants payable fall due for payment.

1.14 Accounting standards that have been issued but not adopted

There are no accounting standards that have been issued that have not been applied to these accounts.

2 National Lottery Distribution Fund

	2020 £'000	2019 £'000
Balance at 1 April	167,368	125,949
Share of proceeds	220,235	198,402
Investment returns	1,065	1,017
Funds drawn down	(194,000)	(158,000)
National Lottery Distribution Fund	194,668	167,368

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport. However, the share of these balances attributable to Sport England is as shown in the accounts and, at the Statement of financial position date, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by Sport England in respect of current and future commitments.

Funds are drawn down from the NLDF in order for Sport England to meet payments due to award recipients and suppliers.

Capital sums are distributed in accordance with the provisions of the National Lottery etc. Act 1993 (as amended). Investment returns are apportioned on the basis of the percentage share of the NLDF at the time the interest is received.

3 Other income

	2020 £'000	2019 £'000
National Lottery Community Fund Award contribution ¹	369	218
External funding income	20	307
Active Lives survey recharges	413	434
Other recharges	94	165
Total	896	1,124

¹ Contribution to the Potentials and Opportunities Volunteering funds

4 Grants made

	2020 £'000	2019 £'000
Grants made in the year	115,752	175,773
Grant de-commitments	(2,135)	(2,788)
Net grants made	113,617	172,985
<hr/>		
Active Environments	12,241	7,799
Children and young people	27,388	30,921
Decreasing Inactivity	26,462	42,613
Increasing Activity	13,196	44,598
Leadership and Governance	1,488	3,864
Low Socioeconomic Groups	18,787	21,267
Talent	5,126	7,026
Volunteering	3,483	3,825
Women	4,388	8,901
Other	3,193	4,959
Decommitments	(2,135)	(2,788)
Total	113,617	172,985

The headings for 2019 have been changed to reflect the revision to nine strategic priorities. There is no change to the aggregate total of grants and the resource and capital split.

5 Non-cash grants

	2020 £'000	2019 £'000
Club Matters - guidance and support for running a club	763	1,096
Creative assets of the "This Girl Can" campaign	1,509	1,407
Other	163	-
Total	2,435	2,503

6 Staff costs

	2020 £'000	2019 £'000
<i>Permanent and fixed term staff</i>		
Wages and salaries	7,942	7,488
Social security costs	895	854
Pension costs	1,655	1,364
Total	10,492	9,706
Agency staff	687	881
Total staff costs	11,179	10,587

7 Sports development costs

	2020 £'000	2019 £'000
Grant programme support costs		
Local delivery	209	252
Inactivity	82	69
Children and young people	109	178
Mass markets	110	89
Facilities	601	557
Core market	164	207
Coaching/Workforce	171	187
Other	-	3
Total	1,446	1,542
Other sports development costs		
Legal	122	480
Measurement surveys	2,075	2,062
Research	302	283
Facilities expertise and support	321	328
Planning data and guidance	139	120
Communications	2	34
Other costs	301	170
Irrecoverable VAT	1,065	935
Total	4,327	4,412
Total	5,773	5,954

Sports development costs is expenditure which aims to promote the development of sport, thereby creating increased opportunities to take part in sport or physical activity for the local community.

8 Operating costs

	2020 £'000	2019 £'000
Auditor's remuneration ¹	52	50
Board expenses	1	4
Communications	153	109
Grant outsourcing costs	-	55
Internal audit and governance	38	26
Irrecoverable VAT	666	547
IT infrastructure and systems costs	1,056	842
Legal	61	197
Other costs	141	(100)
Other staff costs	211	264
Property operating leases ²	591	895
Other property costs	40	27
Staff training	229	152
Travel and subsistence	675	676
Asset hire ²	883	285
Strategy	6	2
Defined benefit scheme administration charge	96	89
Total	4,899	4,120

¹ No other payment was made to the auditors for non-audit work. The audit fees for the year were £52,000 (2019: £50,000).

² Included in 2020 is the impact of IFRS 16 Leases on the Lottery share of operating leases and the asset hire recharge from Sport England Grant-in-Aid (see page 80).

9 Taxation

	2020 £'000	2019 £'000
UK corporation tax at 19% (2019: 19%)	2	1

10 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	86	122
Accrued income	1,086	319
Total	1,172	441

11 Capital commitments

There are no capital commitments as at 31 March 2020 (2019: £nil).

12 Trade and other payables

	2020 £'000	2019 £'000
Sport England Grant-in-Aid	5,139	2,972
Trade payables	362	138
Corporation Tax	2	-
Accruals	1,389	209
Total	6,892	3,319

13 Grants payable

	2020 £'000	2019 £'000
Grants payable at 1 April	288,870	252,402
Grants paid during the year	(173,623)	(136,517)
Grant de-commitments	(2,135)	(2,788)
Grants made in the year	115,752	175,773
Grants payable at 31 March	228,864	288,870
Amounts due during 2020 Financial Year	-	175,707
Amounts due during 2021 Financial Year	137,430	97,911
Amounts due during 2022 Financial Year	56,948	15,067
Amounts due during 2023 Financial Year	24,354	185
Amounts due during 2024 Financial Year	9,624	-
Amounts due during 2025 Financial Year	508	-
Grants payable at 31 March	228,864	288,870

Grant commitments payable in more than one year amount to £91.4 million (2019: £113.2 million). The allocation of commitments over the financial years is based on management's latest assessment of the likely timing of cash payments. These assumptions are periodically reviewed and updated. The assumptions take into account that a number of these awards cover up to four years of revenue funding which is paid over the period of the award.

14 Contingent Liabilities

Grant commitments

Contingent liabilities amounting to £24.0 million (2019: £29.9 million) comprise of grant commitments where the conditions of the funding remain under the control of Sport England.

Pensions

Pension liabilities are disclosed in Note 15 of these financial statements and include an estimate of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £18k which is 3.5% of the projected service cost of £513k.

The Ministry of Housing, Communities and Local Government (MHCLG) has published its consultation on proposals following the McCloud case and there is likely to be a change to the pension liability following the completion of this. There is currently insufficient information available to base any calculations of the impact on, therefore a reliable estimate of the impact cannot be made, and the timing of the consultation means that any resulting changes will be reflected in the pension liability at 31 March 2021.

15 Pension liabilities

Sport England has a defined benefit scheme with the London Pension Fund Authority (LPFA) which was closed to new members on 30 September 2005. Sport England also operates a Group Personal Pension Plan (GPPP) defined contribution scheme which is available to employees who commenced service from 1 October 2005 onwards.

Defined benefit LPFA scheme

Sport England is one of a large number of employers whose staff participates in the scheme, however the information given in this note relates only to Sport England Lottery.

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit as advised by the scheme's actuaries based on triennial valuations, the most recent triennial valuation being 31 March 2019. Sport England will make additional voluntary contributions to the scheme where the funding is available to do so.

Under Sport England's management agreement with its sponsoring department DCMS all assets and liabilities on the defined benefit scheme will be passed to a successor body if Sport England were to be wound up. If there was no successor body, then the assets and liabilities would revert to DCMS.

The tables below show employee contribution rates and employer contributions for 2019 and 2020 and those that are expected to be made in 2021 for the Lottery portion of the scheme:

15 Pension liabilities (continued)

Employee contribution rates

2020 salary range	2020	2019 salary range	2019
Less than £14,400	5.5%	Less than £14,100	5.5%
£14,101-£22,500	5.8%	£14,101-£22,000	5.8%
£22,501- £36,500	6.5%	£22,001- £35,700	6.5%
£36,501- £46,200	6.8%	£35,701- £45,200	6.8%
£46,201- £64,600	8.5%	£45,201- £63,100	8.5%
£64,601- £91,500	9.9%	£63,101- £89,400	9.9%
£91,501- £107,700	10.5%	£89,401- £105,200	10.5%
£107,701- £161,500	11.4%	£105,201- £157,800	11.4%
Over £161,501	12.5%	Over £157,801	12.5%

Employer contributions to schemes

	2021	2020	2019
All figures in £'000s			
% Employer contributions	16.0%	16.1%	16.1%
Contributions to pension schemes			
Employer contributions	227	240	229
Required additional contributions	-	-	255
Total contributions to pension schemes	227	240	484

International Accounting Standard IAS 19 (2011) Employees Benefits requires the disclosure of additional information, in respect of the Sport England's superannuation scheme. The information has been provided by the LPFA's consulting actuaries Barnett Waddingham. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities. The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.12).

Employer membership statistics

	Number	Salaries/Pensions £'000	Average age
Actives	48	2,400	51
Deferred pensioners	454	1,846	52
Pensioners	427	3,413	71
Unfunded pensioners	129	438	74

Represents membership data as at 31 March 2019 receiving funded and unfunded benefits.

Financial assumptions (expressed as weighted average)

	2020 % per annum	2019 % per annum	2018 % per annum
Price increases - RPI	2.75%	3.4%	3.3%
Price increases - CPI	1.95%	2.4%	2.3%
Salary increase	2.95%	3.9%	3.8%
Pension increase	1.95%	2.4%	2.3%
Discount rate	2.35%	2.4%	2.6%

15 Pension liabilities (continued)

Life expectancy assumptions from age 65

		2020 Years	2019 Years
Retiring today	Male	22.3	21.2
	Female	24.5	23.6
Retiring in 20 years	Male	23.7	23.0
	Female	26.0	25.3

The following information relates to the Lottery portion of the scheme only:

Statement of financial position disclosure

	2020 £'000	2019 £'000	2018 £'000
Present value of funded liabilities	(80,961)	(86,262)	(85,015)
Fair value of employer assets	62,134	66,960	62,461
Present value of unfunded liabilities	(4,339)	(4,816)	(4,901)
Net liability in the Statement of financial position	(23,166)	(24,118)	(27,455)
<hr/>			
Liabilities	(85,300)	(91,078)	(89,916)
Assets	62,134	66,960	62,461
Net liability in the Statement of financial position	(23,166)	(24,118)	(27,455)

65% of the London Pension Fund Authority's assets have quoted prices in active markets, but there are 35% of unquoted property, credit, infrastructure and private equity assets, with Sport England's Lottery share of these amounting to an estimated £21.7m. The private equity, credit and infrastructure assets involve a degree of estimation in their valuation and due to the unprecedented impact of Covid-19 on the market and wider economy, there are inherent risks in the valuation techniques that mean there is a material uncertainty attached to the valuation of these assets. In addition, the property assets held by the fund are subject to valuation by external valuers, and due to the unprecedented impact of COVID-19 on the market and wider economy, the valuers have advised the pension fund that these assets are subject to material valuation uncertainty at 31 March 2020. Consequently, a higher degree of caution should be attached to the valuation of those assets within the overall scheme and, in turn, the proportionate value of those assets in Sport England's Lottery accounts, than would normally be the case.

The major categories of plan assets as a percentage of total plan assets

	2020		2019	
	£'000	%	£'000	%
Equities	33,534	54	36,429	54
Target return portfolio	16,009	26	17,857	26
Infrastructure	4,527	7	4,034	7
Property	6,168	10	6,296	10
Cash	1,896	3	2,344	3
Total	62,134	100	66,960	100

15 Pension liabilities (continued)

Amounts recognised in the Statement of comprehensive net income

	2020 £'000	2019 £'000
Service cost	763	567
Net interest on the net defined benefit liability	595	732
Administration expenses	96	89
Total	1,454	1,388

Re-measurements in Other comprehensive income

	2020 £'000	2019 £'000
Return on plan assets in excess of interest	(1,828)	4,959
Other actuarial losses	(2,444)	-
Change in demographic assumptions	(770)	3,807
Change in financial assumptions	6,492	(4,525)
Experience gain	465	-
Total Re-measurement credit	1,915	4,241

Changes in the present value of the defined benefit obligation

	2020 £'000	2019 £'000
Opening defined benefit obligation	91,078	89,916
Service cost ¹	544	567
Interest cost	2,156	2,307
Change in demographic assumptions	770	(3,807)
Change in financial assumptions	(6,492)	4,525
Contributions by members	120	126
Curtailments	219	-
Estimated unfunded benefits paid	(260)	(254)
Experience gains	(465)	-
Estimated benefits paid	(2,370)	(2,302)
Closing defined benefit obligation	85,300	91,078

Changes in the fair value of the plan assets

	2020 £'000	2019 £'000
Opening fair value of employer assets	66,960	62,461
Interest on assets	1,561	1,575
Return on assets less interest	(1,828)	4,959
Administration expenses	(96)	(89)
Contributions by members	120	126
Contributions by employer	491	484
Actuarial gains	(2,444)	-
Estimated benefits paid	(2,630)	(2,556)
Closing fair value of employer assets	62,134	66,960

15 Pension liabilities (continued)

Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	83,810	85,300	86,818
Projected service cost	500	513	525
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	85,381	85,300	85,219
Projected service cost	513	513	513
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	86,741	85,300	83,884
Projected service cost	525	513	501
Adjustment to life expectancy assumption	+1 year	None	-1 year
Present value of total obligation	88,154	85,300	82,538
Projected service cost	530	513	496

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2020 were £495,29 (2019: £593,633). There were no amounts outstanding or pre-paid at 31 March 2020 (2019: £nil).

Contribution rates ¹	
Employee	Employer
3%	3% ²
4%	5%
5%	8%
6.5%	11%

¹Contribution rates apply to all salary levels

²Relates to auto enrolment

16 Related party transactions

Sport England is a non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party and during the year Sport England had material transactions with DCMS.

Sport England has two subsidiaries that are also regarded as related parties. There were material transactions with The Sports Council Trust Company during the year as well as with English Sports Development Trust Limited.

Sport England has a conflict of interest policy and Board Members, Executive Directors and staff maintain publicly available registers of interests and declare any direct interests in grant applications made to Sport England and any direct commercial relationships.

If any member has an interest in a grant application, they exclude themselves from the relevant grant appraisal, discussions and decision-making processes.

The following table details where Board and Committee Members, Executive Directors and principal decision makers declared a current or past interest relating to Sport England's Exchequer funding.

The related party transactions are in relation to:

- Awards made during the year ended 31 March 2020. Decommittments are shown in brackets.
- Awards unpaid at 31 March 2020.
- Supplier transactions during the year ended 31 March 2020.
- Unpaid supplier transactions at 31 March 2020.

In a number of cases there may be relationships not disclosed in the tables below as a result of no awards being made to the third party, or supplier transactions with the third party, during the year.

16 Related party transactions (continued)

Relationship	Awards made in 2019-20	Awards unpaid at 31 March 2020	Supplier transactions in 2019-20	Unpaid Supplier transactions at 31 March 2020
	£	£	£	£
The Sports Council Trust Company				
Payable by Sport England	-	-	833,513	8,655
Department for Digital, Culture, Media and Sport				
Payable by Sport England	-	-	-	-
English Sports Development Trust Limited				
Payable by Sport England	3,305,251	2,787,740	-	-
Nick Bitel				
Consultant to advisors of Rugby Football Union	2,930,900	2,079,500	-	-
Member, English Sports Development Trust	3,305,251	2,787,740	-	-
Partner: Member Lawn Tennis Association	1,222,450	1,942,849	-	-
Partner: Member British Triathlon Federation	1,065,273	1,454,334	-	-
Board Member: UK Sport	-	-	2,736	-
Patron: Sporting Foundation	16,586	7,500	-	-
Professor Ian Cumming OBE				
Member, Amateur Swimming Association	2,135,667	2,070,00	-	-
Chris Grant				
Consultant, UK Sport	-	-	2,736	-
Karen Pickering MBE				
Member, Amateur Swimming Association	2,135,667	2,070,00	-	-
Imm. Family: Member, Amateur Swimming Association				
Debbie Jevans CBE				
Member, National Trust	312,896	1,061,282	-	-
Andy Long				
Partner: Member, National Trust	312,896	1,061,282	-	-
Imm. Family: Member, Amateur Swimming Association	2,135,667	2,070,000	-	-
Imm. Family: Member, England Netball	-	97,112	-	-
Imm. Family: Member, British Rowing	329,610	2,220,327	-	-
Rashmi Becker				
Member: Get Yourself Active	216,584	-	-	-
Member: One Dance UK	124,301	119,957	-	-
Associate Member: Activity Alliance	393,683	1,416,501	25,269	-
Other: Westminster City Council	9,187	15,000	-	-
Tove Okunniwa				
Chief Executive Officer, London Sport Limited	3,367,344	2,708,448	-	-
Board Member, British Cycling Federation	4,375,600	4,127,000	-	-

16 Related party transactions (continued)

Relationship	Awards made in 2019-20	Awards unpaid at 31 March 2020	Supplier transactions in 2019-20	Unpaid Supplier transactions at 31 March 2020
	£	£	£	£
David Mahoney Director, England and Wales Cricket Board	620,000	3,256,640	-	-
Eilish Jamieson Member, National Trust Partner, Member, National Trust	312,896	1,061,282	-	-
Tim Hollingsworth OBE Board Member, Football Foundation	-	58,100	9,840	-
Imm. Family: Member, British Rowing	329,610	12,665	-	-
Member: University of Bath	-	1,700	-	-
Lisa O'Keefe Board Member, English Sports Development Trust	3,305,251	2,787,740	-	-
Member, British Mountaineering Council	334,450	30,000	-	-
Member, British Cycling Federation	4,375,600	2,000	-	-
Alison Selfe Imm. Family: Member, British Cycling Federation	4,375,600	2,000	-	-
Partner: Employment, London Borough of Havering	62,200	2,958,330	5,200	-
Al Strang Member, Lawn Tennis Association	1,222,450	12,316	-	-
Kevin Mills Partner: Employment: Bexley London Borough	62,030	-	-	-
Member, Royal Yachting Association	899,726	150,000	-	-
Ali Donnelly Member, Rugby Football Union	2,930,900	55,782	-	-

17 Derivatives and other financial instruments

Sport England Lottery relies on its share of proceeds from the National Lottery, with some partnership funding to finance its operations. Items such as trade receivables and trade payables arise from its operations. Sport England does not enter into derivative transactions.

Sport England Lottery undertakes all transactions in Pound Sterling and therefore has no currency exchange risk. Sport England does not enter into any forward foreign currency contracts or similar financial instruments.

Sport England Lottery does not borrow money and therefore has no exposure to interest rate or liquidity risk in this regard.

Cash balances are held in a commercial bank account and attract market rates of interest.

Liquidity risks

The bulk of the financial assets of Sport England Lottery are held by the NLDF.

The Board recognises that their grant commitments and other payables exceed the value of funds in the NLDF. However, the Board considers that Sport England is not exposed to significant liquidity risks as they are satisfied that Sport England will have sufficient liquid resource to cover all likely grant payments and other liabilities in the coming year.

If there was a long-term decline in Lottery income the Board would adjust its annual grant budgets to compensate for the decline.

18 Events after the reporting period

There were no 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.

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