

The English Institute of Sport Limited

**Annual Report and Financial Statements
For the year ended 31st March 2015**

The English Institute of Sport Limited

**Annual Report and Financial Statements
For the year ended 31st March 2015**

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

Ordered by the House of Commons to be printed 13th July 2015

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The English Institute of Sport Limited

Financial Statements

Year Ended 31 March 2015

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The English Institute of Sport Limited
Company Registration Number 04420052

Officers and Professional Advisers

The Board of Directors	J Steele - Chair N Walker – National Director V Aggar (appointed 7 October 2014) M Brown R Carr (appointed 23 March 2015) Professor J Doust JC Hunter (appointed 7 October 2014) H Martin ACA K D Pickering S Springman (resigned 16 September 2014) S Timson I C Watmore
Company Secretary	J Quick
Registered Office	Sportcity, Gate 13 Rowsley Street Manchester M11 3FF
Auditor	Comptroller and Auditor General National Audit Office 157 – 197 Buckingham Palace Road Victoria London SW1W 9SP

The English Institute of Sport Limited

Strategic Report

Year Ended 31 March 2015

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

The strategic focus for the year has been on continuing to implement the key elements of the 2013-17 Business Plan. The main areas of focus have been:

- Working with NGBs to put in place a performance impacting support structure.
- Integration of the Performance Solutions team, both externally with the NGBs' performance teams and internally with technical leads.
- Implementing technical development plans around investment in studentships.
- Investing in and developing a Performance Data Management System.

Further work has been done to enhance the Strategic Plan for the Rio cycle utilising the VMOST methodology (Vision, Mission, Objectives, Strategies and Tactics). This has enabled the Senior Management Team ("SMT") to identify key enabling actions for each year of the current cycle. The SMT tracks progress against these objectives on a monthly basis using a traffic light monitoring system. At Board level the directors monitor progress against the Business and Strategic Plans through review of performance reports and Key Performance Indicators (KPIs).

Significant work has also been carried out at SMT and Board level on the Tokyo Strategic Plan. This has been carried out in conjunction with UK Sport to ensure strategic alignment.

There are a number of risks that are actively being managed, with the main ones being:

- Risks around staff retention and the loss of talent due to restrictions on pay increases.
- Challenges associated with budget management - although funding has been agreed by UK Sport until March 2017 there is budgetary pressure due to a number of unforeseen factors and this continues to be carefully managed.
- Risks around future funding that are being addressed through the Tokyo Strategic Plan.
- New risks around the changing environment that we operate in, for example technological risks, such as the use of drones; and risks to staff safety, such as travel to countries at risk of terrorist activity.

Going forward, the emphasis over the next twelve months will be two-fold:

- Focused preparation for the Rio Games.
- Developing the longer term strategy for the next six years towards Tokyo 2020.

Signed by order of the directors

J Steele, Chairman

Approved by the directors on 22nd June 2015

The English Institute of Sport Limited

Directors' Report

Year Ended 31 March 2015

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2015.

Principal Activities and Business Review

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

EIS continues to receive core funding from UKS to support its infrastructure, with direct costs of service provision funded by charging the National Governing Bodies (NGBs) for agreed services. NGB income has been slightly higher than anticipated this year due to additional investment from a number of sports.

As mentioned in the strategic report, the main focus during the year has been on implementing the proposals set out in the 2013-17 Business Plan as well as certain other priorities identified since the Business Plan was prepared, specifically:

- Completing the recruitment of the Performance Solutions team. There have been some resignations within the team, including the Director of Performance Solutions, however all key posts have now been recruited and the new Director took up post in January this year.
- Through the performance leads, working in partnership with NGBs to identify 'what it takes to win' and establishing the support structure needed to achieve this.
- Implementing a strategy to better integrate the performance leads and research & innovation (R&I) teams with the technical leadership and practitioner teams.
- Implementing the second phase of the Performance Data Management System project, with the most notable element this year being the development of a new athlete medical records system to replace Injury Zone.
- Continuing to develop the range and depth of practitioner development programmes, with the completion of the first RP5 programme aimed at practitioners in the early phases of their careers. The second round of RP5 has begun and this complements the programmes run for undergraduates and more experienced practitioners.
- Implementation of the plans to invest in PhD and MSc studentships across all disciplines. The objectives of this are two-fold: to carry out performance impacting research and to identify and develop practitioners of the future.
- Focusing on R&I projects across priority Olympic and Paralympic sports that will have impact in Rio, and also longer term projects with potential Tokyo impact.
- Establishment of a mental health service for those athletes and support staff working in the World Class Programme. Uptake of this has been steady and is expected to increase in 2015/16 as more awareness is raised of the service. In addition, EIS practitioners have received training in identifying where an individual may have a mental health issue. All referrals are made via an EIS doctor.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2015

Principal Activities and Business Review, contd

- Implementing a new HR database, including the development of an on-line staff appraisal system.
- Recruiting a new in-house legal adviser to support the work of the R&I team and the wider organisation
- Tendering for a new IT infrastructure provider. Following an EU procurement process, the incumbent provider, BT IT Services, successfully won the contract. Once implemented, the new infrastructure will lead to ongoing revenue cost savings.
- Establishing a Remuneration Committee, chaired by John Steele and consisting of non-executive Board members, to oversee all significant decisions relating to pay and benefits.

As mentioned in the strategic report a significant amount of work has also been carried out on the strategy for the Tokyo cycle. The SMT has held a number of meetings across the year to look at the key elements of the strategy, including a joint meeting with the UK Sport Performance SMT, with further meetings planned during 2015, to ensure the two strategies are aligned. The Board held a horizon scanning session which dovetailed with the work of the SMT. The strategy is expected to be finalised and a business case submitted to UK Sport by Autumn 2015.

Also of significance during the year, EIS took part in the Sunday Times Top 100 Companies Survey in the 'not for profit' category and achieved 43rd position out of over 700 entrants. Of particular note was that EIS came top out of all the companies surveyed for 'people development'.

Communications have continued to be a high priority throughout the year. Staff have been kept informed and updated via a variety of communication methods, including the annual national conference, all staff teleconferences held quarterly, weekly update messages and one to one and group discussions at EIS sites. NGBs have been consulted and kept informed through one to one dialogue and meetings, as well as via the Performance Directors' Forum Group, and their views sought through the NGB survey conducted in the Autumn. In addition, a new technical update is sent to NGBs three times a year.

The results of the triennial valuation of the London Pension Fund Authority ("LPFA") pension scheme showed that the EIS fund was in a net surplus position as at 31 March 2013 of £2,583,000 (assets: £17,380,000, liabilities: £14,797,000). The EIS fund no longer has a guarantor in place therefore UKS issued a letter of confirmation of funding to LPFA to cover the three year period to 31 March 2017. In the longer term EIS will need either a guarantor or further funding confirmation letters. The employer's contribution rate increased from 9.1% to 12% on 1st April 2014.

Governance

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

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2015

Governance, contd

A significant number of governance changes were implemented in 2013/14 therefore the focus in 2014/15 has been on consolidating these changes and ensuring the governance framework in place is as effective as possible. There have been some governance related changes during the year, as follows:

- Following a review of the Board skills matrix it was identified that the Board would benefit from greater experience in issues associated with Paralympic sports/athletes, and risk management. As a result of this Vikki Aggar, a former Paralympic athlete, and Craig Hunter, a consultant in risk management and governance, were appointed to the Board. Craig Hunter also provides a link to the Group Audit Committee where he is an independent member.
- Sarah Springman resigned as UK Sport's representative on the EIS Board and Rod Carr, Chair of the UK Sport Board, was appointed in her place.
- A review was carried out of the role of the Technical Advisory Group (TAG). It was concluded that TAG should continue in line with its original remit, particularly around quality assurance and ethics. In addition it has been agreed that a panel of renowned experts in high performance sport will be convened once or twice yearly to consider big picture developments that could influence the future direction of the organisation in terms of science and innovation.

In addition, EIS continued to take part in the UK Sport internal audit programme, with the focus this year being on information security and site management. A number of recommendations are being actioned following these audits.

A review of the English Institute of Sport's governance is included in the UK Sport Governance Statement.

Future Developments

The planned activities and budget for 2015-16 are based on the continued implementation of the proposals in the four year business plan, with particular focus on preparation for Rio. As identified in last year's report, the budget remains tight due to a number of factors that were unforeseen when the original business plan was submitted. Objectives have been set for the year ahead and have been communicated to all staff. Progress against these will be closely monitored by the SMT.

Work will continue on developing the Tokyo strategy, with plans for two more joint meetings with the UKS Performance SMT. The final version of the proposed strategy will be discussed at the June Board meeting, with a view to preparing the detailed business case ready for submission to UK Sport in October 2015.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2015

Going Concern

The accounts have been prepared on a going concern basis. The directors have reviewed this position and are satisfied that the company is operating as a going concern, despite ongoing budgetary pressures. Detailed budgets have been prepared for the remaining two years of the funding cycle, resulting in a break even position by the end of the cycle. UK Sport has confirmed funding to 31 March 2017.

Service level agreements are in place with 44 Olympic, Paralympic and English funded sports, the majority of which are committed until March 2017. In addition to this EIS continues to work with a number of professional sports.

Disabled Persons

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

Results

The deficit for the year, after taxation, amounted to £548,786 (*2014: deficit £208,345*). The deficit is mainly caused by a charge to pension contributions as a result of the actuarial valuation of the pension scheme.

In addition to the above, for the year ended 31 March 2015 there was an actuarial loss in respect of the defined benefit pension scheme of £8,722,000 (*2014: loss £4,262,000*) which is shown in the Statement of Total Recognised Gains and Losses.

The balance sheet showed net liabilities as at 31 March 2015 of £14,149,640 (*2014: net liabilities of £4,878,854*). This was caused mainly by the net liability position arising in the actuarial valuation of the pension scheme. The pension scheme valuation for FRS17 purposes differs from the triennial valuation as a result of a different set of actuarial assumptions being used.

Financial Risk Management Objectives and Policies

With approximately 29% of our funding secured through service level agreements with NGBs it is key that we meet the performance objectives set out in these agreements in order to retain this funding. To that end each of our sports has a dedicated point of contact who closely monitors both the quantity and quality of service provision provided, liaising regularly with the sport in the process. This process is supplemented by an annual Customer Satisfaction Survey; providing all of our customers with the opportunity to feedback on their service provision at a national level.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2015

Financial Risk Management Objectives and Policies *(continued)*

KPIs are in place to ensure we meet the requirements of our key funder, UKS. The majority of KPIs being reported against are on target, and corrective action is being taken for those that are not.

Regular meetings have been held throughout 2015-16 with UKS to review performance. In addition, finance reports are reviewed by UKS quarterly, and governance/risk issues are addressed via the Group Audit Committee. Specific areas of risk are addressed through the internal audit programme.

The Group Audit Committee, made up of non-executive directors of UK Sport and independent members, meets 3-4 times per year to assist with the governance of the organisation. An EIS Risk Management Strategy is in place which covers all areas of risk, financial or otherwise, and the EIS Risk Register is reviewed and updated by the SMT and Board on at least a quarterly basis.

Directors

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

Name	Position	Salary (£000)	Expenses (£000)	
J Steele	Chairman	5-10	-	
N Walker	National Director	130-135	-	
V Aggar	Director	-	-	Appointed 7 October 2014
M Brown	Director	-	1	
R Carr	Director	-	-	Appointed 23 March 2015
Professor J Doust	Director	-	1	
JC Hunter	Director	-	1	Appointed 7 October 2014
H Martin ACA	Director	85-90	-	
KD Pickering	Director	-	-	
S Springman	Director	-	-	Resigned 16 September 2014
S Timson	Director	-	-	
IC Watmore	Director	-	1	

The directors have indemnity insurance.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2015

Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office;
Sportcity, Gate 13
Rowsley Street
Manchester
M11 3FF

Signed by order of the directors

J Steele
Chairman

Approved by the directors on 22nd June 2015

The English Institute of Sport Limited

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

Year Ended 31 March 2015

I certify that I have audited the financial statements of the English Institute of Sport Limited for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the directors and the auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

The English Institute of Sport Limited

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion, the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters 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 are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date 25th June 2015

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

The English Institute of Sport Limited

Income and Expenditure Account

Year ended 31 March 2015

	Notes	2015 £000	2014 £000
Income	2	23,639	20,106
Operating and administrative expenses		<u>(24,361)</u>	<u>(20,477)</u>
Operating deficit before interest and taxation	3	(722)	(371)
Interest receivable and similar income	6	178	165
Interest payable	7	(4)	(2)
Deficit on ordinary activities before taxation		<u>(548)</u>	<u>(208)</u>
Tax on ordinary activities	8	(1)	(-)
Deficit for the financial year		<u>(549)</u>	<u>(208)</u>

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

For a detailed breakdown of Operating and administrative expenses please refer to pages 33 – 34.

The English Institute of Sport Limited

Statement of Total Recognised Gains and Losses

Year ended 31 March 2015

	2015	2014
	£000	£000
Deficit for the financial year attributable to the members	(549)	(208)
Actuarial loss in respect of defined benefit pension scheme (see note 16)	(8,722)	(4,262)
	<hr/>	<hr/>
Total losses recognised since the last annual report	(9,271)	(4,470)
	<hr/> <hr/>	<hr/> <hr/>

The English Institute of Sport Limited

Balance Sheet

31 March 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	1,793	2,174
Intangible assets	10	825	587
		<u>2,618</u>	<u>2,761</u>
Current assets			
Debtors	11	1,198	1,038
Cash at bank		916	1,749
		<u>2,114</u>	<u>2,787</u>
Creditors: Amounts Falling due Within One Year	12	<u>(2,135)</u>	<u>(2,841)</u>
Net current assets		<u>(21)</u>	<u>(54)</u>
Total assets less current liabilities		2,597	2,707
Creditors: Amounts Falling due After More Than One Year	13	(18)	(38)
Deferred income	14	(2,632)	(2,720)
Net liabilities excluding pension liability		<u>(53)</u>	<u>(51)</u>
Defined benefit pension scheme liability	16	(14,097)	(4,828)
Net liabilities including pension liability		<u>(14,150)</u>	<u>(4,879)</u>
Reserves			
Income and expenditure account	20	<u>(14,150)</u>	<u>(4,879)</u>

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

These financial statements were approved by the directors and authorised for issue on 22nd June 2015 and are signed on their behalf by:

Helen Martin
 Director
 Company number: 04420052

The English Institute of Sport Limited

Cash Flow Statement
Year Ended 31 March 2015

	Note	2015 £000	2014 £000
Net cash inflow from operating Activities	21	149	2,124
Returns on investments and servicing of finance	21	(1)	(1)
Taxation	21	-	-
Capital expenditure and financial Investment	21	(961)	(1,236)
Cash inflow before financing		(813)	887
Financing	21	(20)	58
(Decrease)/Increase in cash	21	(833)	945

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

1 Accounting policies

Basis of Accounting

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

Grant Income

The income shown in the income and expenditure account represents amounts received from UK Sport during the year less amounts credited to a deferred income account. Grant income received during the financial year but not used is deferred until the following year. Grant funding used to acquire fixed assets is credited to this account and then released over the life of the assets (see note 14).

Fixed Assets

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

Depreciation

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

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

Intangible Assets

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

Amortisation

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

Software & Licences	- 5 years
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The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

1 Accounting Policies *(continued)*

Finance Lease Agreements

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

Operating Lease Agreements

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

Pension Costs and Other Post-Retirement Benefits

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

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

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

Taxation

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

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

2 Income

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

An analysis of income is given below:

	2015	2014
	£000	£000
UK Sport grant	16,052	13,252
Sport England grant	387	538
Income from sale of services	6,898	6,281
Sponsorship income	13	9
Other income	181	82
Grant released to the income & expenditure account in respect of depreciation	744	912
Transfer of fixed asset additions to deferred income	(630)	(1,017)
Grant income released from prior year	-	49
Unused grant released carried forward	(6)	-
	<u>23,639</u>	<u>20,106</u>

3 Operating deficit

	2015	2014
	£000	£000
Operating deficit is stated after charging:		
Depreciation of owned fixed assets	845	897
Depreciation of assets held under finance lease agreements	20	12
Amortisation of intangible fixed assets	230	176
Loss/(profit) on disposal of fixed assets	10	(3)
Auditor's remuneration		
- as auditor	14	14
Operating lease costs:		
- plant and equipment	15	16
- other	1,425	1,404
	<u>1,425</u>	<u>1,404</u>

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

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

4 Particulars of Employees

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

	2015	2014
Management	4	7
Administration	20	17
Operations	280	242
	<u>304</u>	<u>266</u>

The aggregate payroll costs of the above were:

	2015	2014
	£000	£000
Wages and salaries	11,360	9,760
Social security costs	939	834
Other pension costs	2,039	1,155
	<u>14,338</u>	<u>11,749</u>

5 Directors' Emoluments

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

	2015	2014
	£000	£000
Emoluments receivable	229	214
Value of company pension contributions to defined benefit schemes	27	17
	<u>256</u>	<u>231</u>

Of the total amount above, the emoluments attributable to the highest paid director are £131,700 (2014: £130,544) and the pension contributions attributable to the highest paid director are £15,804 (2014: £11,166).

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

	2015	2014
Defined benefit schemes	<u>3</u>	<u>3</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

6 Interest Income and Similar income

	2015	2014
	£000	£000
Bank interest receivable	3	2
Other finance income in respect of defined benefit pension schemes	175	163
	<u>178</u>	<u>165</u>

7 Interest payable

	2015	2014
	£000	£000
Interest payable on finance leases	4	2
	<u>4</u>	<u>2</u>

8 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2015	2014
	£000	£000
Current tax:		
UK Corporation tax based on the results for the Year at 20% (2014: 20%)	<u>1</u>	<u>-</u>
Total current tax	<u>1</u>	<u>-</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

9 Tangible Fixed Assets

	Leasehold Improvements £000	Fixtures & Fittings £000	Assets held under finance leases £000	Computer Equipment £000	Total £000
Cost					
At 1 April 2014	381	5,415	70	2,135	8,001
Additions	24	388	-	82	494
Disposals	(25)	(179)	-	(114)	(318)
At 31 March 2015	<u>380</u>	<u>5,624</u>	<u>70</u>	<u>2,103</u>	<u>8,177</u>
Depreciation					
At 1 April 2014	318	3,951	12	1,546	5,827
Charge for the year	32	469	20	344	865
On disposals	(25)	(175)	-	(108)	(308)
At 31 March 2015	<u>325</u>	<u>4,246</u>	<u>31</u>	<u>1,782</u>	<u>6,384</u>
Net book value					
At 31 March 2015	<u>55</u>	<u>1,378</u>	<u>39</u>	<u>321</u>	<u>1,793</u>
At 31 March 2014	<u>63</u>	<u>1,464</u>	<u>58</u>	<u>589</u>	<u>2,174</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

10 Intangible Assets

	Software & Licences £000
Cost	
At 1 April 2014	1,197
Additions	470
Disposals	(16)
At 31 March 2015	<u>1,651</u>
Amortisation	
At 1 April 2014	610
Amortisation for the year	230
On disposals	(14)
At 31 March 2015	<u>826</u>
Net book value	
At 31 March 2015	<u>825</u>
At 31 March 2014	<u>587</u>

11 Debtors

	2015 £000	2014 £000
Trade Debtors	556	392
Amounts owed by group undertakings	-	1
Other debtors	16	17
Prepayments and accrued income	626	628
	<u>1,198</u>	<u>1,038</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

12 Creditors: Amounts Falling due Within One Year

	2015	2014
	£000	£000
Trade creditors	800	1,608
Amounts owed to group undertakings	41	20
Other creditors including taxation and social security:		
Corporation tax	1	-
Other taxation and social security	655	475
Finance lease agreements	20	20
Other creditors	12	33
Accruals	606	685
	<u>2,135</u>	<u>2,841</u>

£91,860 (2014: £65,442) of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

13 Creditors: Amounts Falling After More Than One Year

	2015	2014
	£000	£000
Finance lease agreements	18	38
	<u>18</u>	<u>38</u>

14 Deferred income

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

	2015	2014
	£000	£000
Balance brought forward	2,720	2,676
Income received in advance deferred to future periods	52	18
Release of income deferred from prior periods	(17)	(70)
Income deferred in relation to fixed assets acquired less disposals during the year	630	1,017
Amortisation of income in relation to fixed assets	(753)	(921)
	<u>2,632</u>	<u>2,720</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

15 Commitments under Finance Lease Agreements

Future commitments under finance lease agreements are as follows:

	2015	2014
	£000	£000
Amounts payable within 1 year	20	20
Amounts payable between 2 to 5 years	18	38
	38	58

16 Pension Commitments

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

The pension scheme is of the defined benefit type and it is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £1,316,762 (2014: £796,599).

Following advice of the consulting actuaries to the LPFA, as at 31 March 2011 the English Institute of Sport Limited's employer contributions (as a percentage of pensionable salary) were reduced from 12.5% to 9.1%.

A Triennial Actuarial Valuation was carried out as at 31 March 2013 for funding purposes. As a result of this, employer contributions increased to 12% from 1 April 2014.

A valuation for FRS17 purposes was carried out as at 31 March 2015 by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:

Financial assumptions:	2015	2014
	%	%
Rate of increase in salaries	3.0	3.0
Rate of increase in pensions in payment	2.6	2.9
Discount rate	3.5	4.6
Inflation assumption	3.4	3.7

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16 Pension Commitments *(continued)*

Average future life expectancies at age 65:	Males	Females
Current pensioners	22.7 years	25.4 years
Future pensioners	25.4 years	27.7 years

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

	2015		2014
	Value	Long term rate of return expected	Value
	£000	%	£000
Equities	9,981	6.9	10,345
Target Return Portfolio	6,650	6.3	5,856
Cash	2,641	3.4	586
Infrastructure	1,140	6.5	781
Commodities	214	6.3	195
Property	652	5.7	586
LDI/Cashflow matching	1,727	3.6	1,170
	<u>23,005</u>		19,519
Total market value of assets			
Present value of scheme liabilities	(37,102)		(24,347)
Net pension liability	<u>(14,097)</u>		<u>(4,828)</u>

For accounting years beginning on or after 1st January 2015, the expected return and the interest cost is replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate.

Therefore there is no requirement to disclose an expected return assumption for the year to 31st March 2016.

For the year to 31st March 2015, the expected return was 6.4%.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16 Pension Commitments *(continued)*

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

	31 March 2015		31 March 2014	
	% of pay	£000	% of pay	£000
Current service cost	17.7	2,016	11.7	1,141
Interest cost	10.0	1,139	8.7	849
Expected return on Employers Assets	(11.6)	(1,314)	(10.4)	(1,012)
Total	16.2	1,841	10.0	978
Actual Return on Scheme Assets		<u>1,354</u>		<u>621</u>

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

	31 March 2015 £000	31 March 2014 £000
Actual return less expected return on pension scheme assets	40	(391)
Experience gains and losses	-	(1,177)
Changes in assumptions underlying the present value of the scheme liabilities	(8,762)	(2,694)
Actuarial losses recognised in STRGL	<u>(8,722)</u>	<u>(4,262)</u>
Cumulative Actuarial losses	<u>(17,527)</u>	<u>(8,805)</u>

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

	31 March 2015 £000	31 March 2014 £000
Opening defined benefit obligation	<u>24,347</u>	<u>17,765</u>
Current Service cost	2,016	1,141
Interest cost	1,139	849
Contributions by Members	832	600
Actuarial loss/(gain)	8,762	3,999
Estimate benefits paid (net of transfers in)	6	(7)
Closing defined benefit obligation	<u>37,102</u>	<u>24,347</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16 Pension Commitments *(continued)*

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

	31 March 2015	31 March 2014
	£000	£000
Opening fair value of employers assets	19,519	17,394
Expected return on assets	1,314	1,012
Contributions by Members	832	600
Contributions by the Employer	1,294	783
Actuarial (loss)/gain	40	(263)
Benefits paid (net of transfers in & including unfunded)	6	(7)
Closing fair value of Employers assets	23,005	19,519

A history of experience gains and losses is shown below:

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	£000	£000	£000	£000	£000
Fair value of employer assets	23,005	19,519	17,394	14,089	12,683
Present value of defined benefit obligation	(37,102)	(24,347)	(17,765)	(15,830)	(11,357)
(Deficit)/Surplus	(14,097)	(4,828)	(371)	(1,741)	1,326
Experience (losses)/gains on assets	40	(263)	1,220	(766)	(147)
Experience losses on liabilities	-	(1,305)	-	-	(1,450)

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16 Pension Commitments *(continued)*

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

	31 March 2015	31 March 2014
	%	%
Equities	43	53
Target return funds	29	30
Cash	11	3
Infrastructure	5	4
Commodities	1	1
Property	3	3
LDI/Cashflow matching	8	6

The Actuaries estimate the employer's contributions for the year ending 31 March 2016 will be approximately £1,324,000.

17 Commitments under Operating Leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014 restated	
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	26	-	-	-
Within 2 to 5 years	1,165	16	1,212	16
After more than 5 years	-	-	-	-
	<u>1,191</u>	<u>16</u>	<u>1,212</u>	<u>16</u>

The 2014 comparative has been restated as four lease commitments were omitted in error last year. The annual commitment of these leases amounts to £621,000.

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

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

18 Related Party Transactions

English Institute of Sport Limited's ultimate controlling party is UK Sport. Copies of the group financial statements can be obtained from them at 21 Bloomsbury Street, London, WC1B 3HF, or from their website (www.uk sport.gov.uk).

During the year the company has been in receipt of Core grant income totalling £10,562,946 (2014: £9,794,051) from UK Sport. There were also other grants as follows: Research and Innovation programme grant of £3,000,000 (2014: £1,752,000), Research and Innovation staff grant of £420,000 (2014: £287,000), Research & Innovation sport specific grant of £480,370, R&I Paralympic Cycling grant of £52,374 (2014: £73,800), Performance Lifestyle grant of £808,670 (2014: £796,720), Project Para grant of £120,000 (2014: £45,000), ECAP funding of £18,455 (2014: £18,182) and Performance Pathways grant of £588,915 (2014: £485,452).

During the year, UK Sport recharged English Institute of Sport Limited £429,727 (2014: £289,028) of shared expenditure. Also, English Institute of Sport Limited recharged UK Sport £51,895 (2014: £22,002) of shared expenditure.

The balance due to UK Sport at the year-end is £132,610 (2014: £85,442) which is disclosed within short term creditors and represents the VAT liabilities for January 15 – March, £30,000 for a joint partnership between UK Sport and BAE and £10,750 of recharged marketing costs. The balance due to the English Institute of Sport is £Nil (2014: £600).

19 Company Limited by Guarantee

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

20 Income and Expenditure Account

	2015	2014
	£000	£000
Balance brought forward	(4,879)	(409)
Deficit for the financial year	(549)	(208)
Defined pension benefit scheme	(8,722)	(4,262)
	<hr/>	<hr/>
Balance carried forward	<u>(14,150)</u>	<u>(4,879)</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

21 Notes to the Statement of Cash Flows

Reconciliation of Operating deficit to Net Cash Inflow from Operating Activities

	2015	2014
	£000	£000
Operating deficit	(722)	(371)
Depreciation	865	909
Loss/(profit) on disposal of fixed assets	10	(3)
Amortisation	230	176
(Increase) in debtors	(160)	(216)
(Decrease)/Increase in creditors	(796)	1,271
Provision for service cost of defined benefit pension scheme	2,016	1,141
Defined benefit pension scheme contributions paid	<u>(1,294)</u>	<u>(783)</u>
Net cash inflow from operating activities	<u>149</u>	<u>2,124</u>

Returns on Investments and Servicing of Finance

	2015	2014
	£000	£000
Interest received	3	2
Interest payable	<u>(4)</u>	<u>(2)</u>
Net cash (outflow) from returns on investments and servicing of finance	<u>(1)</u>	<u>-</u>

Taxation

	2015	2014
	£000	£000
Taxation	<u>-</u>	<u>-</u>

Capital Expenditure

	2015	2014
	£000	£000
Payments to acquire tangible fixed assets	(494)	(927)
Payments to acquire intangible fixed assets	(470)	(313)
Receipts from sale of fixed assets	3	4
Net cash (outflow) from capital expenditure	<u>(961)</u>	<u>(1,236)</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

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

Financing

	2015	2014
	£000	£000
Capital element of finance leases	<u>(20)</u>	<u>58</u>
Net cash (outflow)/inflow from financing	<u>(20)</u>	<u>58</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

	2015		2014	
	£000	£000	£000	£000
(Decrease)/Increase in cash in the year	(833)		945	
Cash outflow/(inflow) in respect of finance leases	<u>20</u>		<u>(58)</u>	
		<u>(813)</u>		<u>887</u>
Change in net funds		(813)		887
Net funds at start of year		<u>1,691</u>		<u>804</u>
Net funds at end of year		<u>878</u>		<u>1,691</u>

Analysis of Changes in Net Funds

	At 1 Apr 2014 £000	Cash flows £000	At 31 Mar 2015 £000
Net cash:			
Cash in hand and at bank	<u>1,749</u>	<u>(833)</u>	<u>916</u>
Debt:			
Finance lease agreements	<u>(58)</u>	<u>20</u>	<u>(38)</u>
Net funds	<u>1,691</u>	<u>(813)</u>	<u>878</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2015

22 Post Balance Sheet Events

There were no adjusting or non-adjusting post balance sheet events between 31 March 2015 and the date that the accounts were signed on behalf of the Board of Directors.

The English Institute of Sport Limited

Management Information

Year Ended 31 March 2015

The following pages do not form part of the statutory financial statements which are the subject of the Comptroller and Auditor General's report on pages 9 to 10.

The English Institute of Sport Limited

Detailed Operating and Administrative Expenditure Account

Year Ended 31 March 2015

		2015		2014
	£000	£000	£000	£000
Administrative expenses				
Personnel Costs				
Wages and salaries	11,360		9,760	
Staff national insurance contributions	939		834	
Staff pension contributions	2,039		1,155	
		14,338		11,749
Establishment Expenses				
Utilities	(2)		20	
Insurance	141		104	
Repairs and maintenance	41		44	
		180		168
General expenses				
Travel and motor expenses	1,118		966	
Telephone	179		174	
Information systems costs	779		844	
Meeting and workshops	236		148	
Athletes equipment and consumables	642		545	
Relocation expenses	22		28	
Stationery and postage	71		70	
Staff training	411		386	
Other staff costs	113		116	
Recruitment expenses	45		62	
Contracted service providers	731		854	
General expenses	33		27	
Marketing	62		82	
Legal and professional fees	71		74	
Mental health referrals	42		-	
Technical consultancy fees	1,620		1,025	
Testing, development & Prototypes	1,098		622	
Payroll administration costs	18		16	
Auditors remuneration & accountancy costs	14		14	
Depreciation of leasehold improvements	32		34	
Depreciation of fixtures and fittings	472		528	
Depreciation of office equipment	591		523	
(Profit)/Loss on disposal of fixed assets	10		(3)	
		8,410		7,135
Carried forward		22,928		19,052

The English Institute of Sport Limited

Detailed Operating and Administrative Expenditure Account

Year Ended 31 March 2015

	2015		2014	
	£000	£000	£000	£000
Administrative expenses <i>(continued)</i>				
Brought forward		22,928		19,052
Financial Costs				
Operating lease: Property & P&E	1,425		1,419	
Bank charges	<u>8</u>		<u>6</u>	
		<u>1,433</u>		<u>1,425</u>
		<u>24,361</u>		<u>20,477</u>

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