

sportscotland
National Lottery
Distribution Fund

Annual report and Accounts
for the year ended 31st March 2023

sportscotland
National Lottery
Distribution Fund

Annual report and accounts 2022-2023

For the period 1 April 2022 to 31 March 2023

Presented to Parliament pursuant to Section 35 of the National
Lottery etc Act 1993

Ordered by the House of Commons to be printed on
15 November 2023

Laid before the Scottish Parliament by the Scottish Ministers
November 2023

© **sportscotland** copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries related to this publication should be sent to us at **sportscotland**, Doges, Templeton on the Green, 62 Templeton Street, Glasgow G40 1DA.

ISBN 978-1-5286-4446-4

E-Number: E02982510

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by the HH Associates on behalf of the Controller of His Majesty's Stationery Office

sportscotland

CONTENTS	Page
<u>Minister's Foreword</u>	4
<u>Report of the Council</u>	5
<u>The Performance Report</u>	6
<u>Overview</u>	6
Chief Executive's Report	6
Purpose and Activities of the Organisation	7
Performance Summary	10
Going Concern	18
<u>Performance Analysis</u>	19
Active Scotland Outcomes	19
Environment Performance Indicators	22
Review of the Financial Results for the Year	30
Sustainability	31
<u>The Accountability Report</u>	33
<u>Corporate Governance Report</u>	33
Directors Report	33
Statement of Accountable Officer's Responsibilities	34
The Governance Statement	34
<u>Remuneration and Staff Report</u>	44
<u>Parliamentary Accountability and Audit Report</u>	51
Independent Auditor's Report	54
<u>The Financial Statements</u>	60
Notes to the Accounts	64
Accounts Direction	76
Additional Accounting and Disclosure Requirements	77

Minister's Foreword

In 2022/23, as the sporting system continued to recover from the impact of the pandemic, we were again able to enjoy all sport's physical and mental health benefits.

I am pleased that within this recovery is a real commitment to inclusion. This report demonstrates the changes that **sportscotland** are making, working with partners and communities, to target resources where they are needed most.

Even as we continue to recover from the pandemic, we are faced with the most challenging economic conditions in living memory. People have less money to spend on sport, while operators are faced with higher costs. To continue to thrive, the sport sector will need to embed the ethos of teamwork that served us so well during the pandemic. I am sure we will.

The stories like the ones in this report, for example Active Recovery Moray, illustrate a willingness to form partnerships outside of the sector. I know these are just a snapshot of the many great examples of partnerships that are delivering wider social outcomes through sport. I am excited to see the outcomes of **sportscotland's** new partnerships with Enable and the college sector.

At the Birmingham Commonwealth Games, we again saw the sporting system support our athletes to perform on the world stage, as they delivered our best-ever away games. This year Scotland hosts the inaugural Cycling World Championships and **sportscotland's** Cycling Facilities Fund will ensure a lasting benefit for many communities.

My thanks to the professionals and volunteers who contribute to getting people active. A special thank you to Stewart Harris who retired as **sportscotland's** Chief Executive Officer in October 2022 after 16 years. I look forward to continuing to work with new Chief Executive Officer, Forbes Dunlop, to build a more active Scotland.

Maree Todd, Minister for Social Care, Mental Wellbeing and Sport

sportscotland
Lottery Fund
Statement of Account Prepared Pursuant to
Section 35 of the National Lottery etc Act 1993

Report of the Council

Foreword

The Scottish Sports Council was established by Royal Charter in 1972 for the purposes, inter alia, “of fostering the knowledge and practice of sport and physical recreation among the public at large and the provision of facilities therefore”. On 1 July 1999 the Scottish Sports Council adopted the trading name of **sportscotland**.

Under the *National Lottery etc Act 1993*, **sportscotland** was appointed to distribute National Lottery Funds for expenditure on or connected with sport in Scotland, in accordance with the powers set out in its Royal Charter.

Under the directions given by the Scottish Ministers all distributing bodies must prepare separate statements of accounts relating to the disbursement of Lottery monies.

Format of Accounts

These accounts have been prepared in accordance with the accounts direction issued by Scottish Ministers and with the consent of the Secretary of State for Culture, Media and sport in accordance with Section 35(3) of the National Lottery etc. Act 1993.

THE PERFORMANCE REPORT

Overview

Chief Executive's Report

This annual review covers the first year since the start of the pandemic where we haven't faced significant restrictions to our way of life due to Coronavirus (COVID-19). While the lasting impact of the pandemic is still being felt across the sporting sector, the robust response of the sporting system has ensured that sport and physical activity has remained at the heart of communities across Scotland.

This has been another 12 months where the strength of Scotland's sporting system has been clearly evident. From the sport being delivered in schools, clubs and community sports hubs across the country, to Scottish athletes competing at the highest level all over the world, including at the Birmingham 2022 where Team Scotland recorded its best ever performance at an away Commonwealth Games.

There are still a number of significant challenges facing the sector and our collaboration with local and national partners will be central to helping navigate those challenges.

There are also many exciting opportunities ahead and it is heartening to know that we have a dedicated and talented workforce of volunteers and professionals who underpin our sporting system, and go above and beyond every day, to help us take advantage of those opportunities.

This annual review demonstrates the impact sport has on people, families and communities across Scotland and I'd like to thank everyone who continues to play their part in that.

Forbes Dunlop, Chief Executive & Accountable Officer, **sportscotland**

Purpose and Activities of the Organisation

About us

sportscotland is the national agency for sport. We are a non-departmental public body, responsible through ministers to the Scottish Parliament. We are also a National Lottery Fund distributor and are governed by National Lottery distribution rules.

We have three directorates - sports development, high performance and corporate services. The **sportscotland** Trust Company operates national training centres which provide quality, affordable and appropriate residential and sporting facilities for people to develop in sport.

We deliver from our headquarters in Glasgow, the **sportscotland** institute of sport in Stirling and our regional bases across Scotland – and we have a wide range of partnerships running the length and breadth of the country.

This report applies to the **sportscotland** group, which is **sportscotland** and the **sportscotland** Trust Company.

You can find out more at: [Who we are \(sportscotland.org.uk\)](http://sportscotland.org.uk).

A sporting system for everyone

Our vision is of an active Scotland where everyone benefits from sport. We are committed to the Scottish Government's vision of a more active Scotland and the Active Scotland Outcomes Framework (ASOF), which contributes to the National Performance Framework¹. Our mission is to help the people of Scotland get the most from the sporting system.

The sporting system is made up of different components that interact with each other as illustrated in the diagram below. It is not a structure, an organisation or a process. The system adapts to its environment. So as the world around sport changes, the system components and the way they interact evolves.

The sporting system shows how resources are invested by various organisations and partners to promote sport and develop the people and places that create sporting opportunities which are delivered in the schools and education, clubs and communities and performance sport environments.

It helps everyone see where they fit in and how they contribute. As a result, people in Scotland take part in sport at the level they choose which has an impact on activity levels, health and other aspects of society and the economy.

¹ <http://nationalperformance.gov.scot/>

Figure 1: A sporting system for everyone



Structure: Our Environments

We see people taking part in sport and physical activity across three different environments. We use these environments to structure the programmes we invest in and our key activities.

Schools and Education

The schools and education environment helps build competence and confidence in sport by providing positive sporting experiences at schools, colleges and universities.

We collaborate closely with local and national partners to make changes to improve sport and physical activity for children, young people and young adults. We also ensure the voice of children and young people informs our decision-making.

We continue to hold strategic conversations with local authorities and local partners to understand the impact of the cost-of-living crisis and resource constraints on local sport and physical activity.

We will use our partnership working to everything we can to protect the professional workforce and sports facilities infrastructure, while driving the changes needed to reduce inequalities and ensure inclusion underpins everything we do. Our support will be driven by the needs and priorities of our local partners.

Clubs and Communities

The clubs and communities environment offers local opportunities for participants and athletes to take part in sport and physical activity and develop to the level they choose.

Through our ways of working, we will improve the connections between local authorities and Scottish Governing Bodies of sport (SGBs) to build capacity and capability within local clubs, hubs and communities. We also work with third sector organisations and other partners to add value and strengthen this approach.

We continue to work with SGBs, national partners, clubs and community organisations to understand the impact of the cost-of-living crisis. We will work with partners to target our investment to help protect the professional workforce and sports facilities infrastructure and support the ongoing recovery of the sport and leisure sector.

We encourage a more inclusive approach. We support clubs, hubs and communities to understand barriers people face, adapt to better meet these requirements, and make it easier for people to participate in sport.

Performance Sport

The performance sport environment helps prepare and support athletes to perform consistently on the world stage using cutting edge expertise and technology.

We work in close partnership with SGBs and others in performance sport. We enhance areas of our system in response to the changing landscapes and direct requirements of our sports, athletes and partners.

We provide and encourage better leadership, management and impact awareness across our high performance system through refining our management toolkits and ensuring athlete and staff welfare is at the core of our programmes and support. We use research, data and business intelligence to ensure we can make better informed decisions going forward.

Making it Happen

Making it Happen supports our work in all three environments, both within **sportscotland** and for the whole sporting system. It is about effective business management and helps us:

- make the most of our people, places and tools.
- do the things we need to do to be a good organisation.
- help people understand and value us and sport.

Further information on what we do can be found at: [Business plan \(sportscotland.org.uk\)](https://www.sportscotland.org.uk/business-plan).

Performance Summary

We report on our annual performance by summarising key highlights from our operational delivery across the environments in the sporting system, and providing data about how this contributes to the six outcomes in our corporate strategy, Sport for Life².

Playing our Part

Over the last year, our business plan priority has been to deliver the outcomes in Sport for Life, while continuing to support the recovery of the sector. Working with local, national and strategic partners, we leveraged increased investment across a range of development areas. Inclusion and recovery were our primary decision-making drivers.

We progressed a more targeted approach to supporting local partners to reduce inequalities in sport and physical activity. We worked closely with partners to determine specific communities of focus. We established their needs and agreed how we can add most value in each local context. Our aim is to engage and improve access to opportunities for under-represented groups, including people who live in rural areas or areas of multiple deprivation.

We encouraged local partners to think creatively about what they could do to reduce inequalities in sport and physical activity through Active Schools and community sport hubs. We agreed to invest £3.2m into eleven projects over the next four years, across eight local authorities. We have committed to invest £0.5m in year one and £0.9m a year thereafter. We provided independent evaluation and outcomes setting support to partners. We will establish a community of practice to support implementation and shared learning.

We launched a new initiative with local partners, Scottish Swimming, Education Scotland and the Scottish Government. The aim is to increase opportunities for all children and young people to access school swimming, positively contributing to their wellbeing and safety. We supported four delivery pilots across the country and will support an independent evaluation of the programme to inform next steps. We developed new partnerships with the college sector in Scotland. Our ambition is to increase sport and physical activity opportunities for students and enhance the approach to work-based placements in the sport sector.

Alongside the new areas of development, we continued to support the sector to ensure inclusion underpins everything we do. We developed new partnerships to help us engage more diverse people and communities in sport and physical activity. We collaborated with ENABLE to help our staff and invested networks better understand the needs of disabled people and support them to take part.

We announced a new relationship with the race discrimination charity, Sporting Equals. This is a key part of our ongoing commitment to tackling race inequality in sport and physical activity. The partnership will strive to increase levels of knowledge, awareness and understanding of the issues within sport. It will aim to give sports, clubs and communities the confidence to identify and tackle race inequalities and racism.

We supported sporting success on the world stage. We provided a range of preparation and support services to athletes and sports ahead of the Birmingham 2022 Commonwealth Games. 260 athletes were selected as part of Team Scotland, with over 51% being female. Team Scotland won 51 medals, including 13 gold medals, across ten sports. This surpassed a pre-Games target of between 38 to 48 medals. Duncan Scott became Scotland's most decorated Commonwealth Games athlete with 13 medals.

We launched a refreshed leadership programme for the sector in January 2023. This included an inclusive Scottish Sport Leadership Programme available for the professional workforce and an executive management coaching programme for SGB Chief Executive

² <https://www.sportforlife.org.uk/>

Officers. These aim to enhance the leadership skills, knowledge and capability of staff within the sporting sector.

We delivered a Lead to Succeed event for over 100 current young leaders, to celebrate a decade of our young people as leaders' programmes. We invited inspirational athletes, previous Young People's Sport Panel members and Young Ambassadors to share their stories. Over 100 young people attended. We provided a series of workshops and resources to help them in their roles and future development.

We continued to manage a strategic investment fund to deliver a network of accessible, inclusive and inspiring cycling facilities nationwide. In 2022/23, we approved investment of £1,487,088, into 11 projects. In addition, over 30 initiatives were supported through the community cycling fund investing £344,713 to deliver new cycling activities across clubs, communities and schools. This investment aims to support a legacy of positive change and encourage more people to take part in cycling, using the inaugural UCI Cycling World Championships taking place in August 2023 as a catalyst.

We recognise the significant challenges impacting the sporting system and wider society. Our focus will be to safeguard the professional workforce our investment supports. We will protect and maintain the wider infrastructure that the sporting system is built on. We will prioritise our resources on the opportunities which have the greatest impact on people's physical and mental health and wellbeing. Inclusion will remain at the core of everything we do.

Environment Updates

Schools and Education

We maintained regular dialogue with senior leaders to understand the challenges in sport across local authorities and to support strategic planning for sport across key programmes. We engaged directly with Active Schools and Sports Development Managers from all 32 local authorities to support delivery against the set priorities and local needs in each area as teams settled back into a more normalised post-pandemic academic year.

We continued to develop the Active Schools workforce. We worked closely with the Chartered Institute of Sport and Physical Activity (CIMSPA), Active Schools and Sports Development Managers to create standards specific to Active Schools coordinators. We developed a training needs analysis process that will help managers identify learning and development priorities for staff. We also worked with Active Schools Managers to explore the opportunities around local delivery of child wellbeing in physical activity and sport (CWPS) training for young leaders.

We worked in partnership with SDS (Scottish Disability Sport) to roll out their Introduction to Inclusive Practice (IIP) e-learning across the Active Schools Network. SDS developed this further into a bespoke Inclusive Practice for Active Schools workshop. This workshop intends to help Active Schools with their approach to schools around engaging ASN (Additional Support Needs) pupils and better meeting their needs. The sessions are delivered together with disabled young people with lived experience which allows for real in-depth discussion and improvements.

We supported cohort five of the Young People's Sport Panel (YPSP) to deliver across their focus areas. The panel was involved in the design of the Kit for All initiative with local and national partners, promoting Euan's Guide to raise awareness of the accessibility of sport and leisure venues and inputting into the Scottish Government's Physical Education

consultation. Panel members attended a range of opportunities and events, including the Diversity and Inclusion Awards, the Coaching Officiating and Volunteering Awards, and Scottish Sports Awards. We also recruited the sixth YPSP cohort, supporting them to settle into their roles and to define their focus areas for the next two years.

We launched the Young Ambassador (YA) programme for the 2022/23 academic year. 308 schools across Scotland signed up for the programme, resulting in 619 YAs. The programme aims to equip young people with the skills to promote and inspire other young people to get involved in sport within their schools and communities. In September 2022, we delivered six Young Ambassador Conferences alongside our YA Delivery Team consisting of 30 young people from 13 different local authorities. All 619 YAs attended the conferences.

We ran Active Girls Day in October 2022. This encourages girls and young women to get involved in a day of sporting celebration with the parallel goal of increasing female participation in PE, physical activity, and sport. We promoted the positive work of our partners, and the incredible role models supporting girls' sport, across our social media channels. We provided a promotional toolkit to help allow schools, clubs, and partners tailor their offering to suit local need.

We revised our Fit for Girls Solutions workshop in partnership with the Youth Sport Trust. We successfully recruited 20 young female leaders to facilitate the sessions. They provide a platform for the voices of girls and young women to be heard. This helps local practitioners understand the needs of girls and young women in sport, both now and in the future.

We refreshed the School Sport Award for the 2022/23 academic year, which is an initiative designed to encourage schools to continuously improve physical education (PE) and school sport opportunities. The relaunch included developing a new website and self-assessment tool. 529 schools have registered and are currently progressing with an assessment.

We continued to develop our strategic partnership with Public Health Scotland (PHS). A key activity is the development and implementation of a systems-based approach to physical activity in Scotland. We supported PHS in the development and co-facilitation of eight workshop sessions, engaging 80 stakeholders from across 47 organisations. The workshops covered a range of themes aligned to the International Society for Physical Activity and Health publication 'The Eight Investments that Work for Physical Activity'. Evidence based strategic actions were identified and agreed in principle by participants. This was used to inform a final report published in November 2022.

Clubs and Communities

We worked with SGBs and other specific partners to determine what enhanced support we could provide to support them post-pandemic. Following this, we contracted a new Case Management and Support Service to embed additional safeguarding and investigations resource in partners. This aims to improve efficiency and expertise in relation to safeguarding, child wellbeing and protection. We continue to support all invested SGBs to ensure compliance with Safeguarding Standards and the UK Anti-Doping (UKAD) framework. We also established a new SGB welfare and protection board leads group with 20 SGBs and regularly meet with the Home Country Safeguarding working group to collaborate on projects in this area of common interest.

We supported the delivery of Whyte Review Workshops for CEOs, Heads of Development, national coaches and development staff from SGBs with over 80 attendees. These

sessions were designed to be both informative and developmental, with delivery from Children 1st and Scottish Gymnastics.

Following the independent review into racism in cricket by Plan4Sport, we continue to support Cricket Scotland to implement the recommendations from the Changing the Boundaries report into racism within the sport. We provided additional financial assistance to cricket to help progress the recruitment of a specialist HR function, diversify their board recruitment process and review and update their policies and procedures with an anti-racism and Equality, Diversity and Inclusion (EDI) lens. We also provided support to design, build and implement a robust, independent investigations and disciplines process.

We continued to develop our nationwide Community Sports Hubs (CSH) programme. We successfully launched our new CSH brand and logo to increase the visibility of the CSH project both locally and nationally. We rolled out an Impact and Interventions update to the sharing and learning tool for the CSH officer network. The tool aims to create an ethos of shared learning across the network and better capture the activity taking place across hubs, demonstrating more clearly the impact they are having, and the partnerships involved.

We provided residential to give CSH Officers the opportunity to connect, share and learn with peers across the hub network. The days included a variety of sessions to support them in their role and foster inclusive approaches in club and community sport. This included workshops run by partners Scottish Disability Sport (SDS) and ENABLE Scotland.

We progressed our Changing Lives action plan, ensuring it aligns with our new EDI approach. We continued to see commitment from Changing Lives strategic partners on contributing to embed the Changing Lives approach within the sporting system. We delivered Changing Lives Hot Topic sessions for the cohort, with themes including the cost-of-living crisis and delivering sustainable programmes.

We continued to build on our strategic partnership with the Scottish Association for Mental Health (SAMH). We supported the launch of the SAMH Club Level Charter, which provides direction and support to club and community organisations to support mental and physical health. We facilitated SAMH mental health workshops to local partners and SGBs, helping professional staff in sport to explore and understand mental health and wellbeing in the context of sport and physical activity. We delivered 171 workshops, with over 2,700 attendances from across our local authority and SGB partners.

We approved investment into 29 projects through the Sports Facilities Fund, totalling £1,975,300. Through the Cycling Facilities Fund we approved investment of £1,487,088, into 11 projects. We approved two awards through the Transforming Scottish Indoor Tennis Fund, totalling £305,000. We also approved investment of £1,278,507 into 181 projects through Awards for All.

We developed our knowledge and understanding of sustainability within facilities. We provided staff training on carbon accounting and Passivhaus construction. This will enable us to provide better advice and guidance to the sector on the design and development of sports facilities. We contracted the British Association of Sustainability in Sport (BASIS) to deliver an initial package of support to SGBs, including training, a framework and self-assessment tool, and a session to help them identify their next steps.

We launched a new coach education subsidy to support development and qualification costs, prioritising funding for groups which are under-represented within coaching. We

worked with SGBs and partners to widen their reach and engagement with under-represented groups and to share good practice.

We continued our investment and development of our online learning platform Brightspace. We supported 27 SGBs and 15 other partners to use the platform, reaching 18,732 active learners. We launched three new EDI courses in partnership with e-coach and two additional communities of practice to support partners delivering the Island Games and for SGB coaching network. We collaborated with home country partners across the UK, with Sport NI and Sport Wales now buying into Brightspace.

Performance Sport

Our overall headline goals remained centred around the 2022 Birmingham Commonwealth Games as well as planning for the 2024 Paris Summer Olympic and Paralympic Games and 2026 Milan/Cortina Winter Olympic and Paralympic Games, supporting investment and operational delivery.

We continued our focus to support our Scottish athletes in the Birmingham 2022 Commonwealth Games. We successfully managed COVID-19 processes and protocols within the high-performance system, introducing a 90-day programme as part of Project Birmingham in collaboration with Commonwealth Games Scotland and SGBs. Team Scotland sent a total of 260 athletes, with ages ranging from 16 years to 75 years. Despite the majority of athletes making their Commonwealth Games debut (61.2%) the team had positive results, returning home with a total of 51 medals, across 57 medallists, including 12 para-sport medals.

We facilitated a new opportunity with UK Sport and English Institute of Sport on a performance learning arena. This is an online learning portal for practitioners which provides opportunities for enhanced learning and engagement with performance colleagues from across the UK. We continued to progress with work in the new performance data management system, with the migration of supplemental clinical data.

We established a collaborative gymnastics project group to develop resources and support to athletes, coaches and parents, to develop behavioural and psycho-social skills. We partnered with Stirling University and Netball Scotland on a project to understand the physical capacity of pathway netball players and physical preparation habits in adolescent netball players.

We continue to invest and support coach developer practitioner services for SGB performance coaches, with ten SGBs now receiving support. We supported SGBs to deliver the athlete to high performance coach apprenticeship programme and review the impact of investment. Nine SGBs have recruited seven full time coaches, including three female coaches. Six part time coaches have also been recruited, including one female.

We established a performance Health and Wellbeing Group as part of our key focus on mental health and wellbeing delivery. This is supported by representatives from mental health and wellbeing, female athlete health, concussion, respiratory health and clean sport. This approach aims to ensure we will be able to effectively deliver to Scottish sport as well as collaborate and shape the wider UK high performance structure. We made continued progress with our strategic policy for Clean Sport, with all SGBs receiving investment having operational Clean Sport plans in place and being provided with Clean Sport education support.

We co-commissioned independent research with UK Sport and other home country sport councils to identify the equality profile of athletes on the sport and talent pathway. This

helped us investigate the barriers to inclusion, establish a baseline for future interventions and support the change required to engage under-represented groups into talent pathways. We shared the findings and data with SGBs to facilitate discussions on the demographic makeup of the cohort of talented athletes.

We developed a female athlete health check questionnaire and engagement plan to enable us to better understand needs and adapt our support services. We worked with sports to create female athlete health representatives to ensure female athlete needs are considered within sport specific activity and service delivery. We are also working with other home country sports councils to develop pregnancy guidelines for athletes.

Making it Happen

Following the pandemic and an extended period where our staff were working from home, we carried out a phased approach to office opening, with regional offices being re-opened for staff and partners. We finalised the development of our hybrid working policy, continually engaging staff to hear their views.

We continued to develop a strong working relationship with the Minister for Social Care, Mental Wellbeing and Sport. We facilitated a range of Ministerial engagements including a meeting with North Ayrshire Council, giving the Minister an insight into our approach with local authorities on EDI. The Minister had positive interactions with the YPSP both in-person and appearing on their podcast. We also celebrated Team Scotland's success in the 2022 Commonwealth Games in Birmingham, with Ministers attending the Games and related events.

We continued to develop and improve our IT systems and cyber resilience capabilities. This included the completion of a 24-month project on various ICT Infrastructure projects to ensure our systems reflect the significant changes in how staff now work. We also embedded Power BI (Business Intelligence) into the MySport system to assist with reporting.

We established an internal working group to explore our role in supporting the sector to mitigate climate change. The group used feedback from partners to develop a series of recommendations. We presented the recommendations to our Board for feedback, and we will embed confirmed actions within our new operational plans.

We maintained a high standard of governance throughout our finance, procurement, and legal functions, receiving positive feedback from auditors. We also provided significant legal, stakeholder relationship management and communications support regarding the Cricket Scotland Governance Review.

We progressed work with our EDI approach, appointing a new EDI manager. We provided leadership to the sporting sector to influence and drive the changes needed to address inequalities and ensure everyone has the opportunity to take part. We developed and delivered a series of EDI workshops to help people understand inclusive design and learn about useful tools and resources to use in practice. Over 350 staff and partners who work or volunteer at different levels, across a range of organisations and sectors, attended the sessions.

We applied a more targeted and diversified approach to advertising vacancies where under-represented groups are more likely to access opportunities. We continue to develop inclusive employer communications, through our social media, sponsorship and other communications channels, ensuring there is greater visibility of sportscotland as a diverse and inclusive employer. We worked in partnership with ENABLE, the Race Equality

Network and Council for Ethnic Minority Voluntary Organisations Scotland (CEMVO) to implement improvements to our recruitment and onboarding processes. We benefited and learned from a work experience placement within our ICT team, via the Enable Breaking Barriers programme. The placement is designed to help more disabled people into work as well as support organisations to develop more inclusive support for disabled colleagues.

We progressed with our research approach, supporting monitoring and evaluation of our key programmes, as well as developing research in new areas including our work with the college sector, Active Schools and CSH inclusion projects, school swimming projects and exploring collecting equality data from SGBs. We provided a series of bitesize and lunchtime seminars to help staff and partners learn more about the research and data we collect, and how it links with our EDI approach and inclusive design.

We implemented a new package of developmental training and resources through LinkedIn learning. We launched a range of refreshed EDI in workplace e-learnings to ensure colleagues and managers are delivering in line with legislative guidance and our EDI approach, as well as offering practical help to challenge unlawful discrimination or inappropriate behaviour.

Our internal health and wellbeing group developed a suite of guidance for colleagues on women's health and support for menopause. We also invited staff and partners to attend a developing female leaders' interactive session. This aimed to support the development of environments, mindsets and pathways that enable women to excel.

We built on the successful #FeelYourPersonalBest campaign we jointly run with SAMH by inviting Public Health Scotland to support the campaign. #FeelYourPersonalBest aims to raise the profile of the role that sport and physical activity plays to support positive mental health. It promotes the message that there are many ways to get active and encourages people to find an activity that works for them and their daily routine. With PHS joining the project, we reached a wider audience including through local health boards and sharing content across their channels.

We held monthly #SportHour sessions across the year covering a range of themes including Sport for all Ages, Volunteering in Sport and Women and Girls. With the return of face to face events in 2022/23, **sportscotland** sponsored events celebrating success in the sporting system, including the Scottish Association of Minority Ethnic Educators (SAMEE) Awards and the Scottish Sports Futures Awards. We worked in partnership with Commonwealth Games Scotland to deliver The Scottish Sports Awards 2022, to recognise and celebrate achievements of individuals, teams and organisations across the sporting system. We continued with the "Focus On" articles which profile a different SGB every month based on our monthly communications themes.

National Centres

sportscotland continues to provide strong support to the national centres and their staff. There has also been the opportunity to review, enhance and more closely integrate the role of the national centres in the delivery of the **sportscotland** corporate strategy and to seek to give greater prominence to the centres, working together with the rest of **sportscotland** to deliver the outcomes aligned with the ambitions of the Active Scotland Outcomes Framework (ASOF) which continues to be the Scottish Government's key policy framework for delivering a more active Scotland.

Inverclyde

2022/23 was the first full trading year at the centre since the interruptions to operations due to the COVID-19 pandemic. 2022/23 was the strongest year of trading across all key metrics – income, occupancy, participant days and number of groups – since the centre reopened in 2017.

The school's market, which had been one of the last to return due to COVID-19 considerations, bounced back better than pre-pandemic levels, with income at £478k, 32% more than the previous high of financial year of 2018/19. Demand is strong across the year for school bookings, branching out with the previously traditional school period of March – June. This demand for traditionally quieter periods of occupancy in the winter months in turn contributed to the strongest February and March trading period since the centre reopened in 2017.

The SGB segment finished the year £36k ahead of budget, as this segment continues to grow following COVID-19 disruption. Encouragingly, this growth is due to not only returning SGBs, but also new SGBs who had previously not utilised the centre pre-pandemic. Smaller to mid-scale competitive events at weekends for SGBs, such as Scottish Judo and Wrestling, has also contributed to this revenue growth.

The clubs segment continues to build up towards pre-pandemic levels, finishing the year at income of £266k. This is primarily due to the strength of gymnastics club training and football pre-season, although encouragingly a range of martial arts have returned to the centre for the first time since COVID-19, aiding the recovery of this segment. Across both clubs and SGBs, 26 sports were represented in groups from these segments.

Finally, for residential income, the partner and internal segments have increased to be significant income generators, from previously low levels. This is in part due to an increase in targeted investment by **sportscotland** into groups utilising the national centre for a residential experience. This is expected to continue into future financial years and due to the design of this model can be used to support periods of expected lower occupancy. Community income segments including fitness, gymnastics, golf and community court and pitch bookings, continue to supplement the core residential segments. Fitness, in particular, has seen significant growth from pre-pandemic levels, in large part due to increasing demand for junior memberships.

Overall expenditure finished higher than budget, primarily down to two areas - increased gas costs against budget, as well as increased contractor costs for cleaning and catering expenses. This is linked to increase in residential group numbers and therefore there is associated increased income with these additional costs.

Glenmore Lodge

Glenmore Lodge continues to deliver high quality training, supporting personal outcomes for individuals and helping support development and innovation in the outdoor and adventure sport sector. It remains a key strategic partner for governing bodies across four primary outdoor and adventure sports – mountaineering, paddle sports, snow sports and mountain biking. This partnership continues to bring significant resilience to qualification frameworks as investment is prioritised to support the development of future leaders, coaches, and instructors.

2022/23 represented the first full year of trading since the start of the pandemic. We have seen a return to near normal levels of activity, although overall occupancy remains constrained by high levels of single room occupancy. While we achieved an overall room occupancy of 50%, bed utilisation was only 37%.

Throughput on programmed courses was 2,529 (2021/22 1,940), this represents 88% of our two-year pre pandemic average. In addition, we had a further 928 individual undertaking tailor-made training courses and 2,459 individuals who attended a conference or seminar.

Income out turned at £1,521k, 12% above forecast (2021/22 £1,117k excluding furlough). Despite experiencing exceptional increases in all areas of our cost base (Biomass costs increased 67%), we were able to contain costs within our forecast.

sportscotland continues to invest in Glenmore Lodge as a strategic venue for outdoor and adventure sport. Investment this year supported refurbishment of South Wing accommodation. Its facilities support several governing bodies and individuals, as well as being used by a variety of local and regional sports clubs.

Glenmore Lodge offers unique opportunities for promoting #SportForLife within targeted EDI areas. Our focus within the reporting period (2022/23) has been on the following key areas:

- Women in leadership and female participation
- Youth
- Safety
- Community
- Inclusion

Principal Risks

sportscotland faces, and actively manages, a wide range of risks which are categorised in our risk register as strategic, reputational, operational and financial. Details of our risk management approach and of the significant risks facing **sportscotland** are set out in the discussion of risk management in the Accountability Report section of this document.

Going Concern

The statement of financial position as at 31 March 2023 shows net assets of £47.8 million. Funding for **sportscotland** National Lottery Distribution Fund in 2023/24 continues to be provided by the National Lottery Distribution Fund and there is no reason to believe that future funding and budgetary approval will not be forthcoming. It has accordingly been considered appropriate to prepare these financial statements on a 'going concern' basis.

Forbes Dunlop

Forbes Dunlop

Chief Executive & Accountable Officer

26 September 2023

Performance Analysis

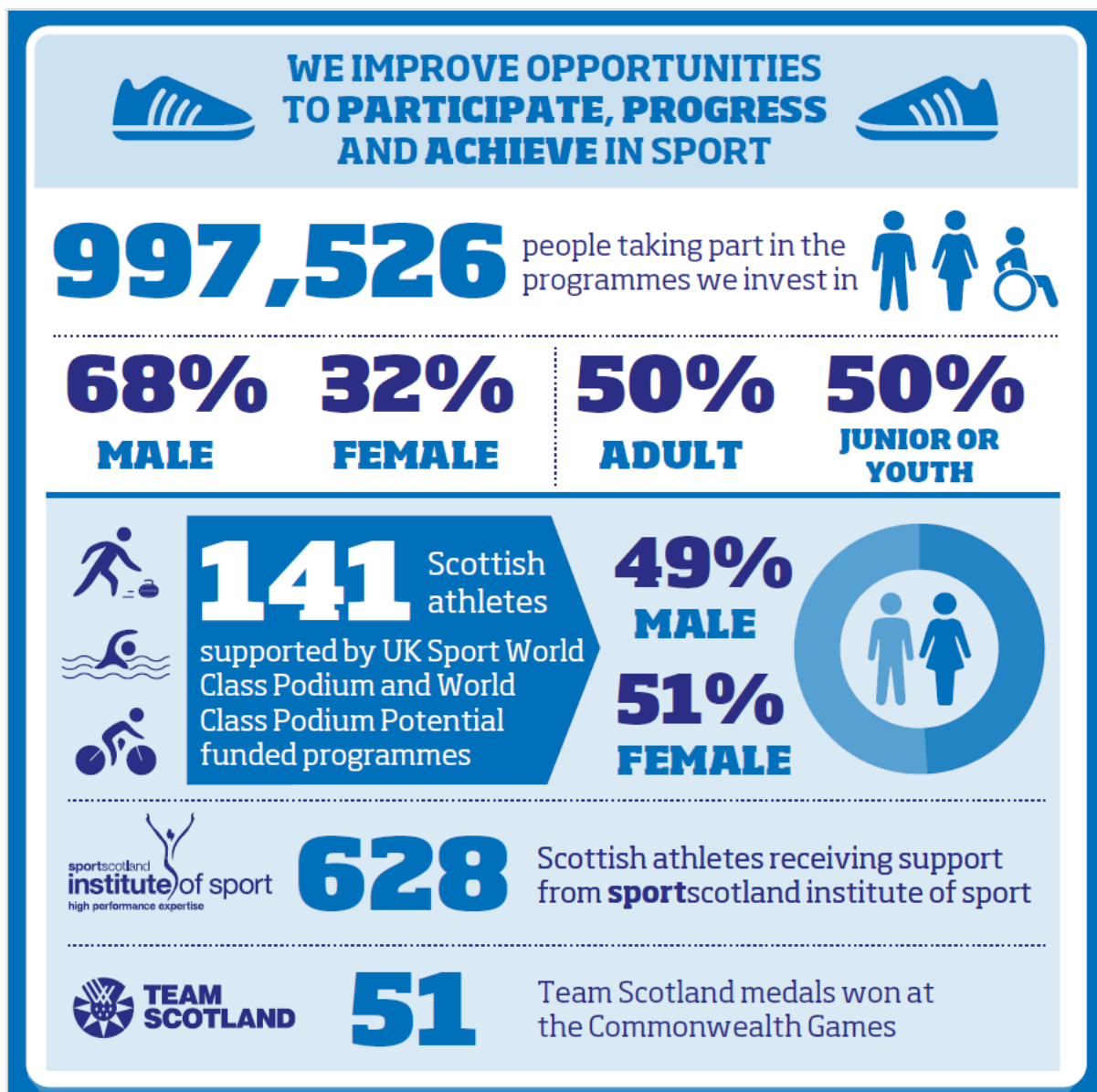
This report covers the fourth year of our corporate strategy, *Sport for Life*².

In 2022/23, as recovery from the Coronavirus (COVID-19) pandemic continued and sport and physical activity returned, we resumed focus on our contribution to Sport for Life and the Active Scotland Outcomes Framework (ASOF). We prioritised capturing the scale and diversity of those taking part in our programmes, given the impact of COVID-19 on our partners' operations and the wider sporting system.

This report therefore aims to demonstrate our progress against the outcomes in Sport for Life between 1 April 2022 and 31 March 2023 as well as illustrating participation trends across each of the three environments in the sporting system. Through personal stories we highlight the impact of our collaborative work with partners across the system.

Active Scotland Outcomes

We improve opportunities to participate, progress and achieve in sport



We improve our active infrastructure – people and places



There are proven benefits of taking part in sport and physical activity. We have strong evidence around the impact of sport [reported](#) in previous years which shows this. We took the same survey approach this year. However, due to lower response rates from some larger sports, we cannot weight the data. As a result, the survey results are not representative and should be treated with caution.

We have provided the unweighted data below. Although not representative, this data shows similar trends to previously reported evidence. We will also share full reports on our website for the unweighted data we have.

We support wellbeing and resilience in communities through physical activity and sport

90% feel healthier (adults and children)

97% have made friends (children)

63% feel more involved in their community (adults)

61% feel close to other people (adults)

We encourage and enable the active to stay active throughout life

54% of club members have been a member of their club for more than 5 years

45% of under 18s have been member of their club for more than 5 years

63% of members over 55 have been member of their club for more than 5 years

We encourage and enable the inactive to be more active

1% of people taking part in programmes have gone from inactive to active

	Activity levels - Before taking part in our programmes	Activity levels – Currently taking part in our programmes
Active	92%	97%
Some activity	7%	3%
Inactive	1%	0%

Child physical activity levels:

Active – average 60+ mins per day

Some activity – average 30 to 59 mins per day

Inactive – average less than 30 mins per day

Adult physical activity levels:

Active – 150 mins per week

Some activity – 30 to 159 mins per week

Inactive – less than 30 mins per week

We develop physical confidence and competence from the earliest age

78% feel they have become better at sport/other activities

57% feel they have learned a new skill

70% feel more confident in sport or physical activity

About the data

This data is from routine, internal monitoring plus participant surveys across our programmes.

Results against the Active Scotland Outcomes Framework and equality, diversity and inclusion (EDI) characteristics for club members were collected through our club ASOF survey. We received over 5,000 responses this year; this is much lower than the previous survey which collected 11,000 responses. Due to lower response rates from some larger sports, we cannot weight the data. The survey results are therefore not representative and should be treated with caution. This applies to the data reported against the ASOF outcomes below:

- We support wellbeing and resilience in communities through physical activity and sport.
- We encourage and enable the active to stay active throughout life.
- We encourage and enable the inactive to be more active.
- We develop physical confidence and competence from the earliest age.

EDI data from Active Schools is now collected through our programme monitoring, data in this report is based on responses from 29 of the 32 local authorities. Data on supported athletes was collected through an EDI survey.

The figure for people accessing training opportunities is not distinct. This means there may be multiple counting of people accessing more than one training opportunity.

Facilities investment includes Sport Facilities Fund and Transforming Indoor Tennis Fund which are funded through National Lottery, and the Cycling Facilities Fund which is funded equally through Scottish Government investment and the National Lottery.

Environment Performance Indicators

We see people taking part in sport and physical activity across three different environments. This section provides trend data for people taking part in each environment as well as a breakdown of EDI characteristics, where available.

Performance

Participation trend data for sportscotland institute of sport (SIS) supported athletes

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total	548	562	586	645	600	672	616	693	628
% Male	54%	N/A	N/A	N/A	N/A	54%	N/A	N/A	55%
% Female	46%	N/A	N/A	N/A	N/A	46%	N/A	N/A	45%

Our commitment to equality underpins everything we do

This data refers to athletes we support as part of the **sportscotland** institute of sport in 2022/23.

Adult and Under 18

Sex: 55% Male / 45% Female

Age: 85% Adult / 15% Junior or Youth

Areas of Deprivation: 5% from the 20% most deprived areas (SIMD 2020)

Disability:

12% of adult athletes have a health problem or disability that limits their day-to-day activities

4% of under 18s have a health problem or disability that limits their day-to-day activities

Ethnicity

98% identified as White Scottish / White other British / White Irish or White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

2% identified as African, Scottish African or British African / Mixed or multiple or other ethnic group.

Adult only (18 and over)

Sexual orientation

6% of adults described themselves as bisexual or lesbian/gay

92% of adults described themselves as heterosexual

2% preferred not to say

Religion and Belief

22% of adults identified as Church of Scotland, Roman Catholic or other Christian.

76% had no religion

3% preferred not to say

About this data

The data shows the number of SIS supported athletes is relatively static. The proportion of SIS athletes who are female is slightly (1%) lower than previous years.

Caveats

The latest census data has not yet been released to provide a comparison. We have not included comparisons with the 2011 census, as this is now significantly out of date. The census results are available at this link for information: [2011 census | Scotland's Census \(scotlandscensus.gov.uk\)](https://scotlandscensus.gov.uk).

We use data for age and sex from our annual monitoring data. There are gaps in male/female split for a few years. The other EDI characteristics were collected through a survey. 194 adults and 50 under 18s responded to the survey.

Schools and Education

Participation trend data for Active Schools

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total participants	270,691	274,432	289,044	293,878	309,118	312,808	N/A	N/A	217,995
% Male	52%	53%	52%	52%	52%	52%	N/A	N/A	54%
% Female	48%	47%	48%	48%	48%	48%	N/A	N/A	46%

Our commitment to equality underpins everything we do

This data refers to children and young people taking part in the Active Schools programme in 2021/22 academic year.

Sex: 54% Male / 46% Female

Areas of Deprivation: 21% from the 20% most deprived areas (SIMD 2020)

Disability:

1.5% of Active Schools participants are assessed disabled

22% of participants have additional support needs

Ethnicity:

90% identified as White Scottish / White other British / White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

10% identified as Asian, Asian Scottish or Asian British / African, Scottish African or British African / Caribbean or Black / Mixed or multiple or other ethnic group)

About this data

The data trend shows a strong recovery after the disruption due to the Covid-19 pandemic. There is a small change in the data with female participants 2% lower than previous years. This is in line with broader research suggesting that female participation in sport is not recovering as quickly.

Compared to the 2021 pupil census, Active Schools participants are broadly reflective of the diversity of school pupils. However, there is underrepresentation of:

- Female pupils (-3%)
- Pupils with additional support needs (-10%)
- Assessed disabled pupils (-1%)
- Pupils who live in 20% most deprived areas (-3%)
- Active Schools has overrepresentation of pupils from diverse ethnic communities (+1%)

Caveats

The Active Schools data relates to the academic year 2021/22 but is reported in 2022/23. This is due to when the academic year and financial year line up.

This was the first full year of activity after the pandemic started. Some restrictions were still in place at the start of that academic year.

Data on sex is based on responses from all 32 local authorities. Other EDI data is based on responses from 29 local authorities. 27 local authorities provided responses for deprivation.

Clubs and Communities

Participation trend data for SGB club members

Reporting year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total	N/A	757,873	773,714	780,453	788,025	732,120	709,840	733,983	778,903
% Male	N/A	N/A	73%	71%	72%	73%	72%	73%	72%
% Female	N/A	N/A	27%	27%	28%	27%	28%	26%	28%
% Non-binary	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%
% Prefer not to say	N/A	N/A	N/A	N/A	N/A	0%	0%	0%	0%

Our commitment to equality underpins everything we do

This data refers to club members and participants taking part in the programmes we invest in.

Adult and Junior / Youth

Sex: 72% Male / 28% Female

Age: 64% Adult / 36% Junior or Youth

About this data

The data shows SGB Club Membership has increased since last year. This follows decreases during the year's most impacted by Covid-19. The proportion of SGB Club members who are female is slightly (1%) higher than last year. However, there are still far more male participants than female. This in line with earlier results.

Caveats

We have used the club membership figure submitted by SGBs. This is more comparable over time. We used a different methodology in previous annual reports, so the figures will not match. We have included the full trend data using the current methodology in this report to allow comparison.

We excluded the figures for community clubs/organisations which are not affiliated to SGBs, as there are issues with comparability. This would account for around 30,000 participants.

We use data for age and sex from our annual monitoring data. The latest census data has not yet been released to provide a comparison. We have not included comparisons with the 2011 census, as this is now significantly out of date. The census results are available at this link for information.

Additional EDI data

We collected additional EDI data through a survey. We received over 5,000 responses this year; this is much lower than the previous survey which collected 11,000 responses. Due to lower response rates from some larger sports we cannot weight the data. We have included some of the strongest data below. These are unweighted and should be treated with caution.

Adult and Junior /Youth

Areas of Deprivation: 5% live in the 20% most deprived areas (SIMD 2020)

Disability:

15% of under 18's said they had a physical, mental or health condition.

16% of adults said they had a physical, mental or health condition.

Ethnicity

95% identified as White Scottish / White other British / White other (including Irish, Polish, Gypsy/Traveller, Roma and Showman/Showwoman)

3% identified as Asian, Asian Scottish or Asian British / African, African Scottish, African British / Caribbean or black / Mixed or multiple or other ethnic group

2% preferred not to say

Adult only

Sexual orientation

4% of adult participants described themselves as bisexual, lesbian/gay or preferred to use another term

91% of adult participants described themselves as heterosexual

5% preferred not to say

Religion and Belief

37% of adult participants identified as Church of Scotland, Roman Catholic or other Christian.

2% of adult participants identified as another religion

57% had no religion

4% preferred not to say

Case studies

Sarah Adlington

Following on from her first Olympic Games in Tokyo, the judoka retained her Commonwealth Games title, winning gold in the women's over 78kg category at Birmingham 2022, becoming the most successful Scottish judoka of all time.

Her success in Birmingham owed itself to painstaking preparation through the year with significant support from the **sportscotland** institute of sport and Judo Scotland. Sarah and her support staff left no stone unturned with significant work on physical preparation, physiotherapy and sports medicine among other areas meaning she was prepared to perform at her best in Birmingham.

Coach Billy Cusack, Greg Valentine (physical preparation) and Andrew Cruickshank (performance psychology) were among the key staff in Sarah's support team. While she also received medical and physio support during the preparation for Birmingham 2022.

Greg Valentine, **sportscotland** senior physical preparation coach, who has worked with Sarah since 2014, said: "For the best judo athletes you need a bit of everything. You need close to the strength of a weightlifter and you need to be conditioned to last a long time, similar to a long distance runner, so there's a lot we need to focus on with Sarah.

"Sarah's got a great attitude towards training and is really easy to work with. I'm a similar age to Sarah, we've worked together for over nine years and been through a lot of ups and downs in that time. So to see her win a gold in Birmingham and feel like I'd played a small role in it was an amazing feeling."

Kit for All

Kit for All initiatives across the country are helping to make sport and physical activity more accessible for thousands of young people, while also making sport in Scotland more sustainable.

Kit for All is about offering recycled and pre-loved sports kit to individuals and families, for free. And from Shetland to North Lanarkshire people working on projects all over Scotland are making sure young people whose families might not be able to afford sports kit are able to see the benefits of sport.

Whether it's pressure to own branded kit, having club-specific clothes, keeping up with new kit for growing children or for adults wishing to venture into a new activity, the cost of having appropriate clothing for activity can be a big financial burden.

A key part of work by the **sportscotland** Young People's Sport Panel (2020-2022) was focused on improving access to sport and physical activity for other young people. With several similar recycled sports kit programmes already operational in Scottish communities, the YPSP decided to create a national initiative called Kit for All.

The idea was to bring existing projects together to share best practice and create a toolkit and information hub which would be promoted across Scotland's sporting system to encourage more schools, clubs, community sport hubs and facilities to start their own Kit for All project.

Aileen Stuart started the Sport Bank in Alness to respond to local needs after hearing about young people who didn't have enough sports kit to take part in regular sport at school.

Aileen said: "I work quite closely with the Active Schools Coordinator at Alness Academy. There's quite a big need at the academy. She would tell me that teachers would take the gym stuff of some pupils home to wash it so they could do PE the next day. They knew it wouldn't be washed at home and the young people didn't have any extra kit for the following day.

"There are a lot of families who just don't have money for sportswear and that was one of the main reasons we started it."

Making a Difference

A project in Moray is using football to support people with mental health and addiction challenges and help them find employment.

Active Recovery Moray is a partnership between Moray Community Sport Hubs, Elgin Sport and Community Trust, Police Scotland, and Arrows – a Quarriers service providing support for individuals and families affected by drugs and alcohol throughout Moray.

It was started in May 2022 with the aim of providing free sporting opportunities to allow participants to experience the wide range of physical and mental benefits of staying active, as well as being a platform to improve social inclusion, enhance life skills, build confidence and enhance future employment opportunities. Participants are referred to the sessions by social services, Arrows and NHS staff.

Moray Community Sports Hub Development Officer, Dimitris Chrysanthakopoulos said: "Coming out of the COVID-19 Pandemic, mental health awareness was very high and we knew it was going to be a priority for the area. The project we came up with was definitely something that was missing from the area. I approached Arrows and explained my idea, they really embraced it from the beginning. They got feedback from their clients initially to help us shape the project, that's why we chose football as the activity.

"Once everyone saw the outcomes that we were getting it continued to grow, we were getting very good feedback from participants. The participants were going to the job centre and social work appointments saying how good they had been feeling since starting the football sessions.

"It is fantastic to see. I didn't expect this level of impact when we started the project. You can see how happy everyone is during the sessions, not only playing football but being able to meet and make friends with some people who have similar issues to them. It's a very relaxed and welcoming environment. You wouldn't know these people are facing the challenges they are."

Scottish Disability Sport Parasport Festivals

Scottish Disability Sport's Parasport Festivals are helping many young people across Scotland experience sport for the first time.

The Parasport Festivals were started in 2009 but the programme has grown considerably in recent years, with nine festivals taking place last year. Locations have included Orkney,

Shetland, East of Scotland, West of Scotland, Central Scotland, Dumfries and Galloway, Tayside, Grampian and Highland.

The festivals allow young people who are underrepresented in sport to try a range of sports. For many it will be the first time they've had the opportunity to take part in these sports, with specialised support provided where required. The festivals were designed to help young people with disabilities in mainstream education who weren't accessing, or weren't able to access, sport and physical activity. In 2022/23 over 330 young people have participated.

Lynne Glen, Head of Development for Scottish Disability Sport (SDS), the lead agency for disability sport in Scotland, explained: "We'd identified that there was a lack of opportunities for young people with disabilities, particularly young people with physical disabilities, vision impairments and hearing loss.

"Participating in the festival raises the young people's aspirations and self-efficacy in relation to their ability to do sport, through their experience they learn they can do sport and physical activity, it also changes the perceptions of their parents and carers and demonstrates what they can achieve.

"We try to offer sports where there is a local opportunity to participate. That's a critical part of the programme, having somewhere to go to sustain participation.

"After the festival the SDS regional manager will phone the parents or carers and arrange to discuss what the young person enjoyed, what their personal choice of sport would be and ask what support they need to engage. They will then provide tailored support to find appropriate sessions in the area."

Open to All

Aberdeen Sports Village (ASV) Table Tennis Academy is breaking down barriers to sport for young people from low-income areas and people from ethnically diverse communities. Table tennis started at ASV in 2011, initially as a pilot for two night a week, but it quickly blossomed into the thriving academy that runs today.

As well as the academy, which currently has players ranging from age 8-17, there are a number of offshoot table tennis activities running every week which caters to all ages and abilities. Older participants have sessions specifically for them, with people in their 70s and 80s taking part.

The academy is run by Head Coach Max Singer who has been coaching the sport since he stopped playing in 1988. A key part of his work is regular visits to schools local to ASV, primarily in low-income areas, to deliver free taster sessions and encourage young people along.

Parents are also encouraged to come along and help if they are interested, several parents have done so and have since undertaken coaching qualifications. This has led to the creation of an inclusive table tennis community with coaches and participants from countries such as Germany, Nigeria, India, Russia and Poland.

Max Singer said: "Being open and inclusive has without question enhanced the experience for all players and coaches and has created a culture that supports and encourages all those involved to reach the highest level they aspire to within the sport.

“When I visit schools, the aim is to introduce them to the sport, see if they enjoy it and maybe spot some with a natural talent for it. They are offered the chance to come along, the first two sessions they go to are free. We try to help them as much as we can in terms of cost.

“We’ve had a lot of kids come from the schools into the academy. Some progress to a good level, others don’t, but if they’re enjoying the sport that’s fine by me.”

North Ayrshire Active Schools

The North Ayrshire Active Schools team are working with partners to remove barriers for care-experienced young people to access sport and physical activity opportunities, as well as supporting them to build their confidence and in some cases helping to increase the amount of time they spend in school.

Care-experienced young people often face many barriers which would prevent them from taking part in sport. They may be dealing with trauma or a range of challenges in their home life and may not regularly be in the school environment or have access to transport or sports kit.

Gary Moore is an Active Schools & Communities Partnership Officer (ASCPO) in North Ayrshire, a position funded by **sportscotland**. Gary’s role is to work with health and social care partners, schools, communities and third sector organisations who already engage with care-experienced young people in the area others to help increase opportunities for them.

Part of Gary’s work is to offer an experiential opportunity early on in the process. These opportunities not only provides the young people with a positive experience, but allows them to build a positive relationship with staff.

One of these recent residential took place at **sportscotland** national training centre Inverclyde in February 2023. Inverclyde is the first UK residential sports centre of its kind, designed for inclusivity.

Everything about the trip was tailored to ensure the facility, accommodation, activities and eating arrangements made the young people feel as comfortable as possible.

That included training for **sportscotland** staff by the Active Schools team, so they had full understanding of the needs of the young people.

Gary said: “Sport and physical activity are not always at the forefront of their minds. It might be putting food on the table or worrying about where they’re going home to after school if they’re being moved somewhere else.

“The residential is the initial engagement we use to hopefully start supporting these young people on a longer-term basis.”

Future Plans

Our business plan for 2023 onwards describes how we will deliver our commitment to our corporate strategy, [Sport For Life](#). It outlines how we will continue to support the sporting system to respond to the current economic challenges and drive inclusion and recovery. [Business plan \(sportscotland.org.uk\)](#).

Review of the Financial Results of the Year

The accounts relate to the year ended 31 March 2023 and are prepared in a form directed by the Scottish Ministers in accordance with section 35 of Part II of the National Lottery etc. Act 1993.

During the year to 31 March 2023 £30,100k (2021/22 £26,292k) was called down from the NLDF towards the payment of approved awards and the administration of the National Lottery Fund. Administration and programme costs including depreciation and corporation tax for the year totalled £8,314k (2021/22 £7,150k).

A summary of the Lottery Balance position at the end of 2022/23 showing the commitments to be made over the next four year period from 2023/24 to 2026/27 is highlighted in the table below.

The **sportscotland** Lottery statutory accounts are prepared so as to provide details of hard commitments to partners annually. Thus the income and expenditure account reflects these commitments.

This does not take account of the ongoing commitment to our partners who work to a four year plan to deliver specific outcomes.

The analysis below provides a breakdown of the soft / other commitments made at **sportscotland** over the four year period 2023/24 to 2026/27.

	£000	£000
Monies held in National Lottery Distribution Fund for sportscotland		54,111
Less: Commitments during the 4 year period 2022/23 to 2026/27		
Partner Revenue Funding	(57,903)	
Capital Funding	(30,300)	
Effective Organisation	(13,561)	
		<hr/>
		(101,764)
		<hr/>
Balance to be funded by future Lottery Revenues		(47,653)
		<hr/>

Remuneration for non-audit services

The accounts are audited by auditors appointed by the Auditor General for Scotland. For the year 2022/23 the appointed auditors were Audit Scotland.

During 2022/23, no non-audit fees were paid to Audit Scotland.

Intangible assets

During the year to 31 March 2023 there was £nil (2021/22 £nil) spent on acquiring intangible assets for **sportscotland** Lottery Fund activities.

Retained Reserves

Accumulated funds totalling £47,837k (2021/22 £50,038k) were held on the Statement of Financial Position at the end of the year.

Payment of Creditors

In line with guidance the **sportscotland** Group has a policy to pay all authorised invoices not in dispute within 30 days or the agreed contractual terms if otherwise specified. The **sportscotland** Group aims to pay 100% of authorised invoices, including disputed invoices once the dispute has been settled, on time within these terms.

During the year ended 31 March 2023 the **sportscotland** Group paid 97% (2021/22 90%) of all authorised invoices received within the terms of its payment policy.

The Scottish Government policy of paying 100% of invoices within 10 days of being received by the Finance department continues to be our target.

The **sportscotland** Group observes the principles of the Better Payment Practice Code.

Sustainability

During the year **sportscotland** has led a number of key activities which will seek to reduce our carbon footprint.

A report is produced annually explaining in detail the outcomes of our activities and this can be viewed on the **sportscotland** website www.sportscotland.org.uk.

Forbes Dunlop

Forbes Dunlop
Chief Executive & Accountable Officer
26 September 2023

THE ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

Members of the Council

The Members of the **sportscotland** Council for the year ended 31 March 2023, are listed below:

M Young (Chair)	
C Bain (Vice Chair)	Resigned 7 December 2022
A Bain	Joined 21 February 2023
M Campbell (Vice Chair)	
C Grant	
S Lindsay	
Prof C Mahoney	Resigned 7 December 2022
D McDonald	Joined 27 April 2022
T Mistry	Joined 27 April 2022
H Ousta	Joined 27 April 2022
S Sandilands	
S Sweeney	Joined 21 February 2023
K U'ren	
A Watt	Joined 27 April 2022

M Campbell and S Sandilands are representatives of the **sportscotland** Trust Company. M Campbell took over from F Wood as Chair of the **sportscotland** Trust Company on 1 April 2022.

The Chief Executive and Accountable Officer is Forbes Dunlop. He became interim Chief Executive when Stewart Harris retired as Chief Executive on the 31 October 2022 and was appointed as Chief Executive on 1 January 2023.

Mike Whittingham, Director of High Performance, retired on 31 March 2023.

Mike Roberts, Director of Sport Development, retired on 31 May 2023.

On the 21 June 2023, **sportscotland** announced the recruitment of a Director of Sport and a Director of Operations, who are due to commence their roles in October 2023.

A full list of the company directorships and other significant interests held by the Council members can be found on the **sportscotland** website at www.sportscotland.org.uk.

Personal data related incidents

During 2022/23 **sportscotland** was not required to report any data breaches to the Information Commissioner's Office.

Statement of Accountable Officer's Responsibilities

Under Article 15 of its Royal Charter for **sportscotland**, **sportscotland** is required to prepare a statement of accounts in the form and on the basis determined by Scottish Ministers. The accounts are prepared on an accruals basis and must show a true and fair view of the Group's state of affairs at the year end and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts **sportscotland** is required to:

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

The Accountable Officer for the Population Health Directorate has designated the Chief Executive of **sportscotland** as the Accountable Officer for **sportscotland**. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum.

Statement that accounts are fair, balanced and understandable

So far as the Directors are aware, the annual report and accounts as a whole are fair, balanced and understandable. The Accountable Officer confirms that he takes responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

Statement as to disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the body's auditors are unaware, and the Accountable Officer confirms that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the body's auditors are aware of that information.

The Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the delivery of **sportscotland's** policies, aims and objectives, as set out by the Scottish Government Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Accordingly, I can confirm that adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and minimizing losses of funds were in place throughout 2022/23.

The system of internal control is designed to manage, rather than entirely eliminate the risk of failure to achieve our aims and objectives or adhere to all relevant directions and policies; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of **sportscotland's** policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The procedures have been in place throughout 2022/23 and have been reviewed during the year with a view to ensuring their effectiveness and improving their robustness.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and of the executive managers within **sportscotland** who have responsibility for the development and maintenance of the internal control framework. I receive a certificate of assurance from each executive director as part of this process. In the internal auditors' opinion, **sportscotland** has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives, except in relation to health and safety. Issues were identified around health and safety governance forums, policies and training in June 2023, which were immediately addressed through a remedial plan which will be fully implemented by November 2023. I am also informed by comments made by the external auditors, Audit Scotland in its Annual Audit Reports.

Governance Framework

sportscotland's governance framework is based on **sportscotland's** Royal Charter and the Framework Document with the Scottish Government.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the statutory, parliamentary and administrative requirements, emphasises the need for economy efficiency and effectiveness and promotes good practice and high standards of propriety. **sportscotland** applies relevant sections of the SPFM to its governance framework. **sportscotland's** governance arrangements comply with generally accepted best practice and relevant guidance.

The key components of the governance framework are detailed below:

sportscotland Council

At the start of the year, the Council had 12 non-executive members, being Ministerial appointments, one of which is appointed as Chair (non-executive).

All 14 non-executive members who held office during the year are considered by **sportscotland** to be independent in character and judgement, having no material relationship with the group. Council members are appointed by the Scottish Minister following a recruitment process managed by the Scottish Government with appointments normally being for an initial period of four years. Re-appointment for a further term (usually four years) is at the discretion of the Scottish Minister based on advice of the Chair of **sportscotland**.

All six meetings in the 2022/23 financial year were held in-person. The attendance of the 14 non-executive members who held office during the year of the six meetings of 2022/23 was:

M Young	(6 of 6) (Chair)
C Bain	(3 of 5) (Vice Chair)
A Bain	(1 of 1)
M Campbell	(5 of 6)
C Grant	(5 of 6)
S Lindsay	(5 of 6)
Prof C Mahoney	(5 of 5)
D McDonald	(5 of 6)
T Mistry	(5 of 6)
H Ousta	(3 of 6)
S Sandilands	(5 of 6)
S Sweeney	(1 of 1)
K U'ren	(5 of 6)
A Watt	(6 of 6)

The Council meets every two months and is responsible for the strategy, performance and the framework of internal control. The Council has a formal schedule of matters specifically reserved to it for decision. These include the approval of the annual business plan, annual financial statements, annual budget and other policies. All members receive an induction on joining the Council. A combination of tailored Council and Committee agenda items and other Council activities assist the members in continually updating their skills, knowledge and familiarity with the business which are required to fulfil their role both on the Council and on Council committees.

Responsibility for the day-to-day operational management of the **sportscotland** Group is delegated to the Chief Executive and his executive directors. To enable the Council to discharge its duties, all Council members receive appropriate and timely information. The Council papers are distributed electronically by the Executive office at least one week before Council meetings.

Council Member Committees

The Council's standing committees have written terms of reference clearly setting out their authority and duties. There are two main Council Member committees – the Audit and Risk Committee and the Group Remuneration and Succession Planning Committee.

Audit and Risk Committee

Membership of the Audit and Risk Committee consists of five non-executive Council members. The membership during the 2022/23 financial year is detailed below with their attendance record for the five meetings which took place during the financial year.

The Audit and Risk Committee receives periodic reports from the Internal Auditors concerning internal control and these are reported to the Council. **sportscotland** utilises a professional firm of accountants, Azets LLP, as its internal auditors, who operate to standards defined in the *Government Internal Audit Public Sector Standards*. Azets LLP submits regular reports, which include an independent opinion on the adequacy and effectiveness of **sportscotland's** systems of internal control, together with recommendations for improvement.

The Committee reviews the corporate risk register on a regular basis and considers the impact of new risks, changes to existing risks and planned mitigation to reduce the impact of the risks identified.

The Committee receives reports from the Data Protection Officer regarding Subject Access Requests and Data Breaches and receives a summary of Freedom of Information Requests.

The Audit and Risk Committee reviews the scope of the external audit and its findings. It also considers the appointment and fees of the internal auditors and discusses the planned timetable of activity and findings, as well as ensuring that any agreed recommendations are followed up by management. The Committee is responsible for monitoring compliance with accounting and governance requirements and for reviewing the annual financial statements. The Committee was chaired by S Lindsay.

S Lindsay	(5 of 5)	(Chair)
A Bain	(1 of 1)	
C Bain	(2 of 4)	
Prof C Mahoney	(1 of 4)	
D McDonald	(1 of 1)	
H Ousta	(3 of 5)	
A Watt	(5 of 5)	

Group Remuneration and Succession Planning Committee

The Group Remuneration and Succession Planning Committee has a role to oversee the annual staff Pay Remit, which is governed by the Scottish Government's Public Sector Pay Policy, and related activities concerning staff development and succession planning.

The Committee is also responsible for considering the application and impact of the Scottish Government's Public Appointments process for Board members and considering how these can be enhanced by **sportscotland** to ensure that a wide-ranging and diverse talent pool is accessed whenever Board appointments are required.

The remuneration for Chair and Board Members is decided by the Scottish Government and thus this committee has no influence over its own pay award.

The Committee met twice during 2022/23. Membership of the Remuneration and Succession Planning Committee during 2022/23 comprised:

C Grant	(2 of 2)	(Chair)
K U'ren	(1 of 2)	
M Campbell	(2 of 2)	
T Mistry	(1 of 2)	
S Sweeney	(1 of 1)	

Information Security

Throughout 2022/23, the **sportscotland** Information and Communication Technology (ICT) Team implemented several new technical controls to mitigate cyber risk and improve information security. These improvements included a new immutable backup solution to ensure that our critical data is secure and always available. New firewalls were deployed to better protect our network. The Wide Area Network was redesigned to support and secure hybrid working.

Staff awareness is critical to our security efforts. Work to increase cyber awareness among our staff included fortnightly emails containing training videos and quiz questions. As well as informing, this content was also intended to generate discussion around the topics covered. "Exercise in a Box" sessions utilising content produced by National Cyber Security Centre were run for staff from across the organisation and used scenarios based on real-world cyber threats. Our ICT Helpdesk has regularly updated colleagues on specific threats and provided information on how to spot phishing and other online scams.

A new escalated cyber risk register was implemented that highlights operational risks to the **sportscotland** Leadership Group and the Audit and Risk Committee.

The Information Governance and Data Protection Officer (DPO) started work to update **sportscotland's** Records Management Plan as required under the Public Records (Scotland) Act 2011.

The DPO conducted an audit to review the organisation's physical records at one site, with plans to expand the audit to all sites throughout the coming year.

Senior operational staff attended quarterly meetings of the Information Governance Steering Group, which is responsible for monitoring and improving information governance and cyber resilience within the organisation. These meetings were chaired by the DPO and attended by representatives from IT, HR, Legal and Finance, and the **sportscotland** Chief Operating Officer (who will be replaced by the Director of Operations once in post).

Internal Control

The Council Members acknowledge that they are responsible for the Group's system of internal controls and for reviewing the effectiveness of these controls. The Council Members have delegated the detailed design of the system of internal control to the

executive directors who review the internal control framework on an ongoing basis.

Monitoring of the system of internal control is included in the Terms of Reference for the Audit and Risk Committee and the committee is supported by the reporting of both the external and internal auditors.

Procedures have been developed to safeguard assets against unauthorised use or disposition and to maintain proper accounting records to provide reliable financial information both for internal use and for publication.

Best Value continues to be a focus in all areas of work within **sportscotland** and the continued communication of this principle supports all staff in its delivery.

More generally, the organisation is committed to a process of continuous development and improvement, including developing systems in response to any relevant reviews and developments in best practice.

Throughout 2022/23, **sportscotland**'s Freedom of Information systems were fully operational and all requests received were completed within satisfactory timescales.

System and process improvements

sportscotland has had an ongoing focus on system and process improvements. Systems and processes have continued to evolve to take account of hybrid working patterns, whilst ensuring that controls and governance were not reduced.

Operation of key systems and processes included:

- the finance system was successfully operated throughout the year, with electronic approvals replacing hard copy approvals. Soft copy documentation is now uploaded directly into the finance system, reducing the need for hard copies;
- the HR and payroll system was fully accessible electronically and no paper records are generated;
- the Chief Executive and Accountable Officer and senior management continue to work closely with the Trust Company and to support the National Centres;
- the authorisation and payment process for all investment payments and documentation of the system operated effectively throughout the year; and
- the ICT team ensured ICT processes were reviewed and adapted where necessary to ensure compliance with Scottish Government cyber resilience requirements and to ensure ongoing compliance with GDPR.

The continued focus on procurement and active contract management ensured that **sportscotland** and its suppliers have continued to operate together as effectively as possible. **sportscotland** continues to make use of the Scottish Government's procurement framework agreements where possible, in order to take advantage of the commercial benefits that they can deliver.

Improving the sportscotland estate

Ownership of the **sportscotland** estates strategy lies with the Estates Group, led by the Chief Operating Officer. Forbes Dunlop has continued to lead this group as interim Chief Executive and as Chief Executive. He will continue to do so until the new Director of Operations is in post. Associated site maintenance and development plans are established each financial year and progress reported in line with Senior Management Team, Trust Company Board and **sportscotland** Board requirements.

The strategy will be delivered through the implementation of a series of site-specific building maintenance plans and individual capital projects which will be established on an annual basis (as part of the organisation-wide business and investment planning process), agreed by the Estates Group and approved by the Senior Management Team. Annual investment plans will form part of the overall budget plans considered by the **sportscotland** Board and the Trust Company Board.

sportscotland commissioned a 5 yearly report by external consultants in 2019 to review the condition of the main sites within the estate and to highlight the maintenance and replacement work required over the next five years. This report provides the key input to the planned maintenance and replacement work and enables **sportscotland** to plan and budget accordingly.

Potential future developments are outlined in the strategy on a site-by-site basis and will be considered annually on an organisation-wide prioritised basis by the Senior Management Team, as proposed by the Estates Group, taking into account funding availability. Additional consideration has been given to the effect of the implementation of hybrid working patterns (partially on-site, partially remote working) on the estate requirements.

The National Centres' Principal and Head of Centre are responsible for the delivery of the actions as appropriate to their sites in line with the strategy. It is recognised that the delivery of the strategy and associated projects will require a range of appropriately skilled and knowledgeable people to be identified on an organisational, site by site and project by project basis.

Progress against future site developments was delayed by the pandemic and a new timetable is being developed to review and propose recommendations.

Social, Community issues and human rights

sportscotland places a high priority on ensuring that it discharges its obligations as a good corporate citizen and takes into account its responsibilities towards serving and meeting the needs of our partners, including safeguarding their human rights. Operational policies and procedures reflect this commitment, including our approach to managing individual grant requests.

Risk Management

We capture risks in our corporate risk register. The corporate risk register is reviewed by the **sportscotland** Board annually, by the Audit and Risk Committee every six months and by the senior management team on an ongoing basis. Specific attention is paid to ensure our corporate risk appetite has not been exceeded.

We categorise risk by five levels: very high; high; medium; low and very low. At the end of 2022/23, there were six significant risks rated high (four) or very high (two) shown in table 1. This did not exceed **sportscotland**'s corporate risk appetite.

Table 1: Significant risks facing sportscotland

Risk	Mitigation
<p>Failure to deliver high priority and high-profile projects (such as community sport hubs, Active Schools, sport facilities projects, workforce development and performance sport) adversely affects the reputation of sportscotland.</p>	<p>Regular monitoring and reporting to Board and key stakeholders including both the National Lottery and Scottish Government (Preventative)</p> <p>Successful performance outcomes at Summer and Winter Olympic/Paralympic Games and Commonwealth Games (Preventative)</p> <p>Progress of key priority / high profile projects reported and managed through operational groups to ensure delivery (Preventative)</p> <p>Enhanced external stakeholder management through Strategic Partnerships manager position (Preventative and remedial)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>The occurrence of a major operational or financial/legal matter at the National Centres which has a significant negative financial impact on National Centres / Trust Company investment requirement from sportscotland.</p>	<p>Management of operational risks, noted in Trust Company risk register. (Preventative)</p> <p>Management and implementation of operational procedures (Preventative and remedial)</p> <p>Scenarios developed and presented to Trust Board for consideration. Contingency included in calculation of required investment (Preventative)</p> <p>Monthly finance meetings with each National Centre to monitor trading, operational activities and significant events (Preventative)</p>

<p>If the Cost-of-Living crisis is sustained for a prolonged period then this will lead to significantly higher staff costs for sportscotland as compared to previous expectations, as well as a potential requirement to provide additional funding to partners where our investment underpins staff posts, leading to difficulty in balancing our Scottish Government side of the budget.</p>	<p>Strategic review meetings with local partners (Preventative)</p> <p>Managing our own staff costs through timing of recruitment. (Preventative)</p> <p>Managing our own non-staff cost base as effectively as possible (Preventative)</p> <p>Working with our partners to manage their staff cost requirements (Preventative)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>Change in external policies or reduced funding by key national stakeholders in sport adversely effects the ability to deliver sportscotland's corporate strategy</p>	<p>Continue regular dialogue with Government regarding the most appropriate policy for Scottish sport. (Preventative)</p> <p>Continue to gather evidence with partners regarding potential changes to allow appropriate responses to be developed. (Preventative)</p> <p>Enhanced external stakeholder management. (Preventative and remedial)</p> <p>sportscotland's contribution to Active Scotland Outcomes reported through corporate strategy indicators and wider evaluation work (Preventative)</p> <p>Sport for Life corporate strategy closely aligned with Scottish Government's Active Scotland Outcomes (Preventative)</p> <p>Continue regular dialogue with Scottish Government regarding potential opportunities to develop sport (Preventative)</p> <p>Recommendations from strategic forum for sport and physical activity to help inform and influence decision making at national government level, as well as the strategic planning of organisations within the sector. (Preventative and remedial)</p>
<p>Reduced funding challenges local authorities' ability to deliver their plans / outcomes for sport, which may impact on sportscotland's ability to</p>	<p>Partnership managers working strategically with local partners on their plans and resources for local sport including monitoring community planning activities at local level (Preventative)</p>

<p>deliver its corporate strategy outcomes.</p>	<p>Partnership managers working with local authorities to produce fully integrated sports development plans. (Preventative)</p> <p>Research undertaken on local authority partners' expenditure in sport to understand impact of reduced funding in sport. (Preventative)</p> <p>Recommendations from strategic forum for sport and physical activity to help inform and influence decision making at local government level, as well as the strategic planning of organisations within the sector. (Preventative and remedial)</p> <p>Cost of living allowance against professional staffing infrastructure to external partners for 2023/24 (Preventative)</p>
<p>Reduced National Lottery income negatively impacts sportscotland's ability to deliver its corporate strategy</p>	<p>Confirmation from Scottish Government of continuation of National Lottery underpin (Preventative and remedial)</p> <p>Maintenance of National Lottery balance to mitigate against reduced income (Remedial)</p> <p>Continue to ensure that National Lottery funding and use of balance is profiled as appropriate (Preventative)</p> <p>Continue to monitor weekly and monthly National Lottery income (Preventative)</p> <p>Continue to monitor process for awarding new National Lottery licence (Preventative)</p>

Table 2: Risk appetite levels and descriptions

Risk category	Risk appetite	In practice	Current risk level
Strategic	Low – We have minimal appetite for external risks which may negatively impact our ability to achieve our corporate strategy outcomes or constrain the way we operate.	We accept no more than three strategic risks rated high / very high.	We have two strategic risks rated high or very high. This is one below our risk appetite.
Reputational	Moderate – We rely on our reputation to influence our partners and stakeholders in the sporting system. Our ability to do this effectively is crucial to achieving our corporate strategy outcomes. As such, we are cautious about risks which would impact negatively on our reputation or lead to a loss of confidence by our stakeholders and partners.	We accept no more than six reputational risks rated high or very high.	We have one reputational risk rated high or very high. This is five below our risk appetite.
Financial	Moderate – We are cautious about risks which might impact on our budgetary controls or our financial sustainability.	We accept no more than six financial risks rated high / very high.	We have three financial risks rated high or very high. This is three below our risk appetite.
	None – We have no appetite for risks that would leave us open to fraud or breaches of financial regulations.	We accept no financial risks rated high or very high.	We have no financial risks rated high or very high.
Operational	High – We have an open appetite where there are opportunities to develop and enhance our operational processes, systems, and controls, provided they improve our ability to achieve our corporate strategy outcomes. We want to minimise our focus on transactions and maximise our focus on where we can add value.	We accept no more than nine operational risks rated high or very high.	We have one operational risk rated high or very high. This is eight below our risk appetite.
	Low – We have a minimal appetite for risks which result in non-compliance with legislation or disclosure of sensitive information, which has the potential to negatively impact our integrity.	We accept no more than three operational risks rated high / very high.	We have one operational risk rated high or very high. This is two below our risk appetite.

Please note, some risks may be jointly categorised.

Remuneration and Staff Report

The tables on pages 46-49, together with the Fair Pay Disclosure note in the Remuneration and Staff Report have been subject to audit by the **sportscotland** External Auditor. The other sections in the Remuneration and Staff Report are reviewed by the External Auditor to ensure they are consistent with the financial statements.

Remuneration policy

sportscotland's staff pay award (up to and including Director level) is in line with Scottish Government's annual Pay Policy. All pay awards continue to require ministerial approval.

The Chief Executive pay award is in line with Scottish Government's Senior Pay Policy (Chief Executive Framework) and continues to require ministerial approval.

All executive directors' employment contracts are open ended and have three-month notice periods.

Salaries and Allowances (Audited)

The salary and pension entitlements of the most senior members of the sportscotland Group are as follows:

Name		Salary £000	All pension related benefits £000	Total £000
EXECUTIVE DIRECTORS				
S Harris*	2023	65-70	10.0-12.5	77.5-80.0
(CEO to 31/10/22)	2022	110-115	2.5-5.0	117.5-120.0
F Dunlop*	2023	95-100	10.0-12.5	107.5-110.0
(COO to 31/10/22, interim CEO from 1/10/22, CEO from 1/1/23)	2022	85-90	42.5-45.0	130.0-132.5
M Roberts*	2023	95-100	(2.5-5.0)	90.0-92.5
(Director of Sport Development to 31/05/23)	2022	90-95	20.0-22.5	112.5-115.0
M Whittingham*	2023	140-145	*	*
(Director of High Performance to 31/3/23)	2022	90-95	*	*
BOARD MEMBERS				
M Young (Chair)	2023	15-20	-	15-20
	2022	15-20	-	15-20
A Bain	2023	0-5	-	0-5
	2022	-	-	-
C Bain	2023	0-5	-	0-5
	2022	0-5	-	0-5
M Campbell	2023	0-5	-	0-5
	2022	0-5	-	0-5
C Grant	2023	0-5	-	0-5
	2022	0-5	-	0-5
S Lindsay	2023	0-5	-	0-5
	2022	0-5	-	0-5
C Mahoney	2023	0-5	-	0-5
	2022	0-5	-	0-5
D McDonald	2023	0-5	-	0-5
	2022	-	-	-
T Mistry	2023	0-5	-	0-5
	2022	-	-	-
H Ousta	2023	0-5	-	0-5
	2022	-	-	-
S Sandilands	2023	0-5	-	0-5
	2022	0-5	-	0-5
S Sweeney	2023	0-5	-	0-5
	2022	-	-	-
K U'ren	2023	0-5	-	0-5
	2022	0-5	-	0-5
A Watt	2023	0-5	-	0-5
	2022	-	-	-

The only benefits normally received by Executive Directors are: salary; and employer contributions to the pension fund. The only benefits received by Board members are: Board member fees. There was no performance pay nor bonuses payable across the organisation.

Directors' Pension Entitlements (Audited)

Name	Real Increase in pension during the year	Real Increase in lump sum during the year	Total Accrued Pension	Total Accrued Lump sum	Cash equivalent transfer value 2023	Cash equivalent transfer value 2022	Real Increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
F Dunlop	0-2.5	n/a	5-10	n/a	84	67	17
M Roberts	0-2.5	(0-2.5)	25-30	10-15	402	357	45
S Harris	(0-2.5)	10.0-12.5	60-65	120-125	1,295	1,254	51

* Note: M Whittingham is not in a final salary scheme and company contributions of £14k (2021/22, £18k) were made to a defined contribution scheme.

Directors' full year equivalent salaries for the year are: S Harris £115-120k (£110-115k 2021/22), F Dunlop £100-105k (£85-90k 2021/22), M Roberts £95-100k (£90-95k 2021/22) and M Whittingham £95-100k (£90-95k 2021/22).

Fair Pay Disclosure (Audited)

	2023	2022	Change
Range of staff remuneration	£21,142-£117,500	£18,885-£112,500	£2,257-£5,000
Staff average (salary and allowances)	£41,001	£39,755	£1,246
Highest earning director's total remuneration	£140-145k	£110-115k	£30k
Explanation of change: The 12.0% increase of the lowest pay grade is due to the transition of intern positions to salary pay scales. In general, any increases in salary were in line with Scottish Government guidance on pay awards, which was around 5% on average. The increase in highest earning director's total remuneration relates to a one-off exit package.			
Median (total pay and benefits)	£38,376	£36,900	£1,476
Median (salary only)	£38,376	£36,900	£1,476
Ratio between highest earning director's total remuneration and the median	3.71	3.05	0.66
Explanation of change: The 4% increase in median pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and median relates to a one-off exit package.			
25 th percentile (total pay and benefits)	£31,365	£29,871	£1,494
25 th percentile (salary only)	£31,365	£29,871	£1,494
Ratio between highest earning director's total remuneration and the 25 th percentile	4.54	3.77	0.77
Explanation of change: The 5% increase in 25 th percentile pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and 25 th percentile pay relates to a one-off exit package.			
75 th percentile (total pay and benefits)	£45,999	£44,230	£1,769
75 th percentile (salary only)	£45,999	£44,230	£1,769

Ratio between highest earning director's total remuneration and the 75 th percentile	3.10	2.54	0.56
<p>Explanation of change: The 4% increase in 75th percentile pay relates to the pay award in the year. The large increase in ratio between highest earning director's total remuneration and 75th percentile pay relates to a one-off exit package.</p>			

Total pay and benefits:

There was no performance pay nor bonuses payable across the organisation.

The highest paid director earned £140k-£145k (£110k-£115k for 2021/22), an increase of 27.0% from the previous financial year. The percentage change is higher than usual as it includes an exit package as well as salary. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the highest paid director is zero, as there was no performance pay nor bonuses payable.

The percentage change in average salary and allowances from the previous financial year in respect of the employees of **sportscotland** taken as a whole is 3.1%. This calculation is based on employees in post as at 31 March, so is less than the average of 5% pay award. The percentage change in performance pay and bonuses payable from the previous financial year in respect of the employees of **sportscotland** taken as a whole is zero, as there was no performance pay nor bonuses payable.

All salaries shown are the gross salaries paid by the **sportscotland** group. All salaries are split between the **sportscotland** Lottery Fund and **sportscotland** through a process that assesses every employee and their split of work between the two companies.

The Chair, Mel Young is remunerated through **sportscotland** and no recharges to the **sportscotland** Lottery Fund take place therein.

Remuneration is paid to council members at the rate of £180.51 for each meeting attended, along with an £90.26 payment for preparation for a board meeting. Attendance at Committee meetings is paid at the same rate.

sportscotland operates a car leasing scheme for essential users. Payments made during 2022/23 were £328k (2021/22 £299k).

sportscotland made payments of £40k to consultants during 2022/23 (2021/22 £15k).

Staff report

A breakdown of the number of persons by gender who were part of the Boards at **sportscotland**, its Directors, Senior Managers and employees (including internships) as at the reporting period end date is as follows:

	Male		Female	
	Permanent	Temporary	Permanent	Temporary
Board members	8	n/a	4	n/a
Directors	3	0	0	0
Senior Managers	13	0	6	0
Employees	168	24	144	28

Total staff costs comprise (Audited)

	2023	2022
	£000	£000
Wages and salaries	3,774	3,416
Social security costs	428	397
Other pension costs	722	664
Aggregate staff costs	<u>4,924</u>	<u>4,477</u>

All employment contracts are within **sportscotland** and relevant amounts have been recharged to the Trust Company and Lottery accounts.

Reporting of Civil Service and other compensation schemes – exit packages (Audited)

Exit package band	2023	2023	2023	2022
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	1	1	-
£10,000 - £25,000	-	-	-	1
£25,000 - £50,000	-	1	1	1
>£50,000	-	-	-	1
Total number of exit packages	-	2	2	3
Total resource cost (£000)	-	42	42	113

Exit costs are accounted for in full in the year of departure.

Sickness absence rate

Sickness absence rate during the year was 1.4% (2021/22 1.2%).

People

Our people are our most valued asset at **sportscotland** and they are critical to the successful delivery of our corporate strategy, Sport For Life, and are supported through our people strategy. The vision of our people strategy is to be a high-performing organisation with strong, inspirational leadership and an engaged, motivated, kind, healthy and supportive workforce with the knowledge and skills to achieve our organisational objectives, within an environment and culture where everyone can thrive.

Equality, Diversity and Inclusion

sportscotland actively promotes policies for equal opportunities and to ensure non-discrimination on the grounds of any protected characteristic in accordance with the Equality Act 2010. Our commitment to inclusion underpins everything we do. We embed EDI principles in the recruitment, support and development of our people. We continue to learn more about our people's culture and experiences. We will continue to support our staff to learn more about how to make inclusive decisions.

Employee Involvement

sportscotland recognises one trade union for the purpose of collective bargaining, Public and Commercial Services Union (PCS).

We recognise the benefits of a positive and open relationship with our recognised trade union. As part of our commitment to working in partnership we offer paid facility time to our work place representatives to enable them to carry out union activities and duties. As an organisation, we derive benefits from allowing paid facility time.

The figures below are based on reported and known facility time.

- Relevant Union Officials – total number of employees who were relevant union officials during the relevant period – 3 employees (3.0 FTE).
- Percentage of working hours spent on facility time – number of employees who were relevant union officials employed during the relevant period spent:

Percentage of working hours	Number of Union Officials
0%	1
1 – 50%	2
51 – 99%	0
100%	0

- Percentage of pay bill spent on facility time – 0.01%
- Paid trade union activities - Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: 42%

Staff policies applied during the year

sportscotland is committed to developing excellent management and leadership to ensure the organisation has clarity of purpose, is able to promote and accommodate change, ensure its resources are deployed in the most effective manner and shows a strong commitment to empowering managers and staff, achieving efficient operational delivery, promoting continuous improvement and achieving meaningful impact.

People Management is a critical element of this, and we have worked in partnership with ACAS on the design and delivery of workshops on all employee relations policies to help empower our line managers to effectively manage people. We are in process of designing an immersive core skills programme for new and aspiring line managers along a leader/manager as coach element for existing people managers. Cohorts continue to be supported through our Scottish Sporting Leaders Programme (SSLP), with delivery planned for two future tranches in 2023/24.

Parliamentary Accountability and Audit Report

Regularity of expenditure

sportscotland is principally funded by the Scottish Government and by the National Lottery.

Scottish Government funding for 2022/23 was confirmed in the Grant-in-Aid allocation and monitoring letter from the Population Health Improvement Directorate of the Scottish Government. The letter confirms that use of resources must be in accordance with Ministerial priorities as set out in the Strategic Guidance letter (2018/21), the agreed corporate and business plans, **sportscotland**'s framework document (which deals with corporate management matters and the application of non-lottery funds) and relevant guidance issued by the Scottish Ministers, in particular the Scottish Public Finance Manual.

Ministerial priorities for sport and physical activity for 2018/21, as rolled forward into 21/22 and 22/23 and as set out in the Strategic Guidance Letter, include:

- Impact against the 6 outcomes contained within the Active Scotland Outcome Framework;
- Steps planned or in place to:
 - provide support to disadvantaged groups and communities;
 - expand the reach to the inactive and underrepresented in sport, including teenage girls and older people through more innovative and creative community based approaches; and
 - empower communities to address inequality.
- An update on delivery of the specific manifesto commitments:
 - Community involvement in decisions about community facilities;
 - 200 Community Sports Hubs by 2020;
 - Supporting sport governing bodies efforts to end LGBTI discrimination;
 - Delivering a network of regional sports centres around the country;
 - Increase the participation, engagement, and promotion of women in sport;
 - support the delivery of two hours of quality PE for children at school;
 - supporting the “Daily Mile” beyond the school setting;
 - promoting the benefits of sport and physical activity on mental health; and
 - helping to make sure major sporting events are successful.

National Lottery funding for 2022/23 is administered in accordance with directions received from Scottish Government, in compliance with the National Lottery etc. Act 1993, as amended by the National Lottery Act 1998.

- Policy Directions issued to **sportscotland** under Section 26A(1)(A) of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998.

This sets out what **sportscotland** must consider in terms of the need to ensure that money is distributed under section 25(1) for projects that promote the public good and which are not intended primarily for private gain, and the need to ensure that money is distributed under section 25(1) to projects that make real and sustainable improvements to the quality of life of the people of Scotland. It also confirms the

need to promote access to sport and physical recreation for people from all sections of society, the need to promote health benefits, knowledge of, and interest in, sport by children, young people and adults, and the need to continue increasing participation and performance in Scottish sport and physical recreation.

- Financial Directions issued to **sportscotland** under Sections 26(3), (3A) and (4) as read with section 26(1)(a) of the National Lottery etc. Act 1993

sportscotland has to comply with the Statement of Financial Requirements set out in this document. **sportscotland** must operate within the principles of administrative law and must operate a system of internal controls to manage risk to a reasonable level to the achievement of policies, aims and objectives. It must also follow the guidance on applications, payments of grants and monitoring and evaluating projects.

The Chief Executive of **sportscotland** is designated as the Accountable Officer for the Lottery funds under **sportscotland**'s control and for signing the accounts for **sportscotland**'s Lottery distribution activities.

- Accounts Directions issued to **sportscotland** under Sections 35(3) of the National Lottery etc. Act 1993 direct that **sportscotland** shall prepare accounts in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual.

Contingent Liabilities

No contingent liabilities were recorded as at 31 March 2023.

Long-term expenditure trends

sportscotland's expenditure is driven by the funding provided by the Scottish Government (SG) through grant-in-aid and by the National Lottery distribution fund (NLDF). We set out below the funding received from these two entities over the last 5 years, together with the budget for 2023/24 and 2024/25:



Note: SG Funding for 2023/24 is based on a current Grant in Aid letter. SG Funding for 2024/25 has been estimated as it will not be known until later in 2023/24.

NLDF Funding for 2023/24 and 2024/25 is based on Gambling Commission forecast revenue in those years. NLDF Balance spend represents planned capital spend and use of balance to support planned investment.

Forbes Dunlop

Forbes Dunlop
Chief Executive & Accountable Officer
 26 September 2023

Independent auditor's report to the members of sportscotland National Lottery Distribution Fund, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of sportscotland National Lottery Distribution Fund for the year ended 31 March 2023 under the National Lottery etc Act 1993. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Reconciliation of movement of funds and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the National Lottery etc Act 1993 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 16 March 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the 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 body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body'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 there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the National Lottery etc Act 1993 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Lottery etc Act 1993 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all 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 course of 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.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Lottery etc Act 1993 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Lottery etc Act 1993 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.


I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Pauline Murray CPFA
Senior Audit Manager

Audit Scotland
102 Westport
Edinburgh
EH3 9DN
26 September 2023

sportscotland

Lottery Fund

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

	Notes	2023 £000	2022 £000
Income			
National Lottery Fund proceeds		29,218	29,327
Interest receivable		94	2
Grants returned	2	3	71
Other operating income	2	82	-
		<hr/>	<hr/>
		29,397	29,400
Expenditure			
Grants paid and committed during the year	3	17,418	15,987
Grant commitments	3	6,299	5,273
Grants de-committed	3	(433)	(686)
Staff costs	4	4,924	4,477
Depreciation	5	37	36
Other operating charges	6	3,333	2,637
		<hr/>	<hr/>
		31,578	27,724
		<hr/>	<hr/>
Operating surplus / (deficit) before tax		(2,181)	1,676
Corporation tax	7	(20)	(1)
		<hr/>	<hr/>
(Decrease) / Increase in fund		(2,201)	1,675
		<hr/>	<hr/>

All the results of the Fund relate to continuing activities.

No other gains or losses were incurred in the year.

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Statement of Financial Position at 31 March 2023

	Notes	2023 £000	2022 £000
Non - current assets			
Property, plant, and equipment	8	37	74
Intangible assets	9	-	-
Total non-current assets		37	74
Current assets			
Investments – balance held in NLDF	10	54,111	54,993
Cash and cash equivalents	13	2,933	2,039
Trade and other receivables	11	769	731
Total current assets		57,813	57,763
Total assets		57,850	57,837
Current Liabilities			
Grants due within one year	14	8,574	6,820
Trade and other payables	12	1,439	979
Total current liabilities		10,013	7,799
Net current assets		47,800	49,964
Non-current assets plus net current assets		47,837	50,038
Taxpayers Equity			
General fund	15	47,837	50,038
		47,837	50,038

The Accountable Officer authorised these financial statements for issue on

Forbes Dunlop

Forbes Dunlop
Chief Executive & Accountable Officer
26 September 2023

Mel Young

Mel Young
Chair
26 September 2023

The notes to the accounts form part of these financial statements

sportscotland

Lottery Fund

Statement of Cash Flows for the year ended 31 March 2023

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Surplus/(Deficit) on ordinary activities before tax		(2,181)	1,676
Adjustment for non-cash items			
Depreciation on tangible and non-tangible fixed assets	5	37	36
Movements in working capital			
Decrease/(Increase) in investments	10	882	(3,035)
Decrease/(Increase) in trade and other receivables	11	(38)	(378)
Increase/(Decrease) in trade payables	12	460	206
Movements in provisions			
Increase/(Decrease) in provisions for hard commitments	14	1,754	1,523
Taxation Paid	7	(20)	(1)
Net cash (outflow) / inflow from operating activities		894	27
Cash flows from investing activities			
Purchase of tangible assets	8	-	(33)
Purchase of intangible assets	9	-	-
Net cash outflow from investing activities		-	(33)
Net (decrease) / increase in cash and cash equivalents		894	(6)
Cash and cash equivalents as at 1 April		2,039	2,045
Cash and cash equivalents as at 31 March	13	2,933	2,039

The notes to the accounts form part of these financial statements

sportscotland

Lottery Fund

Reconciliation of movement of funds for the year ended 31 March 2023

	Balances held in NLDF £000	Balances at SSNLDF £000	2023 Total £000	2022 Total £000
Opening balances	54,993	(4,955)	50,038	48,362
National Lottery Fund proceeds	29,218	-	29,218	29,327
Drawn down in year by SLF	(30,100)	30,100	-	-
Interest on cash balances	-	94	94	2
Other operating income	-	85	85	71
Grants paid	-	(17,418)	(17,418)	(15,987)
Net grant commitment	-	(5,866)	(5,866)	(4,587)
Expenditure	-	(8,314)	(8,314)	(7,150)
	54,111	(6,274)	47,837	50,038

The notes to the accounts form part of these financial statements

sportscotland Lottery Fund

Notes to the accounts for the year ended 31 March 2023

1 Accounting policies

1.1 Basis of accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of fixed assets. These accounts have been prepared in accordance with the accounts direction issued by Scottish Ministers and with the consent of the Secretary of State for Culture, Media and sport in accordance with Section 35(3) of the National Lottery etc. Act 1993.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the entity's financial statements except as noted below.

As required by Scottish Ministers, the **sportscotland** Lottery Fund is not required to include a note showing historical cost profits and losses.

Comparative figures shown are for the year to 31 March 2022.

Going Concern

Due to the significant bank balance and strong net asset position as well as the continued funding expected, the Board has prepared the financial statements on the going concern basis which provides that the organisation will continue in operational existence for the foreseeable future.

1.2 Accruals convention

All income and expenditure is taken into account in the financial year to which it relates.

As required by the Scottish Ministers, a distinction is made in respect of the **sportscotland** Lottery Fund awards between hard and soft commitments.

Revenue recognition

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

Hard commitments

A hard commitment is analogous to a commitment arising from a legally binding contract, carrying with it an obligation on the distributor to pay the agreed Lottery grant provided only that all the conditions of the grant are met, and that the National lottery continues to operate. For the purposes of recording a charge in the Statement of Comprehensive Net Expenditure, a hard commitment arises when a firm offer of a grant from the National Lottery proceeds has been made by **sportscotland** and accepted in writing by the recipient. A firm offer will only be made if there is a reasonable expectation that conditions attached to the offer will be met. A provision for hard grant commitments is shown on the Statement of Financial Position and is written down as the commitment matures.

Soft Commitments

These will occur when there is agreement in principle by **sportscotland** to fund a scheme. Once a formal offer and acceptance of the terms and conditions of the grant have been concluded this will become a hard commitment. The total soft commitments are shown in a note to the Statement of Financial Position. Changes in soft to hard commitments which arise after the accounting year end and before the publication of the Accounts will not be adjusting events in terms of IAS 10 (Events after the Reporting Period).

De-commitments

Should a hard commitment fail to become a cash payment within the expected timeframe, and there is little possibility of it crystallising, **sportscotland** may withdraw the offer formally in writing. A reverse entry to the commitment is then made in the Statement of Comprehensive Net Expenditure.

1.3 Property, plant, and equipment depreciation, revaluation and impairment

Assets with a value of less than £2,000 are not capitalised.

Other than for land and property, we elected to adopt a depreciated historical cost basis as a proxy for current value in existing use for fair value of assets.

Depreciation is provided on all tangible fixed assets on a straight-line basis, as follows:

Fixtures and fittings	5 years
General equipment	4 years
Computing equipment	4 years
Motor vehicles	4 years

Depreciation is only provided for in the year of acquisition if the asset is purchased prior to 30 September. No depreciation is provided in the year of disposal.

The finance team is advised of any assets that have been disposed of during the year and this is backed up by the annual asset audit check which entails visiting the estate and checking the accuracy of the Fixed Asset Register by verifying the location and condition of assets.

Where an asset is held under a finance lease, depreciation is provided over the shorter of the lease term and the policy for the class of assets concerned.

In accordance with International Accounting Standard 36, Impairment of Assets, assets are reviewed at the end of each accounting period for impairment. Decreases in asset values and impairments that are the result of a loss of economic value or service potential are taken to the Statement of Comprehensive Net Expenditure.

1.4 Intangible Assets

Intangible assets are valued at cost less straight-line amortisation, normally these assets are expected to have a useful life of 4 years and are amortised on that basis.

Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 where assets do not generate income. IAS 38 defines future economic benefit as 'revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset by the entity'.

1.5 National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. The share of these balances attributable to the **sportscotland** Lottery Fund is as shown in the accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by the body in respect of current and future commitments. This balance is shown as an investment on the Statement of Financial Position and is stated at market value.

The annual proceeds available from the National Lottery Distribution Fund have been treated as income within these financial statements.

1.6 Taxation

Taxation has been provided for by the **sportscotland** Lottery Fund. The Fund is liable to corporation tax on the bank interest received.

1.7 Post retirement benefits

All members of staff are contractually employed by **sportscotland** and not **sportscotland** Lottery Fund. A proportion of staff costs are recharged by **sportscotland** to **sportscotland** Lottery Fund on the basis of time spent by the employee on activities of **sportscotland** Lottery Fund.

All members of staff have the option of joining the Strathclyde Pension Fund (SPF). Existing employees are entitled to maintain their membership of the Scottish Teachers Superannuation Scheme (STSS).

As **sportscotland** is the employer of staff, the pension scheme is accounted for as a defined benefit scheme in the financial statements of **sportscotland**. Within **sportscotland** Lottery Fund, the pension scheme is accounted for as a defined contribution scheme and the recharged share of the pension contributions is expensed to the Statement of Comprehensive Net Expenditure in the year.

Scottish Teachers Superannuation Scheme (STSS).

sportscotland participates in the STSS pension scheme providing benefits-based career average earnings. The assets of the scheme are held separately from those of **sportscotland**. **sportscotland** is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by IAS 19 "Employee Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the contributions payable to the scheme in respect of the accounting period.

Strathclyde Pension Fund (SPF).

The SPF is a pension scheme providing benefits based on career average earnings. The assets and liabilities of the scheme are held separately from those of **sportscotland**. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

1.8 Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Net Expenditure in the year to which the invoice relates.

1.9 Provisions

A provision (a liability that is of uncertain timing or amount) is recognised in the **sportscotland** Lottery accounts only when it actually exists at the Statement of Financial Position date. A provision is recognised when the **sportscotland** lottery fund has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.10 Lottery salary recharges

All employment contracts are within **sportscotland** and the relevant amounts charged to Lottery. All salary costs, except relocation and redundancy costs are split between the **sportscotland** Lottery Fund and **sportscotland** through an annual budgetary process that assesses every employee and their split of work between the two entities.

1.11 Accounting Standards that have been issued but have not yet been adopted

All applicable accounting standards have been applied in the current year.

2 Income

2.1 Proceeds from the National Lottery

The proceeds from the National Lottery represent the share of net operator proceeds and investment returns allocated to the **sportscotland** Lottery Fund during the year.

2.2 Other operating income comprises:

	2023	2022
	£000	£000
Grants Returned	3	71
Miscellaneous income	82	-
	<hr/> 85	<hr/> 71

3 Grants paid and net grant commitment

3.1 Annual grants paid and committed during the year

	2023	2022
	£000	£000
Capital and Revenue	17,418	15,987

3.2 Grants paid during year

	2023	2022
	£000	£000
Paid and committed during year	17,418	15,987
Committed in previous years	4,112	3,065
	<hr/> 21,530	<hr/> 19,052

3.3 Net grant commitments

	2023	2022
	£000	£000
Hard commitments made during year	23,717	21,260
Less: amounts paid and committed during year	(17,418)	(15,987)
	<hr/> 6,299	<hr/> 5,273
Less: amounts de-committed during year	(433)	(686)
Net grant commitment at 31 March	<hr/> 5,866	<hr/> 4,587

3.4 Net grant commitments split

	2023	2022
	£000	£000
Capital programmes	3,759	2,837
Revenue	2,107	1,750
	<hr/>	<hr/>
	5,866	4,587

3.5 Grants paid during the year by programme

3.5.1 Capital Facilities

	2023	2022
	£000	£000
Regional Facilities	1,098	102
Sports Facilities Programme	1,558	1,770
	<hr/>	<hr/>
Total Capital Grants paid	2,656	1,872

3.5.2 Revenue Funding

	2023	2022
	£000	£000
Schools & Education	370	220
Clubs & Communities	15,554	13,698
Performance	2,950	3,262
	<hr/>	<hr/>
Total Revenue Grants paid	18,874	17,180
	<hr/>	<hr/>
Total grants paid during the year	21,530	19,052

4 Employees

4.1 Total staff costs comprise:

	2023	2022
	£000	£000
Wages and salaries	3,774	3,416
Social security costs	428	397
Other pension costs	722	664
	<hr/>	<hr/>
Aggregate staff costs	4,924	4,477

All employment contracts are within **sportscotland** and the relevant amounts are recharged to **sportscotland** Lottery.

- 4.2 The average staff numbers, including part-time and full-time employees, are as follows:

	2023	2022
	Number	Number
Permanent Contracts	91	92

Additional information can be found in the Remuneration and Staff Report.

5 Total Depreciation Charge

	2023	2022
	£000	£000
Depreciation of tangible assets	37	36
Amortisation of Intangible assets	-	-
Total Depreciation	37	36

6 Other operating charges

The operating result is after charging:

		2023	2022
		£000	£000
Administration expenses		3,124	2,473
Travel and subsistence		48	10
Auditors' remuneration	External	27	22
	Internal	18	20
Operating rentals		116	112
		3,333	2,637

7 Corporation tax

	2023	2022
	£000	£000
Corporation tax	20	1

Corporation tax is due on the bank interest received in the year based on the standard rate of corporation tax of 19%.

8 Property, Plant & Equipment

2023

	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April	187	1	186
Additions during year	-	-	-
Disposals during year	-	-	-
Cost at 31 March	187	1	186
Aggregate depreciation at 1 April	113	1	112
Charge for the year	37	-	37
Disposals during year	-	-	-
Aggregate depreciation at 31 March	150	1	149
Net Book Value at 31 March 2023	37	-	37

2022

	Fixtures		
	Total	& Fittings	Equipment
	£000	£000	£000
Cost at 1 April	154	1	153
Additions during year	33	-	33
Disposals during year	-	-	-
Cost at 31 March	187	1	186
Aggregate depreciation at 1 April	77	1	76
Charge for the year	36	-	36
Disposals during year	-	-	-
Aggregate depreciation at 31 March	113	1	112
Net Book Value at 31 March 2022	74	-	74

9 Intangible assets

	2023	2022
	£000	£000
Cost		
Opening balance 1 April	302	361
Additions during year	-	-
Disposals during year	-	(59)
Closing balance 31 March	<u>302</u>	<u>302</u>
Accumulated amortisation		
Opening balance 1 April	302	361
Charge for the year	-	-
Amortisation on disposals	-	(59)
Closing balance 31 March	<u>302</u>	<u>302</u>
Net book value at 31 March	<u>-</u>	<u>-</u>

10 Investments

	2023	2022
	£000	£000
National Lottery Distribution Fund	54,993	51,958
Increase/(decrease) in year	(882)	3,035
Closing Balance	<u>54,111</u>	<u>54,993</u>

The balance shown at 31 March 2023 is the final valuation from NLDF, the final audited balance for the value of investments as at 31 March 2022 was £54,993k.

11 Trade and other receivables

	2023	2022
	£000	£000
Trade debtors	-	2
Intercompany - sportscotland	-	-
Prepayments	177	137
Other Debtors	592	592
	<u>769</u>	<u>731</u>

Breakdown of Debtors by Category

	2023	2022
	£000	£000
Other Central Government Bodies	-	-
Other External Bodies	769	731
Total	<u>769</u>	<u>731</u>

12 Trade and other payables

	2023	2022
	£000	£000
Trade creditors	40	124
Corporation tax	20	-
Other Payables	18	-
Intercompany - sportscotland	693	523
Accruals and deferred income	668	332
	<u>1,439</u>	<u>979</u>

Breakdown of Creditors by Category

	2023	2022
	£000	£000
Other Central Government Bodies	-	-
Other External Bodies	1,439	979
Total	<u>1,439</u>	<u>979</u>

13 Cash and cash equivalents

	2023	2022
	£000	£000
Cash and bank balance at 1 April	2,039	2,045
Net cash (outflow)/inflow	894	(6)
Cash and bank balance at 31 March	<u>2,933</u>	<u>2,039</u>

Financial Instruments (under IFRS)

As the cash requirements of **sportscotland** are met through grants provided by the National Lottery Fund, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with **sportscotland**'s expected purchase and usage requirements and **sportscotland** is therefore exposed to little credit, liquidity or market risk.

14 Grant Commitments

	2023	2023	2022
Capital	£000	£000	£000
Balance as at 1 April		4,358	2,651
Amounts committed during the year		4,504	3,662
Total hard commitments		8,862	6,313
Amounts paid during the year	2,112		
Amounts paid and committed during the year	544		
Amounts de-committed during the year	200		
		2,856	1,955
Hard capital commitments at 31 March		6,006	4,358

	2023	2023	2022
Revenue	£000	£000	£000
Balance as at 1 April		2,462	2,646
Amounts committed during the year		19,213	17,598
Total hard commitments		21,675	20,244
Amounts paid during the year	2,000		
Amounts paid and committed during the year	16,874		
Amounts de-committed during the year	233		
		19,107	17,782
Hard revenue commitments at 31 March		2,568	2,462
Total hard commitments at 31 March		8,574	6,820

At 31 March 2023 a total of £8,574k (2021/22 £6,820k) is payable within one year. No other amounts are committed.

15 General Fund

	2023	2022
Represented by:	£000	£000
Balance as at 1 April	50,038	48,362
Change in fund for the year	(2,201)	1,676
Balance as at 31 March	47,837	50,038

16 Soft capital grant commitments

	2023	2023	2022
	£000	£000	£000
Balance as at 1 April		380	1,635
Amounts committed during the year		150	380
Total soft commitments		530	2,015
Amounts transferred to hard commitments	(355)		
Amount de-committed during the year	-		
		(355)	(1,635)
Soft commitments at 31 March		175	380

17 Related party transactions

The **sportscotland** Lottery Fund is administered by **sportscotland** and thus **sportscotland** is regarded as a related party of the **sportscotland** Lottery Fund. All transactions with related parties are conducted at arm's length.

During the year **sportscotland** recharged salaries of £4,924k (2022: £4,477k). Within creditors there is an amount of £693k due to **sportscotland** (2022: £523k).

The Scottish Sports Council Trust Company is a related party of the **sportscotland** Lottery Fund as it is controlled by **sportscotland**. There were no transactions in the year between the Scottish Sports Council Trust Company and **sportscotland** Lottery Fund.

During the year both the Accountable Officer and the Chair of the **sportscotland** National Lottery Distribution Fund received remuneration from **sportscotland**.

The **sportscotland** Lottery Fund paid grants to the following bodies which are related parties:

	2023	2022
	£000	£000
Awards for All (Big Lottery Fund)	1,298	512

There were no related party transactions with members within the year.

There were no significant related party transactions with associated organisations during the year to 31 March 2023. Details of awards made to governing bodies and amounts paid to individual sports is shown on the **sportscotland** website at <https://sportscotland.org.uk/about-us/investment-reporting/>.

18 Losses

The **sportscotland** Lottery Fund had losses totalling £nil (2022: £nil) during the year.

sportscotland

Accounts Direction by The Scottish Ministers

The Scottish Ministers, in pursuance of section 35(3) of the National Lottery etc Act 1993, hereby give the following direction.

1. **sportscotland** shall prepare accounts for the financial year ended 31 March 2015 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared as well as any other guidance which Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
2. The accounts shall be prepared so as to:
 - (a) Give a true and fair view of the financial position as at 31 March 2015 and subsequent financial year-ends, and of the comprehensive income and expenditure, cash flows for the financial year then ended; and
 - (b) Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
 - (c) Follow the additional accounting and disclosure requirements set out in Annex A.
3. This Direction applies to the Lottery distribution activities of **sportscotland**. The direction given in April 2010 is revoked.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. Any material departure from the FReM should be discussed with HM Treasury.

Signed by the authority of the Scottish Ministers



Richard Foggo, Deputy Director and Head of Active Scotland Division, The Scottish Government
July 2015

I agree, signed on behalf of the Secretary of State for Culture, Media and Sport



Peter Mills
27 July 2015
Head of Finance Special Projects
Department for Culture, Media and Sport

ANNEX A

Additional Accounting and Disclosure Requirements

The following paragraphs detail the additional requirements as agreed by Scottish Ministers, the Secretary of State for Culture, Media and Sport and **sportscotland**, over and above those disclosures required in the FReM.

1. The Statement of Net Comprehensive Income/Expenditure shall include as separate items, where material:
 - a. the share of Lottery proceeds attributable to **sportscotland**;
 - b. the share of investment income of the National Lottery Distribution Fund attributable to **sportscotland**;
 - c. interest receivable on lottery funds;
 - d. repayment of grants;
 - e. any other income;
 - f. grant made from lottery funds;
 - g. lapsed or revoked grant previously recorded as commitments from lottery funds;
 - h. the total operating costs incurred in respect of National Lottery distribution activities.
2. The Statement of Financial Position shall include:
 - a. under the heading "Current assets": shown as an investment, the balance held on behalf of **sportscotland** at the National Lottery Distribution Fund;
 - b. Grants falling due for payment within one year should be disclosed separately under the heading "Current Liabilities".
 - c. Grants falling due for payment after more than one year should be separately disclosed under the heading "Non current liabilities"
3. The Cash Flow Statement shall use the indirect method when presenting "Cash flow from Operating Activities";
4. The Notes to the Accounts should meet the requirements of the FReM and include:
 - a. a statement that the Accounts have been prepared in a form directed by the Scottish Ministers and with the consent of the Secretary of State for Culture, Media and Sport in accordance with Section 35(3) of the National Lottery etc. Act 1993;
 - b. a statement of the accounting policies. This must include a statement explaining the nature of the balances held on **sportscotland's** behalf in the National Lottery Distribution Fund as follows:

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media & Sport. However, the share of these balances attributable to **sportscotland** is as shown in the Accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by **sportscotland** in respect of current and future commitments."


c. the value of grant commitments at the year-end which **sportscotland** has made but which have not been included as liabilities in the Statement of Financial Position because they did not meet the criteria for being treated as liabilities at that date;

d. where grants exceed available resources as shown in the Statement of Financial Position, a note explaining the rationale for the over-commitment taking into account any advice received from the Department as appropriate.

e. a note reconciling the opening and closing balance of investments held at the NLDF. This should disclose proceeds received from the National Lottery, investment income, unrealised gains and losses on investment, and cash drawn down from the NLDF.

f. a breakdown of the total grant liabilities (current and non current) in the Statement of Financial Position to show:

- Liability brought forward
- Commitments in the year
- Decommitments
- Commitments paid
- Liability carried forward
- A breakdown of the liability for each year up to and including 5 years and over 5 years

July 2015

Pam Hill

E02982510
978-1-5286-4446-4