

The Sports Council Trust Company

Company number 2517615

Charity number 803779

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2021 - 2022

For the period 1 April 2021 to March 2022

HC 1038

The Sports Council Trust Company

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The Trustees present their Annual Report on the affairs of The Sports Council Trust Company together with the accounts and auditor's report for the year ended 31 March 2022.

Strategic Report

Structure, governance and management Constitution of The Sports Council Trust Company

The Sports Council Trust Company ("the Charity") is a company limited by guarantee (Company number 2517615). It is governed by its Memorandum and Articles of Association and is a registered charity with the Charity Commission (Charity number 803779).

The sole member and parent body for the financial years presented in this report was The English Sports Council (ESC) operating as Sport England.

The operating and governance framework between ESC (the Parent) and the Charity (the Subsidiary), is outlined in the Parent/Subsidiary Memorandum, effective from 1 May 2012 and last updated in December 2012, between the two parties.

Organisational structure

The Charity is administered by a Board of Trustees that regularly meets to discuss the objectives and activities of the Charity. The directors of the Charity are its Trustees. During the financial year ending 31 March 2022 the Board met four times.

The Board is composed of a Chair and three Trustees as of 31 March 2022. You can find more details about each Trustee on page 11

The Chair is responsible for the management of the Charity's operations. In order to ensure we're best placed to meet our strategic goals, the Chair delegates authority for the day-to-day administration to officers of Sport England. This is done through Service Level and Agency Agreements (SLA) that include the provision of staff to manage the operational contracts of the National Sports Centres (NSCs). This means that the Charity has no employees.

Objectives and Activities

The Charity was founded to preserve and safeguard the physical and mental health of communities across the UK. We do this by promoting physical recreation (including sports) and education, as well as providing facilities that are available to members of the public.

During 2021/22 the Charity focused on:

- Increasing participation in sport and physical activity by providing a range of activity opportunities to the public through the National Sports Centres (NSCs)
- Creating, improving and maintaining world class training facilities at the NSCs

- Ensuring that the NSCs continue to promote holistic sports development programmes
- Safeguarding the NSC's from the impact of Covid-19
- Awarding grants to local sporting and community organisations
- Monitoring the performance of our investments and available funding

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims, objectives and achievements and in planning future activities.

Our strategy

We achieve our public benefit purpose through the management and operation of facilities that every member of the community can benefit from.

During the year, the Charity continued to own three NSCs:

- Bisham Abbey National Sports Centre (Bisham)
- Lilleshall National Sports Centre (Lilleshall)
- Plas y Brenin the National Centre for the Outdoors (PYB)

We also own the Redgrave and Pinsent Rowing Lake (the Rowing Lake), which is currently leased to British Rowing.

These four facilities are uniquely placed to help us achieve our primary goal of helping members of the public play more sport and enjoy the many benefits of regular physical activity. By giving people access to high quality sports facilities, we are helping make communities happier, healthier and better connected. The NSCs

also provide elite sports men and women world-class places to train for international sporting competitions, helping to further increase the sporting prestige of the UK around the world.

We have four main strategic objectives:

- Support the delivery of a National Governing Body-driven sporting system which can accommodate and develop talent at community, club and elite level
- Enhance talent development and world class performance by providing a mix of high-quality sports facilities and support in a unique sporting environment
- Foster effective coach development, research, innovation and inspiration by delivering programmes and activities that have a significant impact on sporting activities and its availability
- Ensuring effective operation of the NSCs, through the development of commercial and community participation activities, without impacting our ability to achieve our other objectives.

We deliver against our four objectives through management contracts let in 2011, which run for a 15-year period. The Charity's Board oversaw the tendering process and letting of the contracts while the Sport England Board gave approval for us to enter the contracts in 2011. Bisham and Lilleshall are operated on behalf of the SCTC by Serco Leisure. PYB is operated by Mountain Training Trust (MTT)

The National Sport Centres

Our NSCs and Rowing Lake are unlike other facilities in the UK's sporting landscape. They not only provide world class training facilities for the country's Olympic and Paralympic athletes; they also provide the

places and spaces for local communities to be active and participate in sport and physical activity.

As active environments, the NSCs are recognised nationally, and increasingly internationally, as examples of best practice for integrating sport and physical activity with other services like health, education, and training. They're not just about providing a place to train, but a hub for community activity.

Our NSCs are an important part of Sport England's reputation as a leader across the sport and leisure sector. Sport England's role as the client of three sector leading facilities (on behalf of The Sports Council Trust Company) provides credibility within the market. This is particularly true in relation to Sport England's strategic role working with Local Authorities, Trusts and Operators to drive continual improvement in local leisure provision. This role was critical during 2021/22 as public leisure provision continued to be severely impacted by the Covid-19 pandemic. The NSCs formed part of Sport England's strategic response providing leadership and best practice to support Local Authority public leisure services as they continued to recover from the impact of the pandemic and protect vital services to enable people to be physically active.

This kind of collaboration is a crucial part of what makes the NSCs so special. They're a leading example of partnership and cross sector/partner relationships working towards shared strategic objectives and local outcomes. Our partners consistently

reference the strength of the partnership to help them achieve their own objectives – contributing to Sport England's wider role in supporting the sector and encouraging collaboration to maximise local community outcomes.

As part of the Elite Training Centre network, the NSCs are among the 18 Centres that host world class Olympic and Paralympic programmes. The partnership of National Governing Bodies, English Institute of Sport (EIS), UK Sport and Sport England works together to make the country's elite training environments more effective, contributing to a more sustainable elite sport system.

The NSCs continue to push boundaries and drive innovation in order to establish if they can be replicated and significantly impact the sporting landscape. During 2021/22 the NSCs played a crucial role assisting Sport England to support public sector leisure provision, local authorities and operators tackle COVID-19, providing best practice examples and guidance to help local authorities protect vital public leisure services across the country.

The four NSCs that are owned by the Charity are:

Bisham Abbey

Based in Berkshire, Bisham is a compact site which accommodates a range of water sports, football, rugby, tennis, hockey and public community use.

It features a community fitness centre, studios and health suite, squash courts, indoor and outdoor tennis courts, two grass pitches, two artificial pitches and an

elite strength and conditioning gym and Intensive Rehabilitation Unit operated by EIS.

The site is supported by modern accommodation, catering facilities and a 12th century Abbey which forms the centrepiece of the site. It is home to England Hockey, EIS, Living Tennis, FAB Academy, British Rowing and extensively used by the local community.

Lilleshall

In the heart of Shropshire, Lilleshall has a range of sports facilities spread throughout the substantial grounds. These include a dedicated indoor and outdoor archery range, gymnasium, nine grass pitches, two artificial grass pitches and an EIS strength and conditioning area.

Supporting the sports facilities, Lilleshall has over 250 modern bedrooms and catering facilities for use by members of the public and athletes. A dedicated modern office building co-locates several NGB Head offices including British Gymnastics, EIS and British Archery. The centre is home to partners including GB Hockey, Home Office, the Royal British Legion, Crossbar Coaching and extensively used by the local community.

Plas y Brenin

PYB is managed by MTT, a charity established for the advancement of outdoor recreation generally practised in cliff and mountain environments. MTT is committed to providing first class outdoor training at the most affordable price.

Located in Snowdonia, PYB provides a focal point for a year-round programme of

mountain sports courses and outdoor activities. The centre's facilities include two climbing wall areas, an abseil tower, canoe training pool and a low rope course. The centre is an important resource for the British Mountaineering Council, Birmingham City University, GB Orienteering, British Cycling and the University of Central Lancaster.

Redgrave and Pinsent Rowing Lake

Transferred to ownership of the Charity in 2006, the facility is a purpose built, internationally recognised 2,100m rowing lake set on the River Thames. The facilities include clubhouse, boat store, gymnasium, offices, catering and conferencing facilities.

British Rowing leases the Rowing Lake and boathouse from us and undertakes an extensive programme of rowing development and training. The facility continues to be the single most important factor underpinning the training and preparation for the GB Rowing Team for major international competition.

SCTC Coronavirus Response

COVID-19 has continued to have an unprecedented impact upon participation and financial performance of all the NSCs during 2021/22. This has significantly restricted our ability to deliver against our strategic objectives during the year.

The most significant constraint was the continued impact around COVID-19 restrictions. National lock downs and restrictions constrained service delivery throughout the year with 3 of the 4 NSC's either closed or operating with restricted

use. The nature of these measures had significant implications for both the 'supply' in terms of the opening and capacity of the NSCs and the 'demand' in terms of customer and partner confidence and ability to return and utilise the services across the NSC's.

Building on the lessons learnt during 2020/21, a pragmatic and collaborative approach was maintained by the SCTC and Sport England as the most appropriate way to respond to the unprecedented impact placed upon the NSC contracts and the operators themselves. All parties approached discussions positively with a focus on understanding impact, mitigation measure and identifying how all parties could contribute to supporting the NSCs during the pandemic.

Options to respond to the impact of COVID-19 were limited. Without continued additional financial support the operating contracts were at risk of financial failure with a real prospect of the NSCs facing a prolonged period of closure. The ability to remobilise contracts would be complicated, costly and time consuming, anywhere between 6 and 18 months before the facilities would again be open to the public. This would have a devastating effect on participation levels, outdoor sector support and world class training programmes at a time when the benefits of sport and physical activity were never so apparent and essential to contribute to the nations recovery from COVID-19.

A collaborative approach between SCTC, Sport England, and the Operators has been maintained to protect the NSC assets, the operators and mitigated the cost to SCTC / Sport England as much as possible. This approach provided immediate financial reassurance to the operators but also a flexible approach to respond to the fast-changing circumstances to protect NSCs. The financial impact of Covid-19 is discussed in more detail in the Financial Review section on page 9.

Our Performance

The performance of the NSCs is managed by Sport England through a Service Level Agreement (SLA) with The Sports Council Trust Company.

The requirements in the contracts set ambitious standards to meet the NSC strategic objectives. A balanced scorecard and set of Key Performance Indicator's (KPIs) are used to continually measure performance.

The key performance measures we use range across four categories:

- Internal business processes
- Continuous improvement
- Customer perspective
- Financial

The operators of our NSCs are required to perform in the top quartile nationally on the National Benchmark Service and QUEST, Sport England's recommended tools for continuous improvement in the leisure industry.

These measures are clearly linked to the aims of the Charity and ESC's objectives of increasing participation nationally.

This year, COVID-19 has prevented Serco and MTT from delivering some of the contract performance standards. These have predominantly been associated with utilisation of facilities and participation KPIs. Where necessary departure from the contract standards has been agreed with the operators via variations to the contracts.

Overall contract performance standards have been successfully reintroduced in line with the re-opening and increased operations of the NSCs. Under continued challenging circumstances Serco and MTT have met, and often exceeded, their contractual performance standards with no deductions or performance failures during 2021/22. Both operators maintained excellent results in external quality assurance, customer and facility management audits providing assurance that the assets continued to be well managed and maintained.

What we have achieved

Our ability to deliver against our strategic objectives was significantly restricted throughout 2021/22. The proactive approach taken by SCTC, Sport England, Serco and MTT enabled a valuable contribution towards our objectives to be made.

We remain focused on our duty to promote the success of SCTC and achieve its charitable purpose as described in the Objectives and Activities section on page 1.

Community, Club and Elite Activity

The NSCs were successfully reopened to the public from the 12 April 2021 and

remained open with gradual easing of restrictions on the 17 May and 21 June 2021.

We closely monitored the recovery of usage throughout the year. Since re-opening in April our insight shows an accelerated return to activity at Bisham and Lilleshall compared to the recovery following the first two lockdowns. The recovery plateaued at around 75% compared with participation levels during the same period in 2019. Comparative evaluation from Sport England's Moving Communities data indicated Bisham and Lilleshall's public facilities recovered in line with the wider leisure sector and industry benchmark.

Despite restrictions being fully lifted there remains a proportion of customers who are not returning to the facilities. Our National Centres insight indicates a range of factors including ongoing consumer confidence, particularly in the older age group, perceived levels of fitness and changes to working arrangements as key themes.

Our key sport onsite partners, who were protected with our support during lockdown, have recovered strongly to almost 100% of pre pandemic participation levels, delivering a full range of programmes for children and young adults across the NSCs. There has also been growth in sports camp bookings as limited international travel has resulted in pre-season and camp-based training being retained in the UK.

As part of Tokyo 2020 (postponed until 2021) preparation Government dispensation was granted to elite athletes

to continue to train and travel in preparation for the games. As part of the Elite Training Centre Network Bisham and Lilleshall were reopened for elite use during the lockdown periods to provide a safe, world class environment for our host NGB sports. Every athlete based at these NSCs successfully travelled to Tokyo to compete in their respective events. The performance of both teams has been hailed as an incredible achievement given the complex challenges faced by the sports in preparing for a delayed Games during the pandemic. It is a testament to the staff and the collaborative work of Sport England, Serco, UK Sport, EIS and the NGB's.

Unique Sporting Environment

Capital and lifecycle investment programmes were delivered as planned during 21/22 delivering c.£3m to maintain and enhance the infrastructure of the NSCs.

At Lilleshall the refurbishment of the Queen Café and the refurbishment of Gainhams Lodge were completed.

At PYB window replacement, equipment storage, rolling training pool refurbishment and creation of an outdoor classroom were delivered.

The Royal British Legion Executive Team and Board have signed off plans to extend the partnership with SCTC, Sport England and Serco to create a National Rehabilitation Centre at Lilleshall. The programme is well aligned to our strategic objectives addressing equality and diversity, health and wellbeing and

economic growth for communities of servicemen and women and their families. Plans for the redevelopment of Archery facilities have progressed. Strategic support from GB Archery, UK Sport and Sport England was achieved. The scheme will progress during 22/23.

Coach Development, Research, Innovation and Inspiration

Our contribution to this strategic priority is largely delivery through PYB our National Centre for the outdoors. People being more active outdoors is one of the largest growth areas and our work supports the whole eco-system to promote, encourage, and develop increased participation in the outdoors. During this year we:

- Delivered over 200 in person activity sessions to over 800 people working in the outdoors
- Started the recovery of our outdoor course programmes with 23 NGB training and assessment courses delivered across hill walking, mountaineering, sea kayaking, rock climbing, mountain biking and safety, rescue and first aid – reaching over 28,000 individuals
- Delivered an extensive range of Continued Professional Development and best practice to 4,100 people – sharing knowledge and skills for more people to be active in the outdoors

Bisham and Lilleshall NSCs have been utilised to support Sport England develop a benchmark strategy for energy consumption. The aim is to use this information to develop a standard

document giving guidance to achieve reduced energy in use and a route to net zero carbon (NZC) sports buildings.

The NSCs continue to support Sport England strategic response to Covid-19.

The NSCs and the operating contracts continued to support the recovery of wider public leisure provision throughout 2021/22. Case studies and regular dialogue with Local Authorities on the approach taken to the Sport England contract supported local leaders across England as they continued to work with their operators to protect local facilities, providing opportunities for people to be active.

Plans for future periods

Our operating plan provides for:

- Working collaboratively with Serco and MTT to ensure the operators can continue to recover and reinvent services to provide vital opportunities for community and elite participation
- Responding to the significant financial challenges presented by inflationary rises, cost of living, Covid-19 and demand led pressures to ensure the NSCs continue to contribute to SCTC and wider Sport England strategic objectives to ensure everyone can experience the benefits of being active
- Re-design service provision and outcomes to respond to changing needs to support the local community and outdoor sector to re-engage with sport and physical activity contributing to wider physical, social and mental outcomes. Support talented athletes and NGB World Class Olympic and Paralympic programmes, specifically

supporting preparations for Birmingham 2022 and Paris 2024

- Continue to be an example of best practice and innovation to support the wider public sector sport and physical sector in recovery from Covid-19
- Explore and implement initiatives to further reduce energy consumption and work towards achieving net zero carbon across the NSC portfolio
- Explore the options for the extension to the Management Contracts at the NSC's

Green Initiatives

We continued to put in place measures to increase the sustainability of the entirety of our operations this year.

Bisham and Lilleshall successfully retained Environmental accreditation to ISO:50001. This international standard recognises organisations that implement an energy management system (EnMS) based on a model of continuous improvement in order to enhance the efficiency of their energy usage.

Our EnMS will allow us to reduce our energy use and associated costs and achieve full compliance with energy saving schemes like the UK Energy Savings Opportunity Scheme.

MTT retained accreditation of the Green Dragon Environmental Standard. This standard is awarded to organisations that demonstrate effective environmental management and take action to understand, monitor and control the impacts that their operations have on their surroundings.

The Biomass heating system at Lilleshall has significantly reduced the sites reliance upon oil (Fossil Fuel) as the main source of energy.

Directors' Report

Financial review

Our operational activities, including grant making, are funded by property income and returns from the investment fund (see note 9). Asset investment activities are funded from gifts of assets from Sport England. Total income for the year was £2.8million (2021: £2.8million). These resources were invested into the NSCs for the Charity to achieve its objectives as set out on pages 1 and 2.

Separate funds are maintained to identify and account for the principal funding sources of the Charity. The details of these funds are set out in notes 12 and 13. None of these funds are in deficit.

Net expenditure for the year is £1.8million (2021: £1.5million). The increase in the net expenditure of £0.3million is primarily due to the net impact of increase in property cost for the year.

We generated a small operational surplus on our day-to-day activities in the year of £8,000 (2021: £16,000 deficit), after awarding community grants of £52,000 (2021: £83,000) as shown in the table below. The loss was due to increased community grants as agreed by us.

	2022 £'000	2021 £'000
Property income	1,602	1,315
Investment income	23	34
Charitable activities	(4,686)	(4,469)
Add back:		
Depreciation	3,284	3,028
Impairment (reversal)/charge	(310)	(66)
Gifts in kind	94	114
Loss on disposal	1	28
Operating Surplus/ (deficit)	8	(16)

The value of our funds increased to £113.7million from £108.3million as set out in note 6. The increase is mainly due to increase in value of Land & buildings carrying value of £7.5million and Gifted Assets of £1.1million, offset by depreciation of £3.3million.

The closure of the NSCs as a result of Covid-19 has not had a financial impact on SCTC as Sport England has provided financial support to the operators as noted on page 5.

We have management policies in place to cover grants, investment, and reserves as set out below.

Future developments

See **Plans for future periods** and **Green Initiatives** in the **Strategic Report**

Grants policy

We accept applications from not-for-profit organisations supporting the sporting activities of disadvantaged people including young people, people with disabilities, lower socio-economic groups and ethnic minority groups.

Awards are given to either encourage sports participation, subsidise the cost of taking part or provide facilities and equipment.

86% of the funding available was utilised through a partnership with Get Berkshire Active which focuses on working with early years and family support service providers to improve the pathway for physical development through school.

Investment policy

Our investment policy relating to the portfolio of equity investments is to:

- achieve the best financial return within an acceptable level of risk and a target level of income determined annually.
- maintain the real capital value of the funds whilst generating a sustainable level of investment income to contribute to the ongoing activities including grant-making.
- where appropriate, we may choose to use capital to supplement its grant making activities.

Our investment funds were invested in the Sarasin Endowments Fund managed by Sarasin & Partners for 2020/21. The investment manager maintains a balanced portfolio which achieves lower volatility than a pure equity investment and provides us with quarterly reports and updates on key issues, and ad-hoc reporting as and

when required. During 2020/21 the contract for the investment manager was re-procured and the reappointment of Sarasin & Partners was approved by the Trustees in April 2021.

Reserves policy

Our financial position is supported by ESC. Our aim is to maintain a level of unrestricted reserves equating to at least three months of expenditure. We consider that this level will provide sufficient funds to meet our operational expenditure, and to provide a contingency against unforeseen expenditure. The investment fund is also available for liquidity purposes if required, although, these assets are not intended for sale.

Our reserves policy defines reserves as restricted or unrestricted.

Restricted reserves are those which cannot readily be realised and used for an alternative purpose other than that specified; principally these are in relation to fixed assets gifted from ESC or funded by ESC's Lottery Fund. Restricted reserves at 31 March 2022 amounted to £111.1million (2021: £105.8million).

Unrestricted reserves are where the use of these funds is not restricted and can be applied to the ongoing operational aspects of the organisation. Unrestricted reserves at 31 March 2022 amounted to £2.6million (2021: £2.5million).

Trustees of the Charity during the year were:

- Graeme Dell (Chair)
- Dave Cove
- Helen Martin (Resigned on 7 December 2021).
- Andrew Watson

A recruitment process, which was initially scheduled to start last year but was delayed due to Covid-19. has commenced during 2022 to recruit up to four further trustees.

All appointments to the Charity for the position of Chair, Trustee and Company Secretary are made by ESC and are in accordance with:

- The Parent/Subsidiary Memorandum
- The Memorandum and Articles of Association of the Charity
- ESC's Recruitment and Selection Guidelines: Subsidiary Boards.

Upon appointment, Trustees receive corporate governance, financial and legal information in relation to the Charity in the form of its Memorandum and Articles of Association and other governance and policy documents, the annual report, management accounts, Charity Commission guidance and the Seven Principles of Public Life.

A robust induction programme is in place which provides newly appointed Trustees with an overview of the governance and operations of the Charity and ESC.

The Company Secretary Richard Mabbitt was appointed as Company Secretary from 17 February 2021.

Registered Office, Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF

Banker, Barclays Bank Plc, London Corporate Banking, 1 Churchill Place, London, E14 5HP

Solicitor, Hewitsons, Kildare House, 3 Dorset Rise, London, EC4Y 8EN

Investment Manager, Sarasin & Partners LLP, 100 St. Paul's Churchyard, London EC4M 8BU

Auditor, The Comptroller and Auditor General, National Audit Office, 157 – 197 Buckingham Palace Road, Victoria, London SW1W 9SP

Trustees' Responsibility Statement

The Trustees are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The accounts are required by law to give a true and fair view of the state of affairs of the company at the year end and of the results of the company for that year. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed,
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and

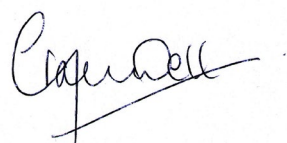
enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Trustees as Company Directors approve the Strategic Report and the Directors' Report included as part of the Trustees' report on pages 1 to 11.

By Order of the Board



Graeme Dell

Chair

13 January 2023

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of The Sports Council Trust Company for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The Financial Statements which comprise The Sports Council Trust Company's

- Statement of Financial Position as at 31 March 2022;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of The Sports Council Trust Company's affairs as at 31 March 2022 and its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- in accordance with the Charities Act 2011.

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 for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity 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 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of The Sports Council Trust Company in accordance with the ethical requirements that are relevant to my audit of 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.

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Sports Council Trust Company's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Sports Council Trust Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Trustees' Annual Report but does not include the financial statements and my auditor's certificate thereon. The Trustees are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the Trustee's Annual Report, including the Strategic Report and Directors' Report, has been prepared in accordance with applicable legal requirements; and
- the information given in the Trustee's Annual Report, including 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

In the light of the knowledge and understanding of The Sports Council Trust Company and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustee's Report.

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

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.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as Trustees determine are necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing The Sports Council Trust Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit certify and report on the financial statements in accordance with the Government Resources and Account Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance

with laws and regulations, including fraud, we considered the following:

- nature of the sector, control environment and operational performance including the design of The Sports Council Trust Company's accounting policies.
- Inquiring of the management, and those charged with governance, including obtaining and reviewing supporting documentation relating to The Sports Council Trust Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Sports Council Trust Company's controls relating to The Sports Council Trust Company's compliance with the Companies Act 2006, Charities Act 2011, Managing Public Money and Government Resources and Accounts Act 2000.

- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Sports Council Trust Company for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of The Sports Council Trust Company's framework of authority as well as other legal and regulatory frameworks in which The Sports Council Trust Company operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Sports Council Trust Company. The key laws and regulations I considered in this context included the Companies Act 2006, the Charities Act 2011, Managing Public Money and the Government Resources and Accounts Act 2000.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- enquiring of management, the Board of Trustees and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and internal audit reports; and

in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of my certificate.

Other auditor's responsibilities

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.

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.

Report

I have no observations to make on these financial statements.

Gareth Davies

16 January 2023

Comptroller and Auditor General
(Statutory Auditor)

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Statement of Financial Activities

(Including Income and Expenditure Account)

	Note	2022 Restricted £'000	2022 Unrestricted £'000	2022 Total £'000	2021 Total £'000
Income from					
Donations and legacies	2	1,110	94	1,204	1,437
Other trading activities	3	-	1,602	1,602	1,315
Investments		-	23	23	34
Total		1,110	1,719	2,829	2,786
Expenditure on					
Charitable activities	4	(2,926)	(1,760)	(4,686)	(4,469)
Total		(2,926)	(1,760)	(4,686)	(4,469)
Net gains/(losses) on investments	9	-	18	18	202
Net expenditure		(1,816)	(23)	(1,839)	(1,481)
Other recognised (losses)/gains					
Gains/(losses) on revaluation of fixed assets	12/13	7,117	111	7,228	302
Net movement of funds		5,301	88	5,389	(1,179)
Reconciliation of funds					
Total funds brought forward		105,818	2,506	108,324	109,503
Total funds carried forward	6	111,119	2,594	113,713	108,324

The Statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure relate to continuing activities.

The notes on pages 21 to 35 form an integral part of these accounts

Statement of Financial Position

(Including Income and Expenditure Account)

Company number 2517615, Charity number 803779

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	7	139	-
Tangible assets	8	112,317	107,092
Investments	9	865	848
Total fixed assets		113,321	107,940
Current assets			
Debtors	10	1,058	753
Cash at bank		577	583
Total current assets		1,635	1,336
Liabilities: amounts falling due within one year			
Creditors	11	(689)	(577)
Provisions	17	(554)	-
Total current liabilities		(1,243)	(577)
Net current assets		392	759
Total assets less current liabilities		113,713	108,699
Liabilities: amounts falling due after more than one year			
Provisions	17	-	(375)
Net assets		113,713	108,324
The funds of the charity			
Restricted capital funds		63,342	63,997
Restricted revaluation reserve		47,777	41,821
Total restricted funds	12	111,119	105,818
Unrestricted income funds		1,761	1,758
Unrestricted revaluation reserve		833	748
Total unrestricted funds	13	2,594	2,506
Total charity funds	14	113,713	108,324

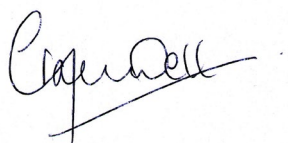
The accounts are exempt from the requirements of Part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit) of that Act.

The accounts on pages 18 to 35 were approved by the Board of Trustees and were signed on its behalf by:

Graeme Dell

Chair

13 January 2023



The notes on pages 21 to 35 form an integral part of these accounts

Statement of Cash Flow

	Note	2022 £'000	2021 £'000
Cash flow from operating activities			
Net cash (used in)/provided by operating activities	15	(29)	275
Net cash provided by/(used in) operating activities		(29)	275
Cash flow from investing activities			
Income from investments		23	34
Purchase of Gainham's Lodge		-	(550)
Sale of investments		-	297
Net cash provided by/(used in) investing activities		23	(219)
Change in cash balances in the reporting period		(6)	56
Changes in cash balances during the year			
Balance at 1 April		583	527
Change in cash balances in the reporting period		(6)	56
Balance at 31 March		577	583

The notes on pages 21 to 35 form an integral part of these accounts

1 Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities SORP (FRS 102) Second Edition issued October 2019 effective from January 2019, FRS 102, and the Companies Act 2006.

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.

The principal accounting policies adopted in the preparation of the accounts are set out below.

1.2 Income

Income from donations and legacies includes gifted assets, gifts in kind, and grants.

The value of gifts of assets is based on the amount actually expended by the donor.

The value of gifts in kind is based on a reasonable estimate of the value of time spent on the administration service provided to the Charity by The English Sports Council (ESC).

Grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Other trading activities is made up of freehold and leasehold income which is recognised on a receivable basis.

Income from investments is recognised on a receipt basis due to the timing of statements from the investment fund. The accounting treatment adopted materially matches income accrued.

1.3 Charitable activities

Community grants awarded are recognised in the period in which the grant is approved and communicated to the award recipients.

All other charitable activity expenditure is recognised when a liability is incurred.

Governance costs include those costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and financial requirements.

The provision of facilities costs is set out in note 4. Costs are allocated to activities directly or to location or usage.

Costs directly related to activities are general administration costs of the Charity. Location costs are costs incurred in connection with freehold and leasehold property occupied by ESC, Mountain Training Trust and British Rowing. Usage costs relate to depreciation, and impairments on tangible fixed assets. Support costs in relation to making community grant awards are not material.

1.4 Dividends

The Charity is prohibited by its Articles of Association from declaring a dividend.

1.5 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 expensed in year. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

1.6 Tangible fixed assets

Tangible fixed assets funded by the Lottery grant from ESC were paid for directly by the Charity and funds drawn down from ESC against the Lottery grant. All other capital works are paid for by ESC and the assets gifted to the Charity, the exception during the year was the purchase of Gainham's Lodge (see Financial Review on page 9).

Land and buildings

Full valuations are carried out by external experts quinquennially for land, buildings and bund, supplemented by annual indexation.

The last full valuation of land and 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. 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. The last full valuation of artworks and antiques was carried out as at 31 March 2019.

Equipment and leasehold improvements

Other property, plant and equipment have not been revalued as fair value is not considered to be materially different to depreciated historic cost.

The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are usually expensed in year, except for grouped assets.

Grouped assets are assets, which individually, are less than £1,000 however together they form a single collective asset.

Depreciation

Depreciation is provided on all tangible fixed assets, 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 as follows:

Buildings (as advised by external expert)	Unexpired life, maximum of 60 years
Bund (as advised by external expert)	40 years as advised by external expert
Leasehold improvement	Expected life of lease
Equipment	5 years

Impairment reviews are undertaken annually. No depreciation is charged in the year of acquisition or construction. A full year's depreciation is charged in the year of disposal.

1.7 Property operating leases

Payments made under operating leases (rental agreements) are recognised in the Statement of financial activities 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.

1.8 Dilapidations

Full 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.

1.9 Investments

Subsequent to purchase, listed stocks and shares are measured at fair value through other comprehensive income based on reference to the market in which they exist and are not held for trading.

There are no investments other than those set out in note 9.

1.10 Debtors

Debtors are recognised at fair value, which represents the value of settlement.

1.11 Creditors and provisions

These are recognised when there is a present obligation from a past event that will probably result in a transfer of funds to a third party which can be measured or reliably estimated.

1.12 Funds

Details of all restricted and unrestricted funds are provided in notes 12 and 13.

Restricted funds: These funds are earmarked by the donor for specific purposes.

Unrestricted funds: These funds comprise general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the Charity and which have not been designated for other purposes.

1.13 Taxation

No taxation is chargeable on the Charity's activities which are of a charitable nature,

and thus outside the scope of corporation tax.

1.14 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 tangible fixed assets held by the National Sports Centres including the valuation and revaluation, dilapidation, impairment and depreciation of Land and Buildings, the valuation of artwork and antiques and the value of gifts in kind.

1.15 Going concern

The financial position of the Charity is supported by ESC. The ESC is the major provider of funds through the gifting of assets and provision of deficit funding for the NSCs' operations. The Charity does not usually commit to any capital expenditure that requires funding from its own resources. After making enquiries of the management of ESC, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of the financial statements.

Accordingly, the Charity continues to adopt the going concern basis in preparing these accounts.

2 Donations and legacies

	2022 £'000			2021 £'000		
	Restricted	Un- restricted	Total	Restricted	Un- restricted	Total
Gifts of fixed assets	1,110	-	1,110	1,073	-	1,073
Exchequer grant (ESC)	-	-	-	250	-	250
Gifts in kind administration service	-	94	94	-	114	114
Total	1,110	94	1,204	1,323	114	1,437

Gifts of fixed assets and gifts in kind administration service are from ESC.

The Exchequer grant from ESC was used to part-finance the purchase of Gainham's Lodge.

3 Other trading activities

	2022 £'000	2021 £'000
Property Income	1,602	1,315

The income above is from property occupied by ESC, Mountain Training Trust and British Rowing. It includes rent, rates, service charges and other property costs such as repairs, maintenance and legal costs.

4 Charitable activities

	2022			2021		
	Restricted	Un-restricted	Total	Restricted	Un-restricted	Total
	£'000			£'000		
Community grants awarded						
Energize Shropshire, Telford & Wrekin	-	-	-	-	30	30
Get Berkshire Active	-	45	45	-	43	43
Wycombe Wanderers S & E Trust	-	7	7	-	10	10
More Leisure Community Trust	-	-	-	-	-	-
Total community grants	-	52	52	-	83	83
Governance costs (note 5)						
Trustees' expenses	-	-	-	-	-	-
Audit fees	-	17	17	-	17	17
Total governance costs	-	17	17	-	17	17
Provision of facilities¹						
Costs directly related to activities						
ESC administration charge	-	28	28	-	28	28
Gift in kind administration charge	-	94	94	-	114	114
Sub-total	-	122	122	-	142	142
Locations costs						
Property costs	-	1,522	1,522	-	1,223	1,223
Legal and professional	-	(2)	(2)	-	14	14
Sub-total	-	1,520	1,520	-	1,237	1,237
Usage						
Depreciation	3,234	50	3,284	2,983	45	3,028
Loss on disposal	1	-	1	28	-	28
Impairment (reversal)/charge	(309)	(1)	(310)	(66)	-	(66)
Sub-total	2,926	49	2,975	2,945	45	2,990
Total provision of facilities	2,926	1,691	4,617	2,945	1,424	4,369
Total charitable activities	2,926	1,760	4,686	2,945	1,524	4,469

4 Charitable activities (continued)

All income and expenditure relating to the National Sports Centres management contract are accounted for by the ESC including any performance-based bonus. The ESC funds the operational deficit of the National Sports Centres which was £5million in 2022 (2021: £5.5million). This included £2.2million (2021: £2.3million) of Covid-19 related financial assistance to the operators (see page 5).

¹Provision of facilities costs are allocated as set out in the accounting policies note 1.3.

5 Governance and staff costs

The Charity employed no staff in 2022 and 2021.

ESC provides a financial and administration service to the Charity, under the terms of a service level agreement, for which a charge is made (note 2).

No Trustee (2021: three) was paid travel during the year.

The Trustees did not receive fees or allowances for the year (2021: Nil) either directly from the Charity or the parent body ESC.

The audit fees for the year were £17,000 (2021: £16,800). There were no fees for non-audit work in 2022 and 2021.

6 Reconciliation of the movement in funds

	2022 £'000	2021 £'000
Net assets at 1 April	108,324	109,503
Capital investment		
Gifted assets (ESC)	1,110	1,073
Exchequer funded assets (Gainham's Lodge)	-	250
Other movements		
Net revaluation of fixed assets	7,538	368
Depreciation	(3,284)	(3,028)
Operational surplus/(deficit)	8	(16)
Increase/ (decrease) in value of investments	18	202
Loss on disposal	(1)	(28)
Net assets at 31 March	113,713	108,324

7 Intangible fixed assets

	Software	Total
	£'000	£'000
At 1 April 2021	-	-
Additions	139	139
At 31 March 2022	139	139
Amortisation and impairments		
At 1 April 2021	-	-
At 31 March 2022	-	-
Net Book Value		
At 31 March 2021	-	-
At 31 March 2022	139	139

Assets are valued in accordance with the accounting policy note 1.5.

8 Tangible fixed assets

	Land	Buildings and bund	Leasehold improvement	Equip-ment	Artworks and antiques	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost / Valuation						
At 1 April 2021	18,854	115,322	1,168	2,746	827	138,917
Disposals	-	(161)	-	(381)	-	(542)
Gifted assets	-	961	-	10	-	971
Revaluation	1,703	5,525	-	-	-	7,228
Additions	-	-	-	-	-	-
At 31 March 2022	20,557	121,647	1,168	2,375	827	146,574
Depreciation and impairments						
At 1 April 2021	12	(28,413)	(956)	(2,506)	38	(31,825)
Charge for year	-	(3,069)	(124)	(91)	-	(3,284)
Impairment reversal	-	310	-	-	-	310
Disposals	-	161	-	381	-	542
At 31 March 2022	12	(31,011)	(1,080)	(2,216)	38	(34,257)
Net Book Value						
At 31 March 2021	18,866	86,909	212	240	865	107,092
At 31 March 2022	20,569	90,636	88	159	865	112,317

The net book value of revalued assets under historic cost is as follows: Land £3,649k (2021: £3,649k); Buildings and bund £59,652k (2021: £60,660k). Assets are valued in accordance with the accounting policy note 1.6.

The last full valuation of land, buildings and bund was carried out as at 31 March 2019 by Gerald Eve LLP, a regulated firm of Chartered Surveyors which provides expert advice in asset valuations and surveying. 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), and Financial Reporting Standard (FRS) 102.

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). The replacement build cost rates used in DRC valuations are based on knowledge of the current costs of constructing general and specialised sport facility accommodation as well as information from Building Cost Information Service (BCIS) and other published cost data. Existing buildings are valued as they stand using Gross Internal Floor areas (GIAs) by reference to the cost of providing either modern equivalent assets capable of delivering the required service provision or for the listed structures as historically important assets.

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

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 last valued as at 31 March 2019 by Sotheby's.

9 Investments

	2022 £'000	2021 £'000
Listed stocks and securities		
Market value at 1 April	848	943
Adjustment of value as at 1 April	(1)	-
Disposal		(297)
Revaluation of investment	18	202
Market value at 31 March	865	848

Investments as at 31 March 2022 represents holdings in the Sarasin Endowments Fund. The holding is classified as 'not held for trading'.

The historical cost of the asset at 31 March 2022 was £0.7million (2021: £0.7million).

10 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade debtors	-	-
Prepayments	273	7
Accrued income	231	371
Total	504	378
Amounts falling due after more than one year		
ESC	554	375
Total	554	375
Total	1,058	753

11 Creditors

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade Creditors	32	24
ESC	121	137

Deferred income	273	7
Accruals	263	409
Total	689	577

12 Restricted capital funds

	Revaluation reserve (land and buildings)	ESC GIA Funded assets ¹	ESC Lottery funded assets ²	Capital ³	Other ⁴	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020	42,431	38,101	25,552	99	892	107,075
Gifted assets	-	1,073	-	-	-	1,073
Revaluation	365	-	-	-	-	365
Impairment reversal	-	43	20	-	3	66
Depreciation	-	(2,057)	(909)	(3)	(14)	(2,983)
Amortisation of reserve	(959)	675	283	-	1	-
Disposal of fixed assets	(16)	1	15	-	-	-
Loss on disposal	-	(1)	(27)	-	-	(28)
Grant received in the year	-	250	-	-	-	250
Balance at 31 March 2021	41,821	38,085	24,934	96	882	105,818
Gifted assets	-	1,110	-	-	-	1,110
Revaluation	7,117	-	-	-	-	7,117
Impairment reversal	-	213	83	-	13	309
Depreciation	-	(2,109)	(1,109)	(2)	(14)	(3,234)
Amortisation of reserve	(1,073)	711	361	-	1	-
Transfers	(88)	88	0	-	-	-
Loss on disposal	-	(1)	0	-	-	(1)
Grant received in the year	-	0	-	-	-	-
Balance at 31 March 2022	47,777	38,097	24,269	94	882	111,119

ESC receives funding from two sources, Exchequer Grant-in-Aid (GIA) and the National Lottery Distribution Fund. These two sources of funding are required to be accounted for separately.

¹ESC GIA Funded assets

This fund supports the initial acquisition and subsequent funding of tangible fixed asset additions at the National Sports Centres and is funded by ESC's Exchequer Grant-in-Aid.

²ESC Lottery funded assets

This fund also supports the initial acquisition and subsequent funding of tangible fixed asset additions at the National Sports Centres and was funded by ESC's National Lottery Distribution Fund.

³Capital

This fund supports improvements to facilities at the National Sports Centres and was donated by the Lawn Tennis Association.

12 Restricted capital funds (continued)**⁴Other**

All income and expenditure relating to the National Sports Centres management contract are accounted for by the ESC including any performance-based bonus. The ESC funds the operational deficit of the National Sports Centres which was £5million in 2021 (2020: £5.5million). This included £2.2million (2021: £2.3million) of Covid-19 related financial assistance to the operators (see page 5).

This fund is made up of facilities at Lilleshall funded by The Royal British Legion (TRBL) which are used for TRBL beneficiaries and Ministry of Defence personnel (£0.6million) as well as the proceeds from the sale of Ashlands House, Crewkerne (£0.3million) held as investments (note 9 and 14).

13 Unrestricted income funds

	Revaluation reserve (land and buildings)	Other ¹	Total
	£'000	£'000	£'000
Balance at 1 April 2020	839	1,589	2,428
Amortisation of reserve	(28)	28	-
Revaluation	(63)	-	(63)
Depreciation	-	(45)	(45)
Operational deficit	-	(16)	(16)
Revaluation of investments	-	202	202
Balance at 31 March 2021	748	1,758	2,506
Amortisation of reserve	(26)	26	-
Revaluation	111	-	111
Depreciation	-	(50)	(50)
Profit/(loss) on revaluation	-	1	1
Operational deficit	-	8	8
Revaluation of investments	-	18	18
Balance at 31 March 2022	833	1,761	2,594

¹Other

This fund is made up of movements in investment revaluations (note 9), depreciation on unrestricted assets and accumulated annual surpluses.

14 Reconciliation of net assets between funds

	Intangible Fixed asset £'000	Tangible fixed assets £'000	Investments £'000	Other assets £'000	Total 2022 £'000	Total 2021 £'000
Restricted funds						
Revaluation reserve		47,777	-	-	47,777	41,820
ESC Funded assets	-	38,097	-	-	38,097	38,085
ESC Lottery fund		24,269	-	-	24,269	24,935
Capital		94	-	-	94	96
Other		882	-	-	882	882
Total	-	111,119	-	-	111,119	105,818
Unrestricted funds						
Revaluation reserve		833	-	-	833	748
Other	139	365	865	392	1,761	1,758
Total	139	1,198	865	392	2,594	2,506
Total funds	139	112,317	865	392	113,713	108,324

15 Net cash flow from operating activities

	2022 £'000	2021 £'000
Net expenditure	(1,839)	(1,481)
Gifted assets	(1,110)	(1,073)
Impairment (reversal)/charge	(310)	(66)
Net (gains)/losses on investments	(18)	(202)
Investment income	(23)	(34)
Depreciation	3,284	3,028
Decrease / (increase) in debtors	(305)	469
(Decrease) / increase in creditors	112	(394)
Increase in provisions	179	-
Loss on disposal	1	28
Total	(29)	275

16 Commitments under operating leases

	2022 £'000	Restated 2021 £'000
Not later than one year	518	847
Between two and five years	95	613
Later than five years	-	-
Total	613	1,460

All the Charity's commitments under leases to pay rentals are shown above. These leases relate to offices occupied by ESC and all costs are recharged to ESC. Future commitments are expected to be met through their occupation of the properties.

The rental income for the year amounted to £0.8million (2021: £0.7million) all of which was receivable from ESC. Note 8 sets out in the Leasehold Improvement column the capital value held in relation to the properties leased to ESC.

17 Provisions

	Total £'000
Balance at 1 April 2021	375
Provisions made during the year	179
Balance at 31 March 2022	554
Amounts falling due within one year	554
Amounts falling due after more than one year	-
Total	554

The provision is dilapidations for Bloomsbury Street. The lease expired in November 2022 with no option to extend. A provision of £0.2million 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 cost of dilapidations to £375k. In February 2022 a further dilapidation assessment was undertaken which indicated an increase of the cost of Dilapidation to £554k.

All the above costs will be funded by ESC and thus accrued income has been recognised in these accounts (note 10).

There are no contingent liabilities or contingent assets for the current year (2021: Nil).

18 Value added tax

The Charity is in a group VAT registration scheme with ESC and is jointly and severally liable for all group VAT liabilities. No VAT is charged on transactions between fellow members of the VAT group. Any irrecoverable VAT incurred by the Charity is met on its behalf by ESC.

19 Capital commitments

The Charity had no capital commitments contracted but not provided for in the financial statements during the year (2021: Nil).

20 Parent body rights over assets

Grants made by ESC to the Charity since June 1990 were made on the basis that any tangible fixed assets acquired by such grants should be available for clawback (return of sale proceeds to the Exchequer and Lottery) in the event of disposal or change of use.

On 5 October 1994, the Charity Commission granted an Order under the Charities Act 1993 by which the Charity must repay to ESC the whole proceeds of sales of fixed assets, or such part as represents public funds, sold on or after 1 April 1989, which were originally purchased in whole or in part with funds provided by the Exchequer.

21 Derivatives and other financial instruments

The Charity relies mainly on grant, donation, and property funding to finance its operations. Other than cash resources and items such as debtors and creditors that arise from its operations, it holds no other financial instruments other than the investments referred to in note 9, nor enters into derivative transactions.

The return from investments is not material and therefore the Charity is not exposed to significant market risk. The Board regularly undertakes reviews to mitigate the risks of performance of this instrument.

The Charity performs all transactions in Sterling and therefore has no currency exchange risk. The Charity does not enter into any forward foreign currency contracts or similar financial instruments. The Charity 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. The Charity does not enter into any interest rate swaps or similar financial instruments.

22 Related party transactions

The Charity has a close working relationship with its parent body ESC. ESC is the Charity's main provider of funds enabling the Charity to carry out its charitable objectives. It also provides a financial and administrative service to the Charity through a gift in kind (note 2) and an annual charge of £28,000 (2021: £28,000).

ESC gifts fixed asset additions to the National Sports Centres the details of which are set in note 2. In 2022 this amounted to £1.1million (2021: £1.1million).

22 Related party transactions (continued)

Included within note 3 in other trading activities are recharges to ESC for property costs, repairs and legal and professional costs in respect of properties occupied by ESC. The amounts included in note 3 are set out below plus the amounts outstanding at the end of the financial year for these recharges.

	2022	2021
	£'000	£'000
Income	1,602	1,287
Amount owing from ESC	(433)	(238)

Trustees are selected from a variety of backgrounds and experience. Where conflicts of interest occur, these are declared at each meeting and a Trustee will absent him/herself from any decisions related to the item in question. If the Chair has a conflict another Trustee will chair the meeting when the item is discussed. There was one transaction where a Trustee declared a current or past interest relating to the Charity's activities.

	Awards made in 2021-22	Awards unpaid at 31 March 2022
	£'000	£'000
Dave Cove: Board member, Wycombe Wanderers S & E Trust	-	7

23 Security

ESC was granted a mortgage debenture on 21 December 2006 incorporating a charge over all the Lottery grant funded assets provided for The Rowing Lake. This mortgage debenture was novated to The Sports Council Trust Company on 29 March 2012.

24 Ultimate parent body

The charity's parent body is ESC known as Sport England and is the Government agency that works to make sure everyone can experience the benefits of sport and physical activity. The results of The Charity are consolidated in the accounts of ESC. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

25 Post balance sheet events

There have been no material post balance sheet events and the annual report and accounts were authorised for issue on the date of certification by the Comptroller and Auditor General.

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