



Annual Report & Accounts

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

Annual Report and Accounts for
the year ended 31 March 2022

The English Sports Council

Grant-in-Aid and National Lottery Distribution Fund

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ended 31 March 2022

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Introduction




Welcome from our Chair



This has been another incredibly busy year for Sport England. During the period covered by this Annual Report, we continued to help the sport and physical activity sector through the coronavirus (Covid-19) pandemic.

Thanks to the tireless efforts, dedication and passion of so many people who work or volunteer in sport and physical activity – and, of course, my many colleagues at Sport England – we were collectively able to help millions stay physically active while restrictions were in place and return to activity when things fully opened up.



Over the next 12 months, we will ensure our nation continues to reap the unique benefits of sport and exercise and bring these opportunities to more people than ever before. 

Whilst there's clear evidence people are indeed returning to sport and physical activity, numbers are still down on where they were before, with certain groups – women, those from ethnically diverse communities, those living in more deprived areas, disabled people and people with long-term health conditions – especially disadvantaged.

That's why our long-term strategy, Uniting the Movement, prioritises tackling these inequalities and aims to create a nation of more equal, inclusive, connected and active communities.

This report covers the first year of Uniting the Movement and I've been pleased with the progress we've made and how our strategy has been embraced by our partners who share our common goal.

The pandemic has transformed many areas of our society so it's also vital that, while we help the sector to recover, we must also work with it to reinvent and ensure the offer available remains relevant and enticing in a post-pandemic world.

Changing the way we do things has also led us, as an organisation, to review and reform the way we are structured internally and I'm confident the changes we've made will allow us to effectively make good the promises that shape Uniting the Movement's bold vision.

Our restructure was also a chance for a number of our Executive Directors to seek new opportunities in the new financial year and I'd like to thank Lisa O'Keefe, Mike Diaper, Charles Johnston and Chris Perks for their dedication during their time at Sport England. Between them, they'd accrued more than 75 years of service and they should be very proud of what they achieved while at the organisation.

This next year will bring challenges, especially around the cost of living and increasing fuel prices. As testing as it has been the hardships of the last few years have helped us understand just

how important physical activity and exercise is to our lives and how sport provides an essential respite to a society under stress.

Chris Boardman MBE | Chair



CEO's introduction



This Annual Report, covering the period between April 2021 and March 2022, aims to tell the story of an exceptional year for Sport England, our partners, and those people and communities whose interests we seek to represent.

During the period, we activated Uniting the Movement, our 10-year strategy to help transform lives and communities across England through sport and physical activity. The timing was highly significant, as people learned to live with the measures needed to counter the spread of the coronavirus (Covid-19) pandemic. This had a particular impact on people's ability

"We will continue to face significant challenges in helping the nation overcome the inequalities that hold so many people back from benefitting from an active lifestyle."

to be active, as the restrictions everybody suffered during lockdown threatened to exacerbate the deep-rooted inequalities we are determined to tackle by helping to unlock the advantages of sport and physical activity for everyone.

Importantly, the Government recognised the essential value of exercise and movement. As a result, it extended the policy introduced in 2020 to allow everybody the opportunity to be active every day, even during periods of lockdown.

Responding to the pandemic was therefore a fundamental area of focus for the transitional plan we published in May 2021 to cover Year 1 of Uniting the Movement.

This included a particular emphasis on helping sports organisations emerge strongly from the crisis, from the smallest local social enterprises to major professional sports bodies.

Helping to ensure survival for the organisations, big and small, who make sport and activity happen was far from all we concentrated on during the year. We also looked ahead to identify priorities for the years ahead, enabling us to continue developing our strategy while ensuring that we can convert its vision into a practical, deliverable plan of action. We focused on developing and implementing new ways of working to enable ourselves and our partners to work together more effectively as we make our strategy's vision a reality. And we looked closely at our existing commitments and responsibilities to help us determine which remain relevant over the next decade.

The year has included many highlights, which you will be able to read about on the pages that follow. These include significant achievements that we believe will stand the test of time in years ahead, such as the ongoing implementation of the Together Fund, the delivery of the Sports Survival package, an overhaul of how we fund our system partners, our work with UK Sport to create a revised Code for Sports Governance, our own restructuring to encourage collaboration by eradicating siloed working, and much more.

A document as short as this report cannot cover everything in the depth it deserves. Therefore, we aim to give a flavour of how the year evolved. We hope it demonstrates why we believe the year's successes will give us a springboard for the period ahead as we continue to work with partners in line with the Government's Levelling Up agenda to harness the power of sport and activity to improve people's lives.

We will continue to face significant challenges in helping the nation overcome the inequalities that hold so many people back from benefitting from an active lifestyle. But we are optimistic that the work and achievements outlined here demonstrate how we are preparing the way to make positive progress. While the next financial year looks very different from the one we have just been through, the work we completed in the last 12 months will resonate for a long time to come.



Tim Hollingsworth OBE
| Chief Executive



Performance report



Our areas of focus

While developing Uniting the Movement, we spoke to many thousands of people and hundreds of organisations in arenas from the House of Commons to local community halls. During all those conversations, the same five 'Big Issues' kept emerging: as the biggest challenges in the way of our collective ability to build an active nation together, but also the greatest opportunities to make a lasting difference.

These issues are where the greatest potential lies for preventing and tackling inequalities in sport and physical activity. **That is why they are at the heart of Uniting the Movement.**

Recover and reinvent:

the coronavirus pandemic has pushed to the limit the resilience of the national network of individuals and community organisations that enable tens of millions of people to benefit from organised sport and exercise. We aim to help this vital resource come back more inclusive and more relevant than ever.

Active environments:

places and spaces around us can have a positive or negative impact on how active we are – not

just dedicated sport and leisure facilities, but also community spaces like parks, halls and schools, and even the wider build environment such as street, housing estates and paths.

We aim to look at the big picture and work with partners to create environments where everybody can be active.

Connecting communities:

sport and exercise can be a great force for good within communities, helping people develop confidence and self-worth and enabling neighbourhoods to become more resilient, inclusive and connected. We want to help more communities see first-hand what sport and physical activity can do for people's health and happiness.



Connecting with physical health and wellbeing; although being physically active unlocks enormous health benefits in every aspect of life, not everyone can enjoy the benefits of an active life. We therefore want to help ensure that the right range of opportunities, experiences and support is available for everyone.

Positive experiences for children and young people: if children and young people have fun, positive and confidence-building experiences of sport and exercise, they are more likely to want to be active in future. Our aim is for all to get an experience that meets their rapidly changing needs as they learn and grow.

We have also identified five Catalysts for Change (see page 38), in the shape of specific capabilities, information, approaches and relationships, that we believe will help us, our partners and people and organisations everywhere to unlock the potential in the Big Issues. These are:

- **Effective investment models:** stimulating demand, enabling sustainability, encouraging innovation and collaboration, and reducing inequalities
- **Realising the power of people and leadership:** the key to unlocking the ambition underlying our Uniting the Movement strategy
- **Applying innovation and digital:** using the latest thinking and technology to address the issues that hold people back from being active
- **High-quality data, insight and learning:** understanding the opportunities and challenges we face to enable collaborative action
- **Good governance:** ensuring that our shared intentions and ambitions are enshrined in the ways that we and our partners work together

We believe that these catalysts have the potential to help us revolutionise the way we work through ensuring our people, culture, systems and processes combine to help us successfully overcome the inequalities in sport and physical activity.



Setting the context:

Uniting the Movement

It has always been a guiding principle for Sport England that sport and activity have an essential role in improving the nation's physical and mental health, supporting the economy, bringing communities together and helping to build a stronger society for everyone.

This principle continues to underline our 10-year Uniting the Movement strategy. This Annual Report focuses on a year of transition between one strategy period and the next, during which we have worked to a plan that focused on four clear goals or priorities for the year. These were:

RESPOND

An agile and robust response to the coronavirus pandemic:

- Help the population keep moving and support partners to deliver safely and effectively during coronavirus restrictions

TRANSFORM

Revolutionising how we work:

- Continue changing the way we work, to be consistent with the

needs of Uniting the Movement and with a primary focus on cultural change and leadership

PLAN

Implementing our strategy:

- Create and lay the foundations of a plan for implementing Uniting the Movement to 2025

TRANSITION

Managing through change:

- Review, manage and evaluate our existing commitments, functions and commitments in line with the desired delivery and aims of Uniting the Movement

We believe that achieving these goals will enable us to activate our Catalysts for Change and hence to start the process of successfully addressing the five

Big Issues. Achieving this will in turn support our ability to ensure that everybody has access to sport and activity and the valuable benefits that they bring with them.

Tackling inequalities

Tackling disadvantage is the central theme of Uniting the Movement, and everything we have done during the year has been designed ultimately to reduce the inequalities that many members of society suffer when it comes to participating in sport and physical activity.

For this reason, we have constantly emphasised the importance of helping people who are less likely to be active and have requirements that the sector needs to better understand and meet. These include disabled people and those with long-term health conditions, people from lower socio-economic groups, women, and those from culturally diverse communities, all of whom face barriers and have needs not currently being met, meaning they need most help to gain access to this powerful source of health, strength and wellbeing.

In short, we are seeking to achieve behavioural change on a national scale. To ensure our support is targeted at those who need it most, we have deliberately shifted the emphasis of how we work to develop many more place-level relationships. We are therefore increasing the proportion of our funding to reach the places where it is most needed, enabling us to work with and delegate responsibility to those who know most about the challenges that exist in their communities and how best to address them.

We have built the primary content of this report around descriptions of the progress we've made under the goals we have prioritised. These represent 17 complementary programmes of work between them, and where appropriate we highlight the actions we have taken under each one.

We are confident that during the year, we not only did everything we had previously said we would do but we also successfully transformed the visionary statements made in our original Uniting the Movement strategy documents into a practical plan of action that will guide Sport England for years ahead.

Case study

Putting communities first to create an active Essex for everyone

Communities are best placed to understand their own cultures and needs and how they can best help one another. This is an unwavering belief at the Active Essex Local Delivery Pilot (LDP), where the title 'Asset Based Community Development' (ABCD) is used to champion this approach.

The LDP is positioning physical activity as a major part of the social fabric, testing and evaluating the power of movement to develop connection, inclusion and resilience in local communities. It is changing the Essex eco-system to adopt an ABCD way of working, encouraging all organisations wherever possible to put citizens in the lead.

The message is clear. The old way of doing things to communities have gone. Communities must be at the heart of policy making, with a citizen-led approach to increasing community power and community spirit.

Today, over 300 practitioners and system leaders have been trained in ABCD through an online and face-to-face programme delivered in partnership with Nurture Development. This is creating a shift in mindset and culture, strengthening the commitment to recognise the energy and assets already in communities and, if required, to co-design new work alongside the community through the lens of physical activity.

Today, ABCD is one of the five strategic priorities in the new 10-year physical activity and sport strategy for Essex. In addition, the One Colchester Partnership recently launched the 'Colchester Can' initiative, with community power, shared purpose and active communities at its heart. And a lead commissioner from an Essex Clinical Commissioning Group has called the ABCD course "the most important piece of training I've ever done," adding: "It has changed my leadership approach to be more compassionate and have a strong regard for the assets and values in local communities."



Tackling Racism and Racial Inequality in Sport Review

We carried out a detailed, independent review - in collaboration with the other home country Sports Councils and UK Sport - into tackling racism and racial inequality in sport.

Tackling Racism and Racial Inequality in Sport Review (TRARIIS) was commissioned to help us better understand if the Councils were doing enough to understand the context and tackle the issues involved.

The research illustrated the experiences of a number of people from culturally diverse communities who shared their lived experienced of direct and indirect racism while participating in sport and provides a significant opportunity to take action and direct change.

The data highlighted where more insight is needed specific to the lived experience of the workforce, children and young people and this is now embedded in our current strategy implementation plans.

TRARIIS will therefore remain a key focused area of our work, empowering partners to take accountability and take the necessary action empowering partners to take accountability and the necessary actions in the way they administer and deliver sport.

We will continue to report publicly on our progress against the five themes sending a clear message to TRARIIS stakeholders and our partners that we are collectively invested in tackling racism in sport.



Respond

During this first transitional year of Uniting the Movement, we responded quickly and decisively to the many significant challenges posed for exercise and physical activity by the coronavirus pandemic – particularly for those who were already disadvantaged by circumstances beyond their control.

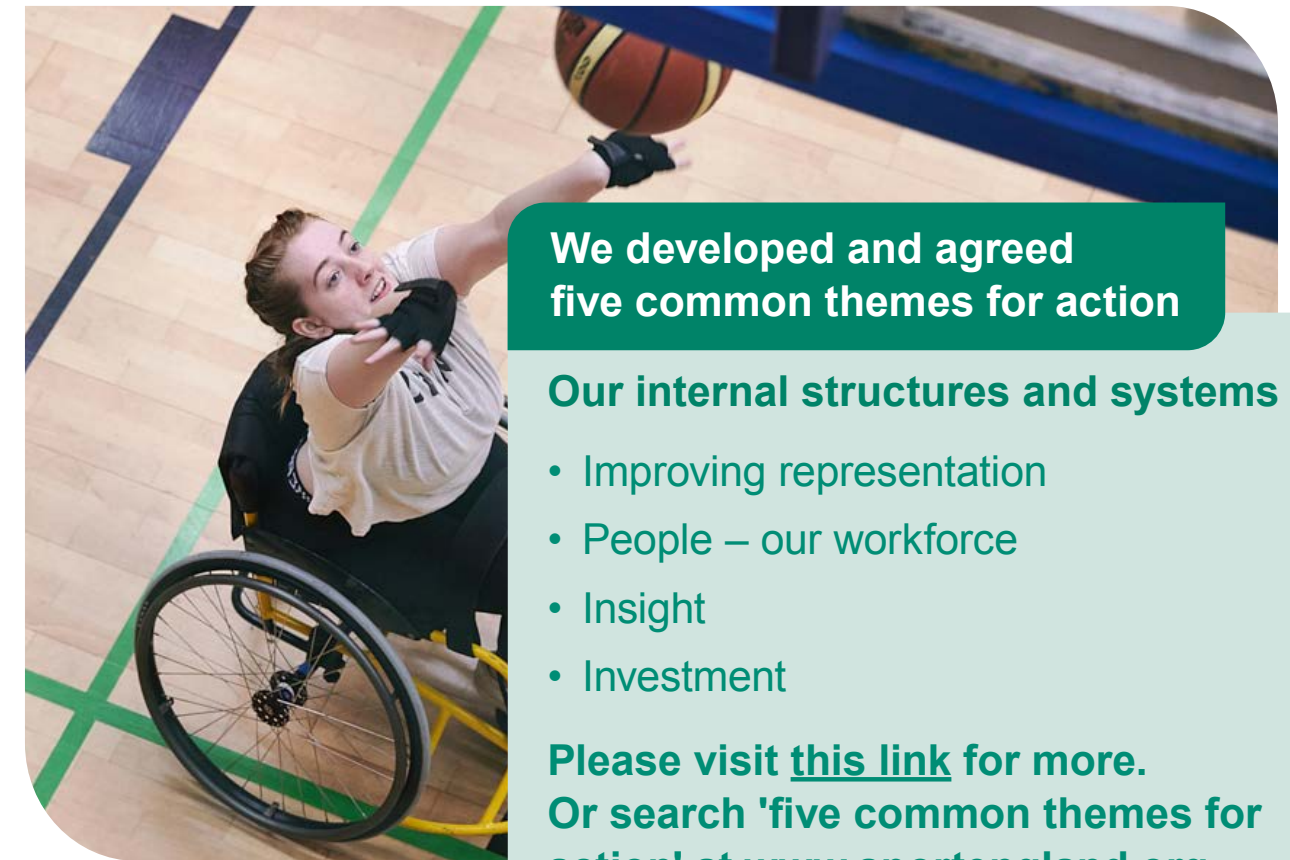
As the nation recovers from the impact of the coronavirus pandemic, it has never been more important that everybody involved as a participant or a worker in the sports and activity sector is treated equally and inclusively.

During the year, Sport England has therefore been instrumental in developing two major breakthrough pieces of insight, both of which have the clear objective of helping ensure that everybody, no matter their race, background or gender, has the opportunity to enjoy being active. For us, together with our work on the Code for Sports Governance, this is a clear statement of intent reflecting our clear strategic focus on tackling inequalities, in which the integrity of sport is a key consideration.

The first of these reports, published in June 2021, was the Tackling Racism and Racial Inequality in Sport (TRARIIS) report, developed in partnership with UK Sport and the United Kingdom's other three national sports councils. Commissioned following the murder of George Floyd, this aimed to explore racial inequalities in sport and physical activity and to look at how reflective our sporting system is of UK society, based on the lived experience of 325 participants from culturally diverse backgrounds who told us their personal stories. The project also included an extensive analysis of all publicly available data on race and ethnicity in sport and physical activity.

The work revealed that racism and associated inequalities still exist in sport, giving us a clear directive to work with our partners to identify

and pilot the actions needed to understand the implications for those suffering discrimination and address the issues involved.



We developed and agreed five common themes for action

Our internal structures and systems

- Improving representation
- People – our workforce
- Insight
- Investment

Please visit [this link](#) for more. Or search 'five common themes for action' at www.sportengland.org.

Then, in September and again in partnership with our fellow Sports Councils, we published deeply considered new guidance on how to include transgender people in sport, making them feel welcome and working to understand and resolve the particular challenges they face.

Following the publication of both pieces of work, we and our partners have been involved in planning the actions to take, at a sport-specific and wider level. We continue to work closely with our partners to ensure the implications and insight surrounding both pieces of work are understood and are practical.

Supporting the return to play

This work dovetailed with our programme of research, campaigns, partnerships and funding through which we aim to encourage people to become active once more following the pandemic. During the coronavirus crisis, it was essential for us to develop and use accurate new insight into the situation that would help us advise Government, sports bodies of all sizes and colleagues throughout Sport England on the impact the pandemic has had on people's attitudes and behaviours.



By the end of the year, we had run waves of a quantitative tracker undertaken among adults to gauge people's attitudes and behaviours whenever a major change in restrictions or other circumstances took place. We have also undertaken qualitative work within online communities, and have used primary and secondary research to develop practical, up-to-date insights that underpin our decisions and areas of focus in supporting the sector, helping people return to play and get active.

This work has helped us throughout the pandemic to provide the Department for Culture, Media and Sport and other Government offices with data to help guide their decision-making. It also enabled us to act as source of guidance for the sport and activity sector on how to apply the changing rules at various stages of the pandemic, where necessary providing legal guidance and practical guidance on safely returning to play, as well as promoting the funding and advice we provide. It also enables us to fine-tune the campaigns we run targeting groups that face particular

challenges in getting active, particularly following the pandemic.

These include our long-running This Girl Can campaign, which achieved 47% brand awareness. This was close to the highest level of its seven-year life (48%), and persuaded nearly a quarter (23%) of women to take action after seeing it. Our second wave of our Join the Movement campaign targeting people aged 25 – 34, particularly men, showed that a quarter (26%) of the target audience claimed to have increased some sort of exercise after seeing the campaign. Even better, 65% of those who recognised the campaign claim to have taken exercise action as a result of it.

And we have funded major activations spring-boarding from our campaigns, for example This Girl Can Classes, a fitness class product designed by EMD UK, which is successfully attracting thousands of less active women, and Studio You, a Netflix-style platform which provided a range of non-traditional and fun PE lessons, such as Yoga and Box Fit, which

PE teachers can use to re-energise the many teenage girls who have disengaged from physical activity.

We also distributed circa £2.4 million of small grants from the This Girl Can Community Fund. These were often focused on more vulnerable or under-represented communities, for example prison populations, refugees and women suffering from domestic abuse, but were also, in many cases, simple propositions such as providing more balls and court space to allow a social netball group to expand.

Our We Are Undefeatable campaign targeting people who live with long-term health conditions (LTCs) successfully inspired one in five of all people with LTCs to take action as a result of the 'back up together' iteration over July and August which focused on getting them back into activity in the face of coronavirus. The campaign also won the prestigious Partnership Award at the Sport Industry Awards 2021. A further three-year partnership and investment has also now been agreed for the campaign.

Our 10 Minute Shake Up campaign, in partnership with Disney and Public Health England, aimed to help children have fun, build skills and find new ways of being active. We also supported the Holiday Activity & Food programme, which provides free holiday camps (including daily physical activity) for children from deprived communities who often fall behind over the school holidays. Through dynamic and localised marketing we helped drive an estimated 30–40,000 extra children to attend. 1.9million packs were distributed driven by schools, paid media, PR, and via Local Authorities and the Holiday Activities and Food Programme. 16% of all parents of children aged 4-11 said they participated last year (which over-indexed against C2DE audiences), with 80% who participated saying their child was more active and 91% saying it made physical activity more enjoyable for their child.

The insight we continue to gain through research has also informed our Return to Play film project, in which we created inspirational films for partners to use to persuade people to become active once more. While the first phase went live in the last financial year, focusing on the return of outdoor sport, the second (on individual indoor activities) launched in April 2021, and the third (on indoor sports and exercise classes) a month later.

During this programme, collaboration was key to making decisions about which partners to feature in the first three films and which to support in future phases. We had an overwhelmingly positive response from partners and audiences alike, recognising it as a great way of providing inspiration to get back to what they love.



16%

16% of all parents of children aged 4-11 said they participated last year (which over-indexed against C2DE audiences), with 80% who participated saying their child was more active and 91% saying it made physical activity more enjoyable for their child.



On the funding front, we also completed the Return to Play Small Grants Fund, which ran between October 2020 and December 2021. This was designed to help sports clubs get back on their feet once restrictions were lifted with assistance in buying kit or other forms of equipment. Altogether, we received more than 5,000 applications of which we funded around half, to a total value of circa £12 million, with the great majority going to clubs in areas classified by the Index of Multiple Deprivation (IMD) as being among the most deprived in England. By the programme's closure, demand had waned as the majority of clubs were successfully up and running.

We launched the Queen's Platinum Jubilee Fund in January 2022 as a new mass programme of small awards to help clubs attract new participants. Running throughout the year, this successfully distributed almost £5m of grants to a diverse range of applicants.

The Together Fund

Another important small grants fund is the Together Fund (originally called the Tackling Inequalities Fund), created to help reduce the negative impact of coronavirus and help community groups working with our target audiences to adapt to the pandemic and help more people. It is therefore closely aligned with our over-arching ambition of disproportionately helping the lower socio-economic groups, culturally diverse communities, disabled people and those with long-term health conditions who face the greatest obstacles to getting active.

This is having an important influence on our future distribution of funding. In order to reach those who need our help the most, we knew we had to do things differently. We also knew the partners we work with have extensive networks and reach to local community organisations, and can often reach those we cannot access through our own direct channels. These include our network of 43 Active Partnerships and more than 30 national partners, who we knew could help to connect funding to where it's needed

locally, utilising their expertise, connections and local insight.

With two funding phases of approximately £20 million each, the Together Fund has a related essential aim of enabling us to engage with new community-based partners for the first time. This approach is helping us to close gaps in our ability to reach our target audiences through the networks developed by new partners, who have close relationships with their members and a deep understanding of their requirements.

This is an important aspect of a new approach to community support. Now, as well as working with National Partners like Street Games, Sported, DRUK and others, we are additionally working with and empowering the England-wide network of Active Partnerships to connect and better target our funding to locally trusted organisations who are best placed to understand and deliver value in their own communities. As we learn more about this way of working, we aim to extend the approach more broadly across our funding portfolios as we continue to transform the way we work.

This approach is also enabling us to help some community groups recover from the effects of the pandemic. They might have lost some of their volunteering base or some coaches, for example, and there might have been some impact on their governance. Our funding can help such groups get back onto a firm foundation. We might also invest in some workforce development to help them become more resilient.

Working with such groups as partners rather than simply as funders is changing the nature of our relationships, enabling us to learn together through regular monthly contact and shared experience to make us collectively more valuable to their communities. We believe our learning around how to tackle inequalities will also help us going forward to inform Sport England as a whole, as well as our Active Partnerships and National Partners.

Sport Survival Packages

We were charged with responsibility for administering the Government's Sport Survival Package, delivered in two £300-million phases to support first winter and then summer spectator sports under severe financial pressure due to the absence of paying crowds during the coronavirus pandemic.

This was initially new territory for us, as we acted as the agent of the Department for Culture, Media and Sport to work with professional sporting bodies including the National Football League, Premiership Rugby and the Rugby League Super League to distribute funding to the clubs identified as requiring financial support. This was a challenge as, on the one hand, we continued to work as an organisation of finite resources with some of the nation's most disadvantaged communities, and on the other as the administrator of highly sophisticated loan schemes for professional sports organisations.

Retrain to Retain

During and following the period when the impact of the pandemic was at its highest, we saw that many volunteers and self-employed and part-time workers were leaving their roles. The situation was serious: in February 2021, 35% of employees in the sector, around 15,400 people, had left to seek alternative employment. As a result, around 80% of the sector's employers are facing staff shortages.

We have therefore invested £5 million of National Lottery funding in a programme delivered by the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA) and UK Coaching and Exercise and Movement and Dance (EMD), which will provide sports and fitness professionals with access to the training, resources and tools they need to progress their careers.

This is the Retrain to Retain programme, based around a website (retrain.cimspa.co.uk) providing the workforce with a trusted one-stop shop to access support, find jobs and build confidence. The project launched in September 2021,

and to date 50,000 workers have accessed its services. We will report on progress in more depth at a later date.

Local Leisure Recovery

Public leisure facilities provide an essential part of the sport and activity ecosystem. They were severely impacted by the pandemic, leading to the risk of many community-run facilities either reducing their services or closing altogether. This danger led us to bring together a group of local leisure and fitness experts to develop and present to Government the case for a relief fund for the leisure sector.

This resulted in the creation of the £5 million Lottery-funded Local Leisure Recovery Fund, which ran until the end of September 2021. As its enabler, Sport England was invited to administer the fund, taking bids from local leisure organisations and distributing them across the country, up to a maximum of £50,000 per recipient. As well as funding, recipients also received support with recovery planning, advice on improvements they could make, workforce training and coronavirus risk assessments.



Transform

A new strategy requires a new way of working. During the year we began the process of evolving the way we operate with the aim of becoming a more flexible, agile and collaborative organisation – both in the ways we interact within Sport England and how we work with our partners and other stakeholders.

Catalysts for Change

We have identified five Catalysts for Change that we believe will unlock the potential latent in our Big Issues. We list some of the year's key achievements below as well as reporting on progress throughout this report:

Effective investment models:

we have created a simpler, more efficient and more transparent investment system to better meet the needs of the wide-ranging types of organisations we empower to deliver Uniting the Movement.

Realising the power of people and leadership:

we have focused on helping our system partners' people and

leaders develop the skills and capabilities needed to deliver our strategy together, with a special focus on Diversity & Inclusion.

Applying innovation and digital:

we're working to ensure the sector applies innovative and digital solutions to some of the tougher underlying issues that stop some people from being active. This included our first ever call for innovative solutions, designed to find existing or adaptable solutions that were tackling the inequalities widened by the pandemic.

High-quality data, insight and learning:

we have run major quantitative and qualitative research programmes to gain the insights needed to underpin our own decision-making



and that of Government bodies including Department for Culture, Media and Sport (see pages 65 - 74).

Good governance:

during the year, we published a refreshed Code for Sports Governance, with which all organisations in receipt of funding via Sport England must comply (page 43 - 44). Our Finance and Corporate Service Directorate is responsible for ensuring we are an effective steward of public money on an ongoing basis.



Revise our structure

As part of Uniting the Movement, we have always recognised that it would be necessary to change the way we are structured to ensure we have the best possible capacity and resource to fulfil our ambitions.

Achieving this has been an important focus for us during the year, and in January 2022 we announced a new structure that is specifically designed to be better suited to cross-functional and collaborative working than in the past. With it, we aim to strip out any tendency towards siloed working that may have existed in the past, both internally and with our external partners, beneficiaries and sponsors at Government level.

We believe the structure gives us a greater structural alignment

with Uniting the Movement, and in particular with the five Big Issues and Catalysts for Change at the heart of our new strategy's purpose. As a result, we believe it gives us the agility, flexibility and openness we need to fulfil our vision of creating:

- A single organisation dedicated to collaborating internally and externally against common purpose
- Teams of people that bring specific skills, expertise and perspective to every meeting but who do not own the outcomes alone
- A values-driven culture and way of working that is designed around Uniting the Movement

Our new structure, made up of six rather than the preceding seven directorates, is as follows:

Strategy, Insight and Performance Directorate enables us to plan, enable, implement and measure the delivery of Uniting the Movement by:

- effective insight and evidence-based planning and project design
- monitoring and reporting on our progress
- using proven ways of working to underpin the allocation of human and financial resources

The **Finance and Corporate Services Directorate** enables us to ensure Sport England is an effective and trusted steward of public money by underpinning:

- the delivery of our organisational objectives
- the management of our finances and investments
- the provision of strong internal governance procedures

The **Digital Marketing and Communications Directorate** helps us advocate for the ambitions we wish to achieve by:

- creating our narrative to campaign for the change we wish to see
- building our reputation and credibility with Government, media and partners
- enabling the sector to innovate

The **Policy and Integrity Directorate** ensures we focus on the people and issues that matter by:

- developing our position as a credible thought leader on key policy issues
- having strong awareness and understanding of the people who matter to us, the issues affecting them and how these should be addressed
- taking responsibility for ensuring that integrity and inclusiveness are central to sport and physical activity and the experience of all participants

Continues overleaf —→

The **Place Directorate** enables us to maximise our impact in the places and spaces we work by:

- engaging in and delivering a place-based approach to Uniting the Movement
- ensuring delivery against all our targets, including:
 - the expansion of places where we invest
 - building effective relationships with local organisations
 - creating sustainable, inclusive facilities and active environments

The **Partnerships Directorate** enables us to manage and maximise our relationships by:

- establishing and engaging with key partners for the most effective delivery of our strategic ambitions
- seeking to influence the future shape of England's sport and activity system
- helping to develop the skills and behaviours of the workforce.

We believe this is the most efficient and effective structure for Sport England, given the breadth and nature of our strategic ambitions. We will report in future on its further development and the impact it has had on our and our partners' ability to deliver against our vision.

Integration of strategy's guiding principles into everything we do

The creation of our new structure was driven by our commitment to integrate the guiding principles within Uniting the Movement into everything we do. It is also an enabling factor that is now empowering us to do so.

During the year, we saw positive progress in our ability to:

Invest most in those that need it most: the need to tackle the inequalities that prevent some people and communities from accessing the full benefits of sport and physical activity is central to our strategy, and our new structure is designed to maximise our ability to address this key priority. With teams focused on Policy & Integrity, Place and Partnerships, we are now well structured to reach the people who need our help most, in their communities and alongside those partners who are best placed to understand and resolve their needs.

Deliver the right blend of national and local action: we have a unique oversight on the sweep of England's sporting and physical-activity landscape, alongside growing local insight and understanding through our growing partnership networks and focus on LDPs and other priority communities. With our growing emphasis on local delivery via expert partners, and our increased national role in areas including integrity in sport and distributing funding via the Sports Survival package, we believe we are fast achieving the balance that will empower us to achieve most.

Achieve simple as standard: our new structure is also designed to reduce the complexity of our people's remits, enabling far better communication between teams and with partners to increasingly ensure that the simplicity of our process helps to maximise the effectiveness and positive impact of our work.

Develop a revised code for sports governance

In line with the approach to diversity and inclusion sustained by Black Lives Matter and other organisations at the forefront of efforts to overcome social injustice and inequality, during the year we published a revised Code for Sports Governance in partnership with UK Sport.

Compliance with the new code, which is due to come into force in 2023, will be mandatory for any organisation seeking Exchequer or National Lottery funding through Sport England.

Alongside the Code itself, we have also created three levels of guidance to help organisations of all sizes to implement its requirements. These include a separate booklet for Tier 1

community groups, which are at the minimum level of mandatory requirements.

Since the first iteration of the Code was published in 2016, we have learned a great deal through internal insights and external consultation and experience – including a recent survey on Diversity in Leadership – which is now embodied in the new Code. Its primary focus is on areas including safeguarding and equality, diversity and inclusion, embodied in a way that makes everybody feel welcome and opens up the life-changing benefits of physical activity to all.

New requirements for Tier 3-funded organisations – those in receipt of more than £1 million in funding from Sport England or UK Sport – include the need to:

- **Appoint a director in charge of welfare and safety**
- **Include consideration of environmental and wider social issues in their decision making**
- **Develop a people plan, which is reviewed annually at least**

Local Delivery Pilots

We founded our national network of 12 Local Delivery Pilots (LDPs) in 2017 to test different ways of thinking about places and how to close the inequality gaps that are preventing some people from getting active. By deliberately selecting contrasting communities – some inner city, some predominantly rural and some coastal – we aimed to gain insights that could be applied to many other places across the country.

As the pilots begin to drive forward and scale up areas of work that have been tested as part of the pathfinder phase, we are able to understand more and more about what works – and, just as important, what does not. This is having a catalytic effect: not only are we increasingly seeing pilot areas exchange ideas and share challenges, we are also receiving growing interest from many places that are also adopting a place-based approach.

We have learned that investing time in developing local leadership, skills and understanding can

help facilitate lasting change and really helps to get the work done. Our Navigating Local Systems programme builds on the work of the LDPs to show that an injection of facilitated support can help embed shared ownership, identify blockages and drive new ways of place-based working.

Increasingly, the LDP programme is exemplifying Sport England's role as an enabler, helping partners find out more about the practical tools, models and approaches being used to deliver systemic change that helps more people to be active. The pilots have used various resources and online sessions to share their stories and invite others to share their experiences.

To support this further, we have continued to evolve our local Leadership Essentials programme working alongside the Local Government Association (LGA). With over 250 local leaders having accessed the programme to date, positive impact includes new styles of leadership, enhanced listening skills, increased empathy, inclusivity and co-production with communities.

New transgender guidance

In response to requests from many of our partners, we and the other four UK sports councils published new guidance on transgender inclusion in domestic sport during the year.

In particular, those requesting the guidance were keen to take fairness and safety into account when making informed decisions on how to be as inclusive as possible. Some also felt that sport has not kept pace with societal change, resulting in some groups feeling unwelcome or under-served.

The consultation and research process took 18 months, during which the review team engaged with more than 300 people from over 175 organisations. When the resulting document was published on 30 September 2021, it reached a clear conclusion: that it is not possible to balance transgender inclusion, fairness and safety in gender-affected sports where there is meaningful competition.

The guidance therefore recommended that sporting

bodies and organisations should find new ways to accommodate the needs of all groups. This included the creation of ‘open’ and ‘female-only’ categories in some sports and adapting rules to create non-contact versions of certain team sports.

There is still work to do, and complexities remain. For example, the IOC updated its transgender inclusion framework in November, overturning its former requirement for transgender women to reduce their testosterone levels and concluding that there should

be no presumption that trans women have an automatic advantage in female sport.

These are potentially controversial decisions, as is British Cycling’s more recent announcement that, while it reviews its inclusion policy, transgender women will no longer be able to compete at its elite female events. We continue to maintain our overview of opinions and attitude in this area to ensure we can keep stakeholders aware of any changes in policy and practice at a national, international and sport-specific level.

Case study

Maintaining an active life as we get older

People are living longer: one in five of us is already aged 65+, and this will rise to one in four early in the next decade. But this does not mean we are in better health.

Sport and physical activity contribute to healthy, fulfilling and dignified ageing, but maintaining an active life as we get older can be challenging. Too many are unable to enjoy the benefits of being active, impacting their ability to continue doing the things they like and remain independent in their own homes.

To help address this, we’ve worked with 25 co-designed active ageing partnerships over the past year to celebrate and share their learning about positive, inclusive physical activity experiences that are relevant, achievable and enjoyable for people and their health as they get older. Partners include Carers UK, who are adapting sporting offers to help reduce loneliness among carers, improving their wellbeing and enabling them to continue looking after their loved ones.

This work is enabling organisations outside our sector to recognise the value of sport and physical activity for health. For example, Hertfordshire County Council social care and public health teams, in partnership with Herts Independent Living Service, are designing physical activity into their services to enable vulnerable people to stay independent.

We are also partnering with Live Longer Better, a collaboration of active partnerships working to strengthen the connection of sport and physical activity with local health systems, so that more people can advocate and benefit from an active life as they get older.

Whyte Review

We continue to have a strong focus on safeguarding to further enhance the support we provide the sector.

In 2020, with UK Sport we jointly commissioned Anne Whyte QC to lead a fully independent review into the allegations of abuse in gymnastics. This will result in a series of recommendations which will help to further strengthen our work in this area.

We also continue to expand our successful Safeguarding Case Management Programme in partnership with Sport Resolutions UK and LimeCulture CiC providing National Governing Bodies (NGBs) with access to expert independent advice and support from the National Safeguarding Panel.

Approximately 40 NGBs will be part of this programme.

Racism in cricket

Our investment into cricket has consistently focused on tackling inequalities and bringing the sport to underrepresented groups.

Having renewed our cricket commitments to both Chance to Shine and the ACE Programme for another five years, the prospective investment for 2022-27 into the England and Wales Cricket Board (ECB) was delayed as we sought greater assurance and evidence of progress on tackling racism and racial inequality in cricket.

It's critical that the ECB tackles these issues, creating real change across the sport.

We've supported the ECB to shape its 12-point game-wide commitment to Tackling Discrimination in Cricket, and in partnership with Perrett Laver are supporting County Cricket boards to find and appoint diverse, skilled and 'new-to-cricket' Directors, which is progressing positively.

40

National Governing Bodies will be part of this Programme



Plan

The year in review was important for reasons beyond the programmes and projects we supported among partners across the nation. It was also a period of intense planning and consideration as we developed our longer-term thinking about implementing Uniting the Movement, up to 2025 and beyond to 2030.

Implementation planning to 2025

During this year of transition, we knew it would be essential to create a strategic plan defining our route out of the coronavirus-dominated 'Respond' period. Creating our roadmap until 2025 involved close consultation with more than 250 partners and other stakeholders in a collaborative process that enabled us to agree the areas of primary focus and set out five essential priorities for the next implementation stage of Uniting the Movement.

Based on the existing core principles of investing most in those who need it most, delivering the right blend of national and local action, and keeping things simple as standard, the plan is built around a vision of 2025 as a key milestone

for Uniting the Movement. The core ambitions at its heart, tested and evolved through consultation with our partners, are to:

- Provide more investment and resources for communities with the greatest need
- Ensure inclusive, safe and secure experiences as standard
- Support, recognise and celebrate success
- Adapt to people's changing needs and expectations
- Listen to and involve people less likely to be active
- Develop a diverse network of leaders, volunteers and professionals
- Ensure positive experiences for children and young people and support talented athletes



- Collaborate with the health, education and transport sectors
- Embed contributing to net zero into everyday thinking

You can access the full report on our website. We are proud of our shared success in developing this all-important next stage in our planning, and are immensely grateful to our partners and other stakeholders who made such an outstanding contribution to its development.

Investment approach for partners integral to the sport and activity system

During the year, we carried out a great deal of work on simplifying, streamlining and modernising our approach to investing in our

partners. The investments we make are integral to the nation's sport and physical activity system, and we recognise that the more straightforward the system can be, the more effective it will be in enabling us and our partners to achieve our shared objectives. It is also essential that our partners have the certainty around their forward funding that they need to plan ahead effectively, and bringing them this was an important focus for us during the year.

In a period of uncertainty due to the coronavirus pandemic, we focused considerable attention on breaking down any internal siloes that might inhibit or complicate the award process, while also shifting the basis of our partner relationships onto a more equal and consensual footing than

they had been on before. We believe this is successfully helping us to ensure that our partner relationships are mutually dependent, and that we can involve internal colleagues more efficiently to help us make good and effective investment decisions. As a result, we believe we can be confident that funding is reaching those partners, places and communities where it will do most good.



As custodians of public money provided by the Exchequer and National Lottery funding, however, we must continuously ensure that our investments are in the best public interest and in line with the values and commitments made in the Uniting the Movement strategy. We are therefore building a system of checks and balances to track the progress and value of the investments we make. As a result, we believe there is a high level of trust in our decisions, at both a Government and a partner level.

Investment into football and multi-sport community facilities

Following recent significant manifesto commitments to invest in local community sports facilities, the Government has released £250 million in funding for investment in football and multi-sport facilities. During 2021, we worked through the Football Foundation with partners the Premier League, the Football Association, DCMS and other stakeholders to launch the fund and provide a boost to the sporting landscape in communities where the need is greatest.

We recognise that football is a popular grassroots sport among several of our priority groups in communities throughout England. By helping communities invest in pitches, we are also enabling a proportion simultaneously to deliver multi-sport community facilities that mean other sports can also benefit from the investment to have the greatest possible positive community impact.

Cross-Government influence and advocacy

An important aspect of Uniting the Movement is to ensure that the positive power of sport and activity continues to be at heart of Government decision-making for years into the future.

This is an essential ambition for us, driving the need to make our voice heard in many areas of government beyond the Department for Culture, Media and Sport. Our strategic approach to addressing Government priorities included particular attention on new bodies, including the Office for Health Improvement and Disparities and the Department for Levelling Up, Housing and Communities.

We were also closely involved with another new body, Active Travel England, which is headed as Active Travel Commissioner by our Chairman, Chris Boardman. This is an executive agency of the Department for Transport which has the role of assessing councils' walking and cycling infrastructure in communities across England. Launched in January 2022, it is responsible for awarding funding for projects that meet national standards set out in 2020. Critically, it has the authority to remove funding for projects where quality, safety and efficiency standards have not been met.

We also continued to build relationships and seek to influence opinion among senior officials in departments including the Ministry of Education, the Department of Health, the Department for Education, the Ministry of Transport, the Department for Work and Pensions, the Department for Environment, Food and Rural Affairs, and the Cabinet Office.

Many of the subjects under discussion involved our response to policy reforms and strategic proposals, depending on how they might impact our five Big Issues and the Catalysts for Change.

We welcomed a new consensus statement from health experts in early November, which determined following a major review of scientific evidence and expert clinical experience that the benefits of physical activity outweigh risks for people with long-term health conditions. As our CEO Tim Hollingsworth said at the time, “Breaking down the barriers that make it harder for the 15 million people living with long-term health conditions in England to get active is critical to tackling health inequalities: a key aim of our Uniting the Movement strategy.”

Our most important achievement for the year, however, was our success under the Comprehensive Spending Review in securing funding for the next three years, with an annual budget of circa £100 million in Exchequer funding and circa £200 from the National Lottery. This gives us the security of budget necessary to support and implement our three-year strategy implementation plan to 2025.

Commonwealth Games 2022

With Birmingham hosting the Commonwealth Games in the summer of 2022, we were active on many fronts to help ensure that people and communities across the West Midlands region gain a valuable long-lasting legacy from the event.

In doing so, we drew on the experience and insight we had gained over recent years through the Birmingham and Solihull Local Delivery Pilot to identify the areas of greatest need across the region and focus on what local communities see as most important for them.

We activated a multi-faceted approach to legacy funding. At its heart, a £30 million investment from Sport England helped fulfil the vision of ‘a Games for everyone’, directly in line with our ambitions to tackle inequalities in communities from the bottom up. In particular, it aimed to help the post-coronavirus

recovery of the region, where there are approximately 70,000 more inactive adults than there were before the pandemic.

Among the many initiatives that combine to make up a broad-based support programme was a small grants fund, totalling £600,000, which aimed to help communities comes together in a celebration of the Commonwealth’s rich cultural diversity. We also administered the £250,000 ‘Generation 22’ social action initiative, which was designed to inspire young people to become volunteers in their local communities. In parallel, we supported the ‘Places and Spaces’ crowd-funder project to raise money for projects identified by local people as priorities.

In addition, we are supporting local infrastructure projects, including investments worth £2.5 million in enabling the public use of the Games’ Aquatic Centre following the event and a BMX venue in Perry Barr, next to the Alexander Stadium athletics venue. We have also channelled nearly £1 million in creating community trails in Cannock

Chase. And we are funding the creation of a Share Shack centre, a community space for residents to connect, share ideas and borrow sporting equipment.

Alongside the need to create a local legacy from the Games, we want to ensure that the sports featured at the Games benefit from more people getting interested in physical activity. We therefore administered grants of between £100,000 and £0.5 million to help National Governing Bodies tackle inequalities in their sports.

We were also active on several fronts to help ensure that the Games acted as inspiration for young people to achieve their potential in sport. We invested a total of £4 million in the National School Games Finals and the network of 450 School Games organisers that reach 19,000 schools across England.

Each organiser used local data and insight to identify the inequalities faced by young people in different areas, and to ensure that those who need it most got help to be active.

Sport England remains a sizeable investor in the nation's athletics success, spending around £140 million across a four-year cycle to run the talent pipeline that enables the best performers to be identified and maximise their potential. To do so, we work with circa 6,000 partners, ranging from very small local organisations to large national bodies. In all cases, our primary focus is not only on helping ensure they can benefit from the latest scientific wisdom in developing athletic talent, but also that the young people they work with can experience an environment of physical, psychological and emotional safety.

During the last year, the coronavirus pandemic added a significant new dimension to our responsibilities, including regular partner meetings to discuss the latest advice and guidance, providing emergency funding to affected athletes and helping them to access training facilities.

In the build-up to the Commonwealth Games, we joined forces with our equivalent bodies from the other home nations to provide a joined-up

approach to preparation. We also worked with UK Sport on a programme to develop Team Leaders, helping to ensure a mix of backgrounds, ethnicity and gender that better reflects the make-up of our elite athlete population.

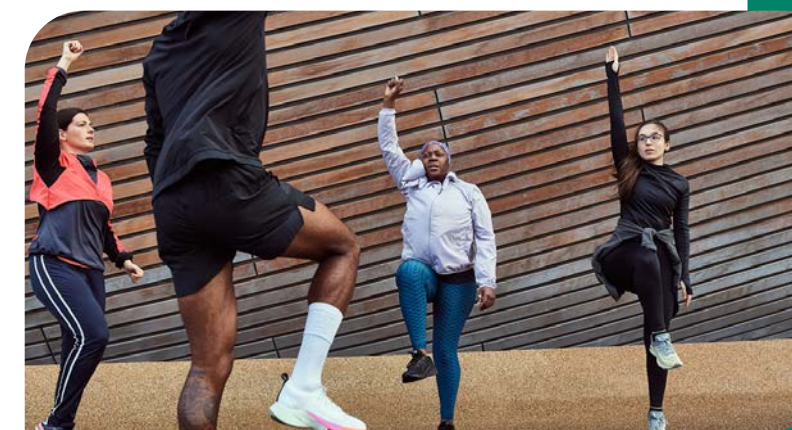
This population includes members of Team England Futures, those young people identified as representing the very best talent from our next generation of athletes. During the year, we doubled our investment in this key area and launched a programme to help those involved gain experience of what it feels like to represent their country at a major international event. As part of this, they were able to have a fully immersive experience of the Commonwealth Games, wear Team England kit and attend events hosted by former athletes to help prepare them for the atmosphere and environment they can expect once they have graduated to full national representation. We believe psychological preparation of this sort will have a direct positive impact on Team England's future medal performance.

Nurturing talent

Our focus on supporting and nurturing England's sporting talent is much more wide-ranging than on the Commonwealth Games alone. The multiple programmes and initiatives we ran or supported during the year share a focus on the work required to ensure equality of opportunity for talented young people. At the heart of our approach is the understanding that achievement is not always a proxy for talent, and that if we used all our talent England's performance would be formidable across all sports.

One initiative with a considerable impact is the African-Caribbean Engagement (ACE) Programme, founded and chaired by former England international cricketer Ebony Rainsford-Brent with the aim of halting the decline in numbers of Black British professionals. Following our investment of £600,000, ACE aims to help address from the bottom up systemic challenges that are based in cultural backgrounds. Operating in London, Birmingham and Bristol, it offers 50 scholarships to young people with high potential and talent.

The Greig Academy is a diverse secondary school in Haringey, east London, where we have provided a grant of £300,000 to help change lives through sailing. It has successfully launched an interest in many participants that has led to participants gaining jobs in the marine industries and studying sport-related subjects at university. The Academy has also become the first state school to enter a team in the world-famous Fastnet sailing race.



Case study

Nurturing local leadership

For over four years we have been nurturing and developing the collaborative leadership skills of people in places through our Leadership Essentials programme with the Local Government Association (LGA). To date, 265 officers from local authorities, leisure trusts and Active Partnerships have taken part in the programme which supports them as leaders and aspiring leaders, helping them challenge their thinking and practices and create change.

Participants value the experience and learning from the programme highly. It not only enables them to be more confident in their leadership approach in what they do and how they do it. It also enhances their relationships with communities, partners and colleagues, helping them understand and empathise with what matters to stakeholders and better comprehend the wider strategic context.

Andrew Wilesmith, Operations Manager, Sport and Leisure at Ipswich Borough Council, believes the course has radically changed the way he works. As he says, “It’s about having a conversation, building a relationship, and trusting that someone knows more than you do. It takes time to influence and time to embed, it’s a long-term approach.”

Warren Smyth is CEO of Abbeycroft Leisure, a not-for-profit social enterprise operating in Suffolk and Cambridgeshire. Two important take-outs he highlights are: “Understanding who we really need to influence and their needs and challenges is really important before considering when and how we position ourselves. And allowing others to influence on your behalf by getting the right people in the room doing what they are good at – but only if they’re working towards the same goals.”



Transition

This was a year like no other, when we were doing far more than simply planning for the future and working on the immediate day-to-day priorities that come with our role. We also had to manage the transition between one strategy and the next, ensuring that everything we do from now on is aligned with the needs of Uniting the Movement.

Permanent adoption of more agile and flexible working arrangements

Our new structure is designed to break down any existing siloes between our own teams, and to make Sport England much easier to access for external partners and other bodies.

During the coronavirus pandemic, like many other organisations we had to adapt our ways of working to embrace the demands of social distancing. There have been many positives to this, not least the use of technology to communicate with one another and our partners more easily than ever before. This has contributed to our becoming a more open organisation, both

internally and externally, with an improved culture of regular engagement evidenced by our ability to hold more regular catch-up meetings with partners.

The impact of Covid-19 also caused us to reconsider the way we work across many areas. For example, our planned approach to monitoring effectiveness as part of our research and evaluation processes no longer made sense when the activities we were monitoring had to change because of the pandemic. This forced us to adapt and implement less rigid ways of working. This flexibility is a positive consequence of the pandemic that we believe will continue to benefit all parties in future.



Evaluation and learning approach

During the year, we published a new approach to evaluation and learning that will underpin the Uniting the Movement strategy. It is designed to help us and our partners collaborate more effectively to counter the complex challenges involved in addressing the inequalities in physical activity that the strategy has been developed to overcome.

In doing so, our evaluation team spoke to colleagues and partners to understand their experience of evaluation and learning, to find out how they think our approach should evolve in the future. This helped us identify three shared ambitions in this

area, and a core set of principles for how we would like to work.

The ambitions are first to embed evaluation and learning by working with our partners to build the culture, leadership, capacity, capability and connections needed to do so. Next, we aim to improve the methods, tools and approaches we use to evaluate. And third, we are aiming to improve how we interpret, share and ultimately use what we learn from evaluation.

Taking this approach is designed to help us work with our partners in a more collaborative way that welcomes diversity of thought and reduces inequalities in evaluation. We believe it will foster the openness and curiosity that will enable us together to

take a more flexible approach to evaluation, to learn from success and failure alike, and to collectively champion the importance of evaluation and learning.

There is evidence that it is already leading to a more collective sense of purpose between Sport England and our partners, which is enabling us together to shape action and improvement. Increasingly, we believe recipients of funding are coming to regard tackling inequalities and helping people in communities as the primary purpose of funding, ensuring the money we distribute is increasingly effective in enabling us collectively to deliver on the vision of Uniting the Movement.

Objectives

The objectives are clear. To close down any:

- **Investments dating back to our previous 'Towards an Active Nation' strategy**
- **Ongoing investments that were intended for completion by 2021**
- **Projects with an 'in principle' or 'project development' award, or that have not met their original conditions**

Coronavirus-related investment made in 2020/21

Transition of existing work

Historically, every year we have launched more projects than those we have completed and discontinued, meaning that those benefiting from funding at any one time is continuously increasing. Part of the Transition element of the strategy is therefore to take a more sustained and proactive approach to close out projects more effectively and efficiently, ensuring that those with the greatest current value receive the support they deserve.



Case study

Spreading the joy to beat isolation

Our Active Essex Local Delivery Pilot (LDP) has funded many initiatives over the last two years that tackle inequalities by bringing opportunities to be physically active to those members of communities at the highest risk of isolation, particularly during the coronavirus pandemic.

During the last 12 months in particular, Active Essex has provided Together Fund support with projects with a wide range of approaches, from spreading the joy of dance to celebrating cultural diversity, to using a spectacularly painted rickshaw to inspire people to take up cycling.

In the words of Efua Sey, founder of the Cultural Academy that bears her name, “We’re unifying the people of Harlow through helping create a shared love of dance, drumming and costuming, enabling them to experience and understand the sheer joy of it. The funding has really helped us make an impact on the lives of people who otherwise would be sitting on their own at home.”

Artist Lata Upadhyaya has created a brightly coloured rickshaw that is providing the cutting edge of the Chelmsford Cultural Diversity Project by catching attention and inspiring people to get active by cycling.

The Project has used its funding to buy bicycles and, in Lata’s words, “encourage people to improve their lives through the health benefits of exercise – both physical and mental.”

Measuring success

We are committed to measuring how well our activities performed in achieving the individual objectives set for each programme of work. This also enables us to determine how they collectively contribute to our overriding mission of helping those facing the greatest obstacles become more active.

To track performance, we have set up a programme of quarterly reporting that addresses our performance across the full range of our key performance indicators (KPIs – see below), changes in public attitudes to the value of sport, the latest participation trends by age, gender, socio-economic group, ethnicity and more, and our own performance in implementing our plans.

In this way, we aim to ensure that we are continuously familiar and up-to-date with all aspects of our work, enabling us to continuously check which actions we take are most successful, where we can learn lessons for improvement, and where there are issues we need to address.

At the start of the year, interim KPIs were established with DCMS in the following areas:

- Investments: we measure the number of investments made, their value, where they have been made, the proportions made in areas of deprivation
- Children and young people: we report twice a year on areas including secondary teacher training, Studio You, the Families Fund, Active Recovery Hub, School Games, School Games National Finals, The Daily Mile, Tackling Inactivity in Colleges and Opening Schools
- Campaigns: we measure the ongoing performance of communications campaigns including This Girl Can, Join the Movement, We Are Undefeatable
- Code compliance: the number of partner organisations that are compliant with the Code for Sports Governance
- External perceptions of Sport England
- Financial compliance
- Commonwealth Games
- Progress against the set Sport England goals and objectives

Our performance against the interim KPIs is given in the following table.

Sport England Key Performance Indicators – 2021/22

No	Key Performance Indicator	Details of measure (s)	Deliverables
1	Via the Active Lives Survey and various other surveys and measures, provide regular data and supporting analysis to government and the sectors we support.	<p>Produce and publish x 2 Active Lives survey detailing:</p> <ul style="list-style-type: none"> the nation's activity and inactivity levels. the association between sport and physical activity and physical and mental wellbeing, individual and social and community development; the key trends and insights impacting on behaviour and attitudes towards sport and physical activity. <p>Produce and publish Coronavirus Tracker and Activity check in reports</p> <ul style="list-style-type: none"> insight into the ongoing impact of COVID-19. 	<ul style="list-style-type: none"> Adult Active Lives – we reported Nov19/20 data in April 2021, we reported May 20/21 data in October 2022, we reported Nov 20/21 data in April 2022. The Coronavirus tracker had its first wave of data collection in April 2020 and ran regularly (22 waves of data collection) until Jan 22. The Activity Check In – which includes some questions from the Coronavirus tracker to continue to track trends – had its first wave of data collection in March 22 and has so far completed 4 waves of data collection.
2	Via the Active Lives Children's Survey and various other surveys and measures, provide regular data and supporting analysis to governments and the sectors.	<p>Produce and publish x 2 Active Lives survey detailing:</p> <ul style="list-style-type: none"> the activity levels of children and young people. the numbers of young people aged 5-16 years volunteering to support sport and physical activity. the association between sport and physical activity and physical and mental wellbeing, individual and social and community development. key trends and insights impacting on behaviour and attitudes towards sport and physical activity including where appropriate but not limited to, disability, ethnicity, gender, and family affluence. This shall also include physical literacy. <p>Produce and publish Coronavirus Tracker and Activity check in reports</p> <ul style="list-style-type: none"> Insight into the ongoing impact of COVID-19. 	<ul style="list-style-type: none"> Active Lives children – reported academic year 20/21 data in December 2021 and reported academic year 2021/22 data in December 2022. The Coronavirus tracker had its first wave of data collection in April 2020 and ran regularly (22 waves of data collection) until Jan 22. The Activity Check In – which includes some questions from the Coronavirus tracker to continue to track trends – had its first wave of data collection in March 22 and has so far completed 4 waves of data collection.

No	Key Performance Indicator	Details of measure (s)	Deliverables
3	Provide quarterly, qualitative reporting and demonstrate progress against each of the goals and priority work programmes outlined in its Transition Plan.	<p>Goal 1: RESPOND – Help the population to keep moving and support the right partners to deliver safely and effectively during COVID restrictions.</p> <p>GOAL 2: TRANSFORM – Sport England's way of working to be consistent with Uniting the Movement (UTM), with a primary focus on cultural change and leadership.</p> <p>GOAL 3: PLAN – Create a plan for the implementation of Uniting the Movement to 2025, using the foundations laid in the transition year and with a 10-year horizon to 2031.</p> <p>GOAL 4: TRANSITION – Review and manage existing business commitments, functions, and responsibilities to concentrate on delivery of UTM.</p>	<p>RESPOND</p> <ul style="list-style-type: none"> £19.8m Return to Play Open Fund support 3,201 clubs/groups. 4,600 Tackling Inequalities Fund supported projects (£40m): 33.9% Lower socio-economic groups, 26.6% culturally diverse communities, 19.2% people with long-term health conditions, 20.2% disability. 1,092 facilities, in 266 LAs through the Leisure Recovery Fund. £279m of Sport Survival package support to 1,679 organisations (£218m as loans). <p>TRANSFORM</p> <ul style="list-style-type: none"> Agreement for a future single front door for open funding. Organisational structure revamped with 6 new Directorates. 40 staff upskilled through the senior leader data masterclass. Delivered ONS Data Science Campus. Active Lives reporting switched to annual release. 47 national network appointments made to Boards as part of Governance support – 78% culturally diverse, 58% female. <p>PLAN</p> <ul style="list-style-type: none"> £556m invested into 124 System Partners. Over 250 partners engaged in Implementation Plan creation. New multi-sport policy initiated across all Football Foundation investment ensuring 30% of investment to other sports, rising to 40%. £30m invested into B2022 legacy.

Sport England Key Performance Indicators – 2021/22

(continued)

No	Key Performance Indicator	Details of measure (s)	Deliverables
3			TRANSITION <ul style="list-style-type: none"> Loughborough Office became Sport England HQ. Colleague wellbeing at 82%. 200 people engaged in Evaluation & Learning Approach design. 1,155 legacy projects closed down equating to £106m.
4	The number of investments made by Sport England.	Total number of investments made No comparisons to 2020-21 data are shown as these are interim KPIs. The data includes decommitments and grants recouped.	2021-22: 3,448
5	The total value of the investments made by Sport England.	Total value of investments No comparisons to 2020-21 data are shown as these are interim KPIs. The data includes decommitments and grants recouped.	2021-22: £254.7m
6	The number and total investment into Active Environments.	Number and value of investments into Active Environments No comparisons to 2020-21 data are shown as these are interim KPIs. The data includes decommitments and grants recouped.	2021-22: £72m into 247 projects

No	Key Performance Indicator	Details of measure (s)	
7	A breakdown of Sport England investments by: <ul style="list-style-type: none"> English region IMD decile 	Investments by English region No comparisons to 2020-21 data are shown as these are interim KPIs. The data includes decommitments and grants recouped. Published data for 'NGB 17-21' and 'Expert National partners' have been reclassified as 'national' to reduce distortion.	
<div> <div>Deliverables</div> <div>Investment by region</div> </div>			
2021-22			
Region		No. of Awards	Value of Awards
EAST		332	£6.7m
EAST MIDLANDS		299	£4.2m
LONDON		357	£13.2m
NORTH EAST		205	£5.2m
NORTH WEST		537	£12.1m
SOUTH EAST		351	£5.1m
SOUTH WEST		312	£3.9m
WEST MIDLANDS		358	£9.7m
YORKSHIRE		426	£7.9m
NATIONAL		271	£186.7m
Total		3,448	£254.7m

Sport England Key Performance Indicators – 2021/22

(continued)

No	Key Performance Indicator	Details of measure (s)		
7		<p>Investments by IMD Decile</p> <p>Investments classified by the Index of Multiple Deprivation (IMD), where 1 is the most deprived and 10 the least deprived. All national projects have been removed for the IMD breakdown.</p> <p>No comparisons to 2020-21 data are shown as these are interim KPIs. The data includes decommitments and grants recouped.</p>		
Deliverables			No of Awards	Value of awards
1			527	£11.3m
2			387	£6.1m
3			364	£10.7m
4			332	£8.5m
5			306	£4.8m
6			282	£5.8m
7			263	£10.2m
8			248	£4.0m
9			268	£3.4m
10			200	£3.2m
National			271	£186.7m
Total			3,448	£254.7m

No	Key Performance Indicator	Details of measure (s)	Deliverables
8	The impact of programmes supporting sport and physical activity including but not limited to Secondary Teacher Training, Open School Facilities Fund and Families Fund.	<p>Secondary School Teacher Training impacts £13.5m National Lottery investment with c72% (2,500) of secondary schools in England involved in the programme which aims to put pupils' needs and enjoyment at the heart of PE, school sport and physical activity by offering bespoke professional development opportunities for teachers.</p> <p>Studio You impacts Studio You was officially launched on 28 September 2021 (£1.5m National Lottery investment announced in the School Sport and Activity Action Plan).</p> <p>Families Fund impacts £24m National Lottery investment into local and national programmes working with organisations who have connections to families e.g., Barnardo's, children's charities, Troubled Family Teams, delivering fun and enjoyable opportunities to lower socio-economic families.</p>	<p>Secondary School Teacher Training</p> <ul style="list-style-type: none"> Schools now have a greater breadth of PE, School Sport and opportunities to be physically active, with the status of PE and school sport being elevated with senior leaders. Students are now involved in shaping what's delivered and how it is delivered. Improved teacher confidence in engaging the least active students. <p>Studio You Over 2,300 registrations, with teachers from 1 in 4 secondary schools in England now signed up to Studio You. Very positive feedback is received from teachers.</p> <p>Families Fund</p> <ul style="list-style-type: none"> 8,948 families have been engaged, with over 25,900 family members of 30% of participants were from Black, Asian and minority ethnic groups. 43% of adults have increased their weekly minutes of physical activity, and 49% of children. Family members enjoy being active together – 93% of young people (7-16 years), almost all children (5-7 years) and 95% of adults agreed that they enjoyed doing physical activities with their family. Adults living in the 20% most deprived areas of England were more likely to have increased their activity level compared with those living elsewhere.

Sport England Key Performance Indicators – 2021/22 (continued)

No	Key Performance Indicator	Details of measure (s)	Deliverables
8		<p>Opening School Facilities impacts £10.1m of investment from the Department of Education into 42 Active Partnerships to work with schools in their locality targeting those who have experienced the greatest negative impact on physical activity levels due to Covid-19.</p>	<ul style="list-style-type: none"> Strong evidence of positive impacts on family relationships bringing families closer together, and mental health, and the value of providing activities and services beyond just physical activity. Projects have reflected that they have seen an increase in parental confidence; by creating fun and safe environments for parents to take part in activities it has increased their confidence about being active and has increased knowledge on how and where to be active together as a family. <p>Opening School Facilities</p> <ul style="list-style-type: none"> 1,406 schools benefited from the investment (69% secondary schools, 22% primary schools, 6% special schools and 3% other). 284,183 children and young beneficiaries and just over 100,000 community users (including children and young people). 78% of schools focused on pupils eligible for Free School Meals, 60% on pupils with special educational needs or inclusion, 52% targeted girls and 28% focused on children and young people from culturally diverse communities. 34 Active Partnerships enabled 115 schools to be supported to either open their pools or extend their swimming offer.

No	Key Performance Indicator	Details of measure (s)		
9	Total reach and impact of Sport England campaigns, including but not limited to This Girl Can, We Are Undefeatable and Join the Movement.	Reports provided at Q1 and Q3.		
Deliverables		This Girl Can	Join the Movement	We Are Undefeatable
Data Source		TGC Tracking Survey, Wave 22, November 2021	JTM Tracking Survey, Wave 2, March 2021	WAU Tracking Survey, Wave 8, Nov/Dec 2021
Proportion aware of the campaign		47% of women aged 14-60 aware of TGC	13% of adults aged 16+ aware of JTM	16% of survey sample of adults with LTCs aware of WAU
Proportion that recognise the campaign (current creative assets)		36% of women aged 14-60 recognise TGC	45% of adults aged 16+ recognise JTM	49% of survey sample of adults with LTCs recognise WAU
Proportion that report taking action as a result		23% of women aged 14-60	28% of adults aged 16+	15% of survey sample of adults with LTCs
Proportion that report taking a sport/physical activity action as a result		16% of women aged 14-60	22% of adults aged 16+	8% of adults aged 16+

Sport England Key Performance Indicators – 2021/22

(continued)

No	Key Performance Indicator	Details of measure (s)	Deliverables
10	The number of partners that are compliant with the Code for Sports Governance.	<p>The data shows the number of organisations assessed as compliant against Tier 2 or 3 of the Governance Code, or in assessment or action plan phase, as of March 22.</p> <p>Assessment of Tier 1 organisations is managed through the Investment/ Grants Management process and covered alongside due diligence.</p> <p>It is not recorded in the same way as Tier 2 and 3 but the last report estimated the figure to be just over 4000 organisations assessed at Tier 1 since the introduction of the Code.</p>	<ul style="list-style-type: none"> Number of organisations assessed as compliant since the introduction of the Code = 246. Change since last report to the Sport England Audit Committee (Dec 2021) = +2. Number of organisations in assessment/action plan phase = 18.
11	Sport England’s ongoing compliance with financial requirements e.g. Managing Public Money, Financial Directions, etc. (Reported by exception).	In agreement with DCMS, financial reports are provided at Q2 and Q4.	<p>Financial reports provided covering:</p> <ul style="list-style-type: none"> Grant-in-Aid income and expenditure against admin, programme, capital and core capital costs. Award allocation against main strategic programmes and priorities. Lottery income and expenditure including administration target.



NAO report on the grassroots participation in sport and physical activity

In November 2021, the National Audit Office (NAO) – the UK’s independent public spending watchdog – initiated a value-for-money study into work to increase participation in sport and physical activity over the decade since the London 2012 Olympic and Paralympic Games.

These value-for-money studies assess how far different parts of government are making a sound and responsible use of public money, and the impact they deliver, with this study particularly considering the period since the government’s Sporting Future strategy was published in 2015, and the impacts of the coronavirus pandemic.

With the study focused on grassroots sport, we worked closely with NAO and DCMS officials over the final six months of the year, helping to guide officials through the complexity of our operating environment, and the barriers that we know exist for changes to population habits or behaviours around sport and physical activity.

As part of their fieldwork, we shared significant detail, documents and data with the NAO for their consideration and analysis, as they worked to make sense of our work to increase participation across England. They also interviewed a range of partners and stakeholders to get the most complete picture of how we and DCMS have worked to support people to be active over the past decade.

Their study completed in the summer of 2022 with more information available via the [NAO’s website](#). This report is discussed as part of the Accountant ability report on page 121.



Sustainability report

The sustainability report covers the whole organisation and the costs have been apportioned to both Grant-in-Aid and Lottery distribution accounts.

Overall performance

Our offices remained partly unoccupied during 2021/22 financial year with majority of the staff working from home.

We operate four National Sports Centres which were significantly impacted by Covid-19 due to the national lockdowns and with all centres either closed or operating with restricted use.

Travel increased during the year as result of eased restrictions post lockdown – compared to the previous year – which led to an increase in occupancy.

We'll use the lessons learned during this time to inform policy and practice in these areas going forward.

Travel - scope 3

	21-22	20-21
CO2 (tonnes)	7.53	0.16
Cost (£)	62,693.00	1,124.10
Miles	131,753.18	2,668.39

Waste

		21-22	20-21
Non-financial indicators (tonnes)	Reused/recycled	10	6
Financial Indicators (£)	Reused/recycled	8,226	5,024

Greenhouse gas emissions

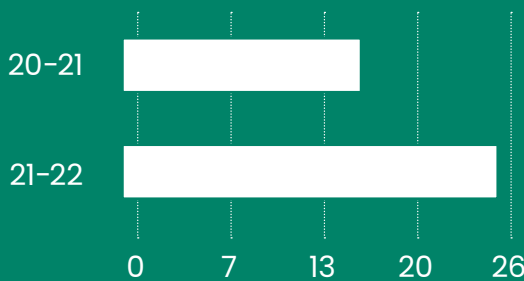
		21-22	20-21
CO2 (tonnes)	Gross Emissions Scope 1 (direct)	26	16
	Gross Emissions Scope 2 (indirect)	23	15
	Total Gross Emissions (CO2)	49	31
Energy Consumption(kWh)	Electricity	109,634.06	83,149.85
	Gas	139,810.37	88,958.35
Financial Indicators (£)	Expenditure on Energy	23,043.83	15,034.27

Finite resource consumption (m3)

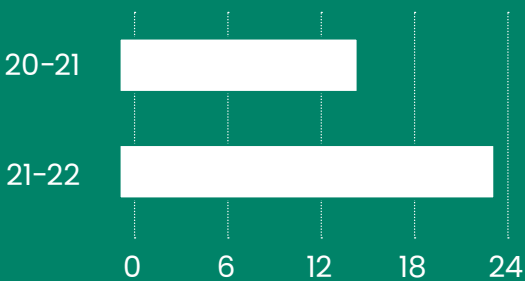
		21-22	20-21
Non-financial indicators (m3)	Water supplied	1,021	925
Financial Indicators (£)	Water supply cost (office water)	1,454	1,277

CO2 whole estate (tonnes)

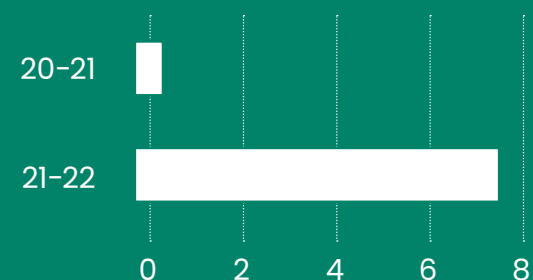
Scope 1 – gas (Tonnes)



Scope 2 – electricity (Tonnes)

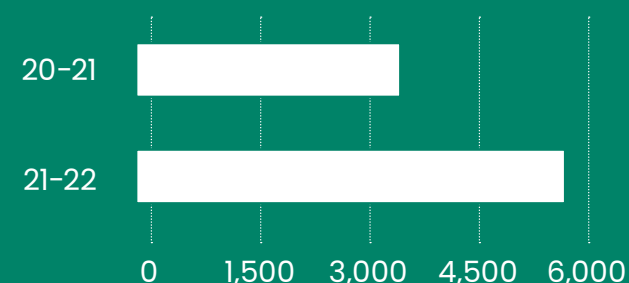


Scope 3 - travel (tonnes)

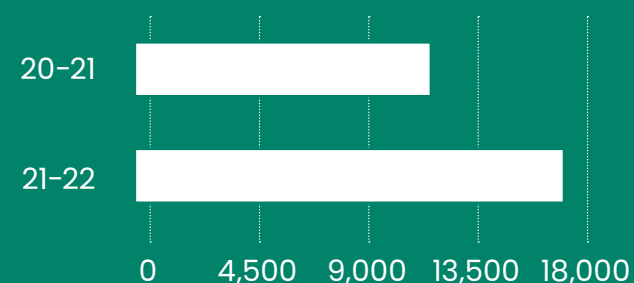


Financial indicators (£)

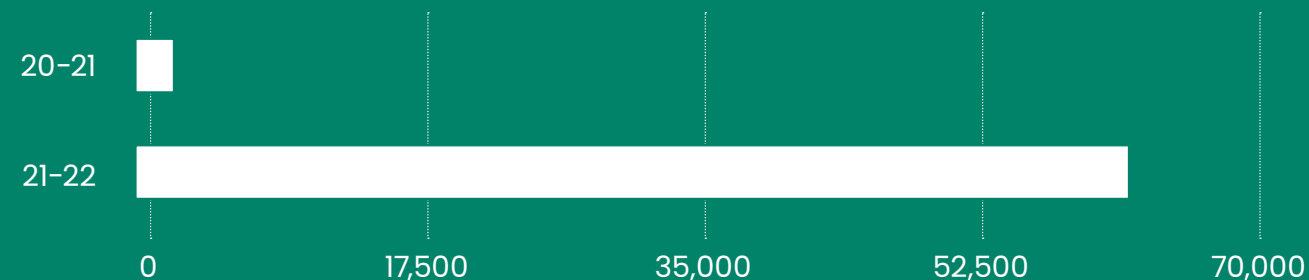
Scope 1 - Gas (£)



Scope 1 - Gas (£)

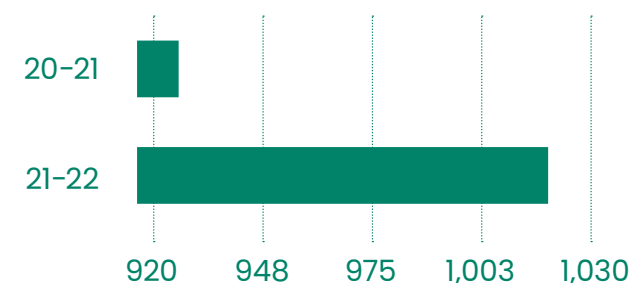


Scope 3 - Travel (£)

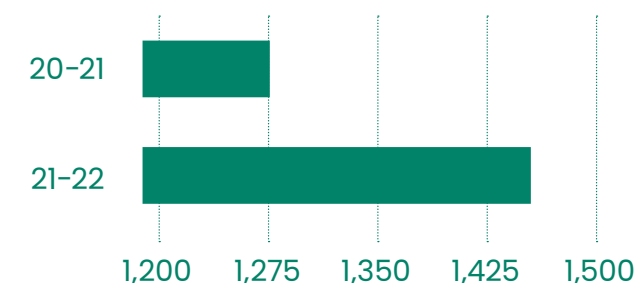


Water usage (m3) and expenditure (£)

Water (m3)

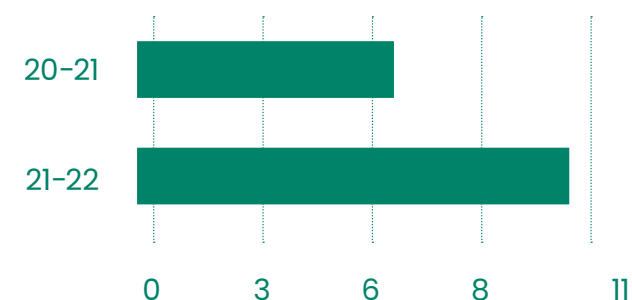


Water cost (£)

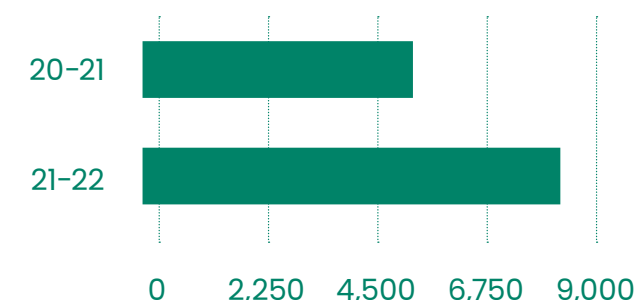


Waste (tonnes) and expenditure (£)

Recycled waste (tonnes)



Water cost (£)



Most of the data used in the preparation of this report is based on the information provided by our suppliers. However, as at May 2022 data for some of the locations was not available. In line with HM Treasury guidance, estimates have been made based on the previous quarter's actuals.

All conversion factors used to produce CO2 outputs for travel have been taken from those produced by our suppliers.

We will continue to monitor and report progress on KPIs that have a direct impact on carbon emissions and our efficiency targets (e.g. office space utilisation).

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

27 March 2023

Accountability report



Consolidated activities

We prepare separate accounts for our Grant-in-Aid and Lottery Distribution Fund as required by the Secretary of State for the Department for Culture, Media and Sport (DCMS). We don't prepare a full set of consolidated accounts due to the differing accounting policies we're required to follow under the two separate accounts directions.

However, to give a better understanding of our activities, we've prepared the following summary results for the two accounts combined for the 2021-22 and 2020-21 financial years.

	Sport England Group ¹		Sport England	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Income				
Grant-in-Aid income	163,761	222,150	163,761	222,150
National Lottery income	224,478	225,040	224,478	225,040
Grants recieved	-	-	-	-
Other income	7,440	5,281	7,455	5,189
Total	395,679	452,471	395,694	452,379
Expenditure				
Net Grant-in-Aid grant commitments	115,811	241,214	115,759	241,131
Net Lottery grant commitments	549,734	258,447	549,734	258,447
Non-cash grants	1,312	2,175	1,312	2,175
Operating and sports development costs	40,661	39,119	47,160	39,169
National sports centres	4,998	5,502	-	5,502
Media buying and planning	925	4,794	-	-
Depreciation	4,724	4,371	-	1,343
Assets gifted to subsidiaries ²	-	-	-	-
Loss on disposal of fixed assets	1	28	1,110	1,073
Total	718,166	555,605	715,075	548,840
Net expenditure for the year	(322,487)	(103,134)	(319,381)	(96,461)
Net gain on revaluation of properties	7,538	367	-	-
Net gain/(loss) on investments	18	201	-	-
Increase/(Decrease) in defined benefit pension liability	20,813	(15,476)	20,813	(15,476)
Total (expenditure) for the year	(249,118)	(118,042)	(298,568)	(111,937)

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

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

Parliamentary Accountability and Audit Report

Operational expenditure

Sports development, administration (operating costs), and staff are apportioned between our Exchequer and Lottery activities in accordance with the methodology set out in note 1.6 of the Exchequer and note 1.7 of the Lottery accounts. As the apportionment of costs varies between years, the costs are aggregated to make a comparison easier.

Sports development costs support the delivery of our award programmes as well as promoting the development of sport and physical activity in local communities. The costs for the year were £9.8 million (2020-21: £9.6 million). The small increase in costs was due to general inflation offset by the one -off costs legal costs (predominately relating to the Whyte Review) which were included in the 2020-21 accounts.

Administration costs are incurred to operate the business. During the year, operating costs were £11.8 million (2020-21: £12.4 million).

The decrease is mainly due to a reduction in the costs of provided support for the administration of the National Leisure Recovery Fund (NLRF) and Sport Winter Survival Package (SWSP), which was £4.9 million in 2020-21.

The **costs of staff** who deliver and support both sports development and administrative functions was £20.8 million (2020-21: £18.5 million). The increase is primarily due to restructuring costs in 2020-21.

Covid-19 government support schemes

Sport England did not make use of the Coronavirus Job Retention Scheme, the Coronavirus Statutory Sick Pay Rebate Scheme or any other government support schemes.

Working efficiently

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

Exchequer: We are set an absolute administration cost target as part of our spending review settlement, which has been achieved. We were

also within the ringfenced administration budgets for NLRF and SWSP.

In addition, we're required to operate within the overall budget limits set by DCMS. Resource and capital Grant-in-Aid (GIA), (excluding NLRF and SWSP), were underspent by £0.9 million for the year (2020-21: £0.7 million), which is 0.8% (2020-21: 0.6%) of total GIA funding of £124.5 million (2020-21: £115.0 million).

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

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

The achievement against targets for 2021-22 is 7.1% (2020-21: 7.2%). The three-

year rolling average income for the 2021-22 target calculation is £223.6 million and for 2020-21: was £215.2 million. Income for the past two years has been higher than the income for 2019-20, resulting in an increase to the rolling average income, while our costs have remained relatively flat during the same period.

Cash management

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

Our Exchequer cash balance at 31 March 2022 was £26.4 million, including £9.9 million relating to NLRF/SWSP, (2020-21: £15.6 million).

The management of our **Lottery cash resources** is by a rolling investment and cash flow plan which is regularly reviewed by the Executive and Board. The plan was updated last year to cover the 10-year period of the new strategy to 2031. The investment and cash plan ensure that the right balance is maintained between having award programmes in

place to achieve our strategic priorities, while taking into account the uncertainty of Lottery income and ensuring that forecast cash balances are always greater than £50 million.

The balance in the National Lottery Distribution Fund (NLDF) at 31 March 2022 was £191.3 million (2020-21: £176.6 million). The balance has increased due to the reduced impact of Covid-19 programmes in the current year, which have a more immediate cashflow than our typical programmes. The movement in the NLDF balance is detailed in note 2 of the Lottery accounts.

Equity

Exchequer: Taxpayers' equity is £60.4 million (2020-21: £19.5 million) and includes a decrease in the pension reserve deficit and increases in the revaluation and the general reserves (2020-21: increase in the pension reserve deficit netted against decreases in the revaluation and the general reserves).

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

The increase in the general reserve by £26.8 million (2020-21 decrease of £41 million) is mainly due to the net cash deferral increase of £42.4 million Grant-in-Aid from 2020-21 to 2021-22 (£30.9 million from 2019-20 to 2020-21 offset by £73.3 million deferral from 2020-21 to 2021-22). £19.5 million of the deferral to 2021-22 relates to SWSP and NLRf.

Lottery: The deficit in equity amounted to £462.2 million (2020-21: deficit £127.9 million).

The increase in the deficit reflects that our grant commitments during the year were more than the annual income received by £326 million, which was partially offset by a decrease in the pension reserve deficit of £12 million. How we manage our income and commitments is explained in the cash management section.

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

Defined benefit pension scheme

The IAS 19 valuation of the defined benefit and unfunded

pension liability for accounting purposes is £36.7 million (2020-21: £57.1 million). This includes the value of the unfunded liability at £7.6 million (2020-21: £8.1 million). The reduction in the deficit of £20.4 million was mainly due to the increase in the fair value of fund assets of £15.2 million. The change in financial assumptions used in the valuation and other adjustments accounted for the remaining £5.2 million of the decrease. The discount rate increased by 0.6% from 2.0% to 2.6% and the rate of pension increases was 0.5% higher than 2020-21.

The last triennial actuarial valuation as at 31 March 2019 indicated a surplus of £11 million. Sport England contributions to pension schemes are detailed in note 21 to the Exchequer and note 15 to the Lottery accounts.

Audit

The Comptroller and Auditor General (C&AG) is the statutory auditor of the Lottery accounts and is appointed by agreement

to audit the GIA accounts. The audit fee was £63,000 for the Exchequer accounts (2020-21: £62,250) and £53,000 for the Lottery account (2020-21: £52,000). Both subsidiary companies were also audited by C&AG and the audit fees for the year were £22,100 (2020-21: £21,825).

Sustainability reporting

See pages 78 - 81.

Losses and special payments (Subject to audit)

There were no special payments or reportable losses during the year ended 31 March 2022 (2020-21: Nil).

Supplier payment performance

During the year, the average period from date of receipt to payment of valid invoices was 9 days, 98% were paid within 30 days (2020-21: 9 days, 97% within 30 days).

How we work

This year, our focus continued to be on the wellbeing and engagement of our employees as we entered the challenges of the second year of the pandemic, and the launch of our 2021 Diversity and Inclusion Action Plan.

Wellbeing & Engagement

We built a comprehensive wellbeing hub on our intranet which provides our employees with easy access to both internal and external sources of support. These resources range from Care First, our employee assistance programme to individual wellness action plans, Mental Health First Aiders and tailored workshops on a range of topics.

Our hybrid working trial continued into 2022, and this year we aim to modify our approach to SMARTER

working to ensure that we are able to attract and retain the best employees.

Engagement remains important to use and during the pandemic we continued to run regular wellbeing surveys, supported by our internal wellbeing and Health and Safety Groups, and in the autumn of 2021, we launched our annual staff and culture engagement survey. The results of this survey were positive with a 74% response rate - impressive given the extraordinary circumstances in which the survey was conducted late last year.

Our engagement index remains high (75%) and outperforms the General Workforce Benchmark (GWB) (66%). The index is the overall KPI measure that we can helpfully use to bench ourselves against other employers. The highest scoring survey sections include: my manager (76%), Our culture and values (81%), wellbeing (82%) and the job itself (76%).

The survey found that we had many areas to celebrate, and many of our employees enjoy their work and find it challenging and stimulating. Our employees tell us that they feel that they have the trust and confidence to do their jobs effectively and are excited about the future of Sport England.

Of course, there are areas to improve, and our scores were not as high as we would like around workload, personal learning and growth, and communication across and between teams. It's our ambition to improve upon these scores in the future, and we are investigating this through continuing to listen to our employees.

Progressing equality, diversity and inclusivity initiatives

Our equality, diversity and inclusion work is intrinsically linked to our Strategy and the role leadership play in delivering across everything we do; creating a climate for change. We achieve this through a wide range of initiatives - listed below are some key areas of our work.

We launched our refreshed Diversity and Inclusion Action Plan in 2021. The Plan sets out our internal equality, diversity, and inclusion ambitions for the next four-year period. We have three equality ambitions:

1. Demonstrating responsibility and sponsorship for diversity, equality and inclusion within their teams, and creating local cultures exhibiting inclusion, fairness and respect.
2. Committing to making sure every applicant is assessed solely on merit and relevant experience to do the job. Ensuring our recruitment processes are transparent, equitable and fair.
3. Wider change through employee engagement and learning.

Our values



We are collaborative



We are ambitious



We are inclusive



We are innovative

Some of our key activities within our plan included:

A Leading Inclusively programme, aimed at our senior managers to gain a better appreciation of the fundamentals of fair decision making such as selection, appraisal and promotion and how this impact can drive inclusivity across Sport England and our wider strategy. The programme helped managers understand their own strengths around inclusivity - we received excellent feedback on the programme.

We ran two positive action programmes to encourage the internal progression and retention of under-represented groups.

First, our Activate programme, in its third year, was developed to “help bridge the gap” from lower grades to higher roles in the organisation. Feedback from participants is very positive and many participants have progressed to higher-level roles.

The second was the Business in the Community (BITC) Mentoring Circles this programme is aimed at Culturally Diverse employees to support development and progression through mentoring and connecting employees with peers and mentors from other

organisations. This programme has also received positive feedback.

We’ve set ambitious targets to increase our representation for Black, Asian and Minority Ethnic Groups and for Disability where we are under-presented. These targets form part of our discussions at organisational and directorate level through our newly created EDI dashboard.

We’ve reviewed our memberships, awards and commitments – we are a Race at Work Charter signatory and also members of BITC’s Race Programme, a Disability Confident Employer level 2, a Stonewall Diversity Champion and are a Mindful Employer.

Our Gender Pay Gap has narrowed to 4.8%. ONS data shows that among full-time employees the gender pay gap nationally in April 2021 was 7.9%.

We promoted a range of EDI awareness raising and delivered sessions on Let’s Talk about Race, Neurodiversity, LGBTQ+ families, LGBTQ+ Intersectionality, Trans Awareness, Micro-Aggressions and Being an Active Bystander, Menopause and other topics on Wellbeing.

We introduced a new Reciprocal Mentoring Programme where a number of diverse topics were explored. We learned that the relationship of a mentor and mentee can be incredibly enriching and empowering for both.

Our Equality Networks continue to provide a valuable voice for Sport England employees and contribute to key areas of work surrounding disability and long-term conditions, ethnic diversity, women, and LGBTQ+. Our positive relationship with our trade union PCS continues.

Looking forward to the year ahead, we’ll continue to do everything we can to ensure our organisation is collaborative, ambitious inclusive and innovative, to help ensure we embed these values in everything that we do.

We’re currently reviewing our progress against our Diversity and Inclusion Action Plan and 2022 saw the launch of our People and Culture Commitment which will sets out our people strategies for the future.



Remuneration and staff report

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

Remuneration policy

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

The principles governing Sport England’s remuneration policy are:

- To work within the financial constraints set by HM Treasury, DCMS and the Cabinet Office through the annual pay remit process.
- To provide a strong relationship between pay and

performance with annual salary increases reflecting individual performance and success.

- To effectively promote all aspects of Sport England’s employee offer (pay, benefits, personal development, work-life balance, environment and culture) to attract, engage and retain the right talent needed to deliver our strategic outcomes.
- To promote equal pay and operate a pay and reward system which is transparent, based on objective criteria and free from bias. Sport England reports annually on our gender pay gap in line with legislation. This information is published on our website.

Appointments

All appointments including Executive Directors are made in accordance with Sport England’s stated Recruitment Guidance.

Sport England’s recruitment and selection process ensures practices are compliant with legislation, are based on merit and are fair and transparent.

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

Non-Executive Board Members are appointed for a term of three years. Appointments are renewable for a further fixed term of up to three years on the basis of a performance review, conducted as part of the Board Evaluation process.

In the event of early termination, for whatever reason, there is no provision for compensation.

Fair pay disclosure (audited)

We are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce. The relationship between the remuneration of the highest paid director in Sport England and the median remuneration of staff, and the range of remuneration paid, based on annualised full-time equivalent figures at 31 March 2022 is shown below.

	2021-22	2020-21
Band of the highest paid Director’s total remuneration (£’000)	150-155	150-155
Percentage change from the previous financial year for the highest paid	-	
75th percentile of workforce total remuneration (£)	54,199	
Pay ratio	2.8	
50th percentile of workforce total remuneration (£)	43,216	45,022
Pay ratio	3.5	3.4
25th percentile of workforce total remuneration (£)	33,614	
Pay ratio	4.5	
Highest remuneration paid (£)	194,480	
Lowest remuneration paid (£)	16,792	
Average percentage change in remuneration from the previous financial year	6.2%	

(We are not required to give the prior year comparatives for all disclosure).

No performance or bonus payments were made in the current or previous year.

No employees received remuneration in excess of the highest paid Director in 2020-21 or 2019-20, However three agency staff received remuneration in excess of the highest paid Director, the highest of these is disclosed in the table above.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pension.

The increase in the average remuneration of 6.2% is primarily due to restructuring costs (£0.7million) and the increase in the holiday pay accrual (£0.3million). Excluding these, the average remuneration was consistent with the prior year due to the impact of the restricting on average remuneration, which offset the annual salary increase which was targeted at lower pay bands.

Board Members' remuneration

Board Members' remuneration includes travel and subsistence and an allowance for attendance at Board and sub-committee meetings of £218 per day (2020-21: £218). There were no bonuses or benefit in kind payments made to Board Members during 2021-22 or 2020-21.

Executive Directors' remuneration

Salary

'Salary' includes gross salary, performance pay and any other allowances to the extent that they're subject to UK taxation. In 2021-22, there was a temporary pause on pay awards and in line with the guidance only those employees earning a full-time equivalent salary of less than £24,000 will receive a consolidated pay increase of £250 (2020-21: 2.0 per cent); with a limited number of staff (excluding Executive Directors) receiving (in line with government policy), £265 as a fixed amount of performance related pay.

Subject to audit

Board Member	2021-22 £'000	2020-21 £'000
Nick Bitel ¹ (Actual)	10-15	40-45
Nick Bitel (Full Time Equivalent)	40-45	40-45
Chris Boardman MBE (Actual)	25-30	-
Chris Boardman MBE (Full Time Equivalent)	40-45	-
Sue James	0-5	0-5
Natalie Ceeney ²	-	-
Rashmi Becker MBE	5-10	0-5
Chris Grant	0-5	0-5
Andy Long ²	-	-
Professor Ian Cumming OBE	0-5	0-5
Karen Pickering MBE	0-5	0-5
Azeem Akhtar	0-5	0-5
Tove Okunniwa	0-5	0-5
David Mahoney ²	-	-

Notes

¹ Nick Bitel term was extended to 21/07/21

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

Bonus

Performance pay or bonuses are based on performance levels attained, are made as part of the appraisal process and are subject to HM Treasury Civil Service Pay Guidance. There have been no non-consolidated performance or bonus payments in either 2021-22 or 2020-21.

Benefits in kind

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

Pension benefits

Pension benefits are provided through two schemes.

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

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

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

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

Employee and employer contribution rates for the above schemes are detailed in note 21 of the Exchequer accounts and note 15 of the Lottery accounts.

Remuneration of Executive Directors was as set out in the tables below:

Single total figure of remuneration

Subject to audit				
Executive Director	Salary ^{1 and 3}	Pension benefits accrued	Employer Pension contributions to GPPP	Total
	£'000	£'000	£'000	£'000
2021-22				
Tim Hollingsworth OBE	150-155	-	18	170-175
Nick Pontefract	130-135	-	16	145-150
Charles Johnston	140-145	-	17	155-160
Lisa O’Keefe ²	125-130	6	-	130-135
Phil Smith	125-130	-	15	140-145
Mike Diaper OBE	105-110	-	13	120-125
Chris Perks ²	100-105	-3	-	100-105
Ali Donnelly ⁴	110-115	-	14	120-125
2020-21				
Tim Hollingsworth OBE	150-155	-	18	170-175
Nick Pontefract	130-135	-	16	145-150
Charles Johnston	140-145	-	17	155-160
Lisa O’Keefe	125-130	34	-	160-165
Phil Smith	125-130	-	14	140-145
Mike Diaper OBE	105-110	-	13	115-120
Chris Perks	100-105	31	-	135-140
Ali Donnelly	120-125	-	14	135-140

Notes

- ¹ The number of senior Civil Service staff equivalent by band has not been disclosed as Sport England does not have Civil Service bands.
- ² The pension benefits for Lisa O’Keefe and Chris Perks are calculated using the method described under ‘pension benefits’ on page 98.
- ³ No bonus payments were made in 2022 or 2021 and there were no benefits in kind in either year.
- ⁴ Ali Donnelly had a period of unpaid leave in 2021-22 hence the reduced salary banding compared to the prior year.

The following Executive Directors are members of the LPFA pension scheme

Subject to audit	Accrued pension at age 65 as at 31/03/22	Real increase in pension at age 65	Real increase in lump sum at age 65	Lump sum at age 65	CETV at 31/03/22	CETV at 31/03/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lisa O’Keefe	40-45	0-3	-3-0	35-40	660	625	35
Chris Perks	45-50	0-3	-3-0	60-65	829	796	32

Cash equivalent transfer value

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

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

Real increase in CETV

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

Exit packages¹

2021-22 (subject to audit)			
Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	Nil	1	1
£50,000 - £100,000	Nil	1	1
£100,00-£150,000 ²	Nil	3	3
Value of exit packages	Nil	£424,076	5

2020-21 (subject to audit)			
Cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
No exit packages	-	-	-

Notes

- ¹ Exit packages are paid under terms of employment. No ex-gratia payments were made.
- ² Exit packages include legally required defined benefit pension scheme capital costs for members over age 55.

Staff costs, numbers and compositions

Subject to audit Costs (£'000s)	2021-22	2020-21
	£'000	£'000
Wages and salaries	14,520	13,226
Social security costs	1,538	1,500
Pension costs	3,028	2,597
Total permanent staff and fixed staff	19,086	17,323
Agency staff	1,409	988
Total	20,495	18,311

The table above shows the consolidated position. The total permanent and fixed staff amount of £19.1m is made up of Exchequer £7.6m (40%) and Lottery £11.5m (60%).

We have a total of 303 full time equivalent (2020-21: 290) permanent and fixed-term temporary staff and a total of 19 full time equivalent (2020-21: 20) agency staff.

Within the above staff numbers there were 132 homeworkers (2020-21: 96) which represented 43.5% and 33.1% of the headcount in each of the respective years.

As at 31 March 2022, the senior Executive team comprised of two women and six men (2020-21: 2 women and 6 men). Women currently make up 55% of our workforce (2020-21: 55%). Staff turnover for the year was 15%.

Sickness absence during the year excluding long-term sick absence averaged 3.4 days per person (2020-21: 4.2 days). There were 11 colleagues who had long-term sickness of greater than 20 days (2020-21: 6).

There was no relevant consultancy expenditure during the year (2020-21: £nil).

Trade Union Facility time

During 2021-22 Sport England had 1 employee who acted as a union official (full time equivalent: 1). This employee spent 25% of their time on facility time, at a total cost of 0.1% of the total pay bill, excluding agency staff, of £18.6 million, based on a notional hourly cost. A notional hourly cost has been used to protect the privacy of the individual, who is easily identifiable.

Off-payroll tax engagements

Highly paid off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater

No. of existing engagements as of 31 March 2022	11
Of which:	
No. that have existed for less than one year at time of reporting	9
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	1
No. that have existed for between three and four years at time of reporting	-
No. that have existed for four or more years at time of reporting	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater

No. of new engagements, between 1 April 2021 and 31 March 2022	9
Of which: no. of engagements that saw a change to IR35 status following review	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	8
Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: no. of engagements that saw a change to IR35 status following review	-

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	1
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	22

Governance statement

Overview

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

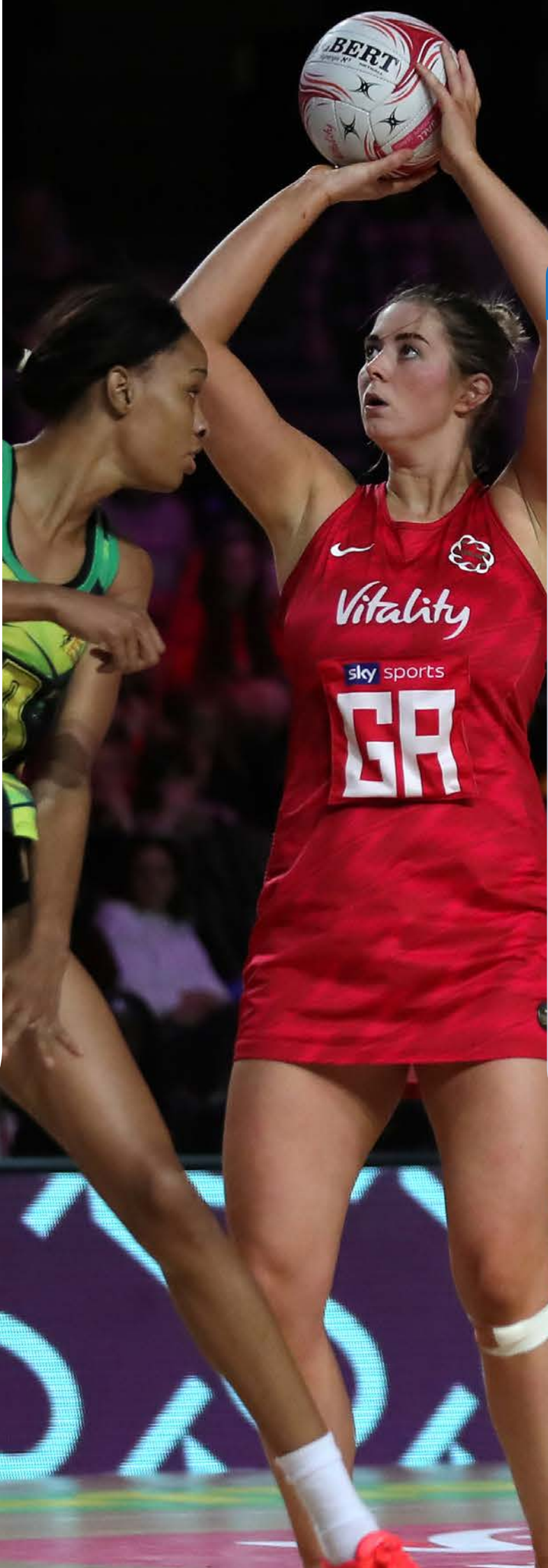
Our governance framework

Sport England is a non-departmental public body (NDPB) of the Department for Culture, Media and Sport (DCMS). Accountability to Ministers is

managed through the usual control mechanisms for NDPBs in accordance with a Management Agreement agreed with the Secretary of State for DCMS.

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

There are three sub-committees of the Board that contribute to the foundation behind Sport England. The Audit, Risk and Governance Committee, the Investment Committee and the Chairs and Remuneration Committee, each provide challenge and input from a non-executive perspective and, where indicated in the Terms of Reference, may have the remit to sign off individual investments.



Board

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

Meets at least six times each year

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

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

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

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none"> Comprises a Chair and up to eight members, of which at least three are Non-Executive Board members and one is an independent member and the CEO Meets at least four times each year Supports the Board in fulfilling its obligations relating to all existing and potential investments Approves and monitors major projects and grant awards (between £2.5 million and £10 million) Supports the Board in developing strategic plans. 	<ul style="list-style-type: none"> Comprises a Chair and up to eight members, of which at least three are Non-Executive Board members and two are independent members Meets at least four times each year Undertakes scrutiny and provides advice to support the Board in carrying out its responsibilities for risk management, financial reporting, control and governance. 	<ul style="list-style-type: none"> Comprises the Chair of Sport England and the Chairs of the Audit, Risk and Governance and Investment Committee and up to one additional member Meets at least four times each year Serves as a Remuneration Committee with responsibility to agree the terms and remuneration of the CEO.

Subsidiaries

Sport England is the sole member and parent body for two subsidiaries: The Sports Council Trust Company (SCTC) and English Sports Development Trust Ltd (ESDTL).

The **SCTC** is a company limited by guarantee which is governed by its Memorandum and Articles of Association. It is also a charity registered with the Charity Commission for England and

Wales. SCTC is responsible for the preservation and safeguarding of the physical and mental health of the community through physical recreation, including sports, education and the provision of facilities. It achieves this through the four world class sports facilities that it owns around the country, including three National Sports Centres for which SCTC has responsibility for managing the performance of commercial contracts. The Centres are

used by members of their local communities and Olympic and Paralympic competitors.

The **ESDTL** is a company limited by guarantee whose main purpose is to deliver the commercial contracts related to the media buying arrangements for the women's behaviour change campaign (This Girl Can) and, in 2020-21, the Join the Movement campaign to keep adults active during Covid-19. The day-to-day management of the This Girl Can campaign is overseen by the This Girl Can Project Board.

Our Board

Sport England has an experienced, effective and diverse Board of 10 members openly recruited on a skills basis, and led by Chairs, Nick Bitel (up to 21 July 2021) and Chris Boardman MBE (appointed 22 July 2021).

Chris Boardman MBE began his four-year term as the new Chair on 22 July 2021.

Up to April 2022, Sport England had five women on its Board representing 36% of total membership. This exceeds the requirement of a minimum of 30% of each gender on the

Board as required by the Code for Sports Governance (the Code) (see page 43 - 44). We also have four members from a Black, Asian or other minority ethnic backgrounds on our Board. All members of the Board are Non-Executive members.

The Executive Leadership Team, including the Chief Executive Tim Hollingsworth OBE, attend all Board meetings.

Board and Committee evaluations

In line with relevant good governance practice, the Board undertakes evaluation annually, with external facilitation at least every four years. The review that took place in December 2021 to January 2022 included an external review of the Subsidiary Boards, and also a self-assessment against the Code for Sports Governance as well as questionnaire surveys and one-to-one member and Chair meetings.

The Board Member feedback identified the consensus was that the Board was largely performing well, although there was clearly substantial challenge ahead given the significant turnover in membership.

The Code for Sports Governance sets out the obligations and high standards we expect of partners. To ensure Sport England holds itself to the same standards in terms of the Code, a review was undertaken in June 2022. The result of this was that 34 of the 49 criteria were met or met in practice, whereas a further 15 were either not met or partially met. A number of actions to address this were then identified and agreed with the Board.

The effectiveness review of the subsidiaries highlighted the need for a Board discussion on the continued role and function of both subsidiaries, with a particular focus on the role that ESDT can play in delivering our new strategy, and the need for additional skills-based recruitment for both boards.

Audit Risk and Governance Committee did not undertake separate formal evaluations in 2021-22, however both Committees have member-only sessions at the start/end of all meetings, where they can discuss the Committees' effectiveness and any challenges or queries with the Chair. The Chairs of the Audit, Risk and Governance Committee and Investment Committee provide regular updates on their activity and performance to the Board.

Board activity

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

The Board met formally eight times during 2021-2022. Attendance records for Board and committee meetings are provided at the end of this statement.

The Chair is responsible for ensuring that each Non-Executive Board member receives an induction on joining the Board and receives the training they require, tailored to their specific requirements.

Sport England is committed to being transparent and open in how we operate. Our publication scheme sets out information about who we are, how we're organised, how we spend public and Lottery money, what our strategic priorities are and how we're delivering them. The agendas and minutes for the Board meetings are published on Sport England's website.

Key areas which the Board focused on during the year are:

Uniting the Movement	Development and shaping, including the extensive consultation, of the Sport England 10-year strategy. Approval of the Implementation plan for year 2021-22.
Covid-19 Response	Regular updates on response to the coronavirus pandemic, focusing on keeping the nation active, supporting the sector, Return to Play, including administration of the Sport Survival Package and the National Leisure Recovery Fund.
Future investment with Key Partners in the sport and physical activity system	Oversight of the process to approve recommendations for formal solicitation of investment applications from partners who could support in delivering Uniting the Movement.
Equality, Diversity and Inclusion	Review and monitoring of Equality, Diversity and Inclusion (EDI) work to ensure that EDI runs through everything that Sport England does as an employer and is a central feature of the organisation's work. This included discussions on tackling racism and racial inequality in Sport and Physical Activity.
The Code for Sports Governance	Review and approval of the revised Code, including changes made to diversity and inclusion specific requirements. Oversight of the approach to support provided to partners.
Birmingham Commonwealth Games 2022	Discussion on Sport England's investment to support the legacy element of the Games, and its contribution to supporting greater participation in sport and physical activity by under-represented groups and the people of Birmingham and beyond.
Risk Management	Biannual review of corporate risk and the organisation's risk strategy and appetite, with a particular focus on Covid-19.
Annual Report and Accounts	Approval of the 2020-21 Annual Report and Accounts.
Budget	Approval of the 2021-22 budget (March 2021).
Regulation and Dispute Resolution in Sport	Review and discussion on the role of Sport England in ensuring safeguarding and integrity across the sport and physical activity sector.

Committee activity

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

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none">• Strategic discussion and decision-making in regard to Uniting the Movement Implementation Plan, years 2022-2025.• Performance of the Sport England investment portfolio.• The organisation’s continued response to Covid-19 with focus on recovery and oversight of the Sports Survival Package.• The Future of Local Leisure including short-term support and long-term change.• Building on Local Delivery Pilots towards shaping ‘Place-based working’.• Discussion on the process and approval of Investment in Key Partners (System Partners).• Approval of major capital and revenue awards, including: Club Matters and Sport England datacentre procurement.	<ul style="list-style-type: none">• Review and agreement of 2020-2021 Annual Report and Accounts.• 2022-2023 Budget.• Financial reporting including management accounts, financial forecasts, and Lottery cash-flow.• Corporate and operational risk profile.• Funded partners governance and assurance updates.• Internal audit plan, progress, reports and recommendation updates.• Review of Whistleblowing policy and Counter Fraud strategy.• Regular updates on procurement, data protection and the Information Management Committee.	<ul style="list-style-type: none">• Overview of developments in public sector pay.• CEO performance and objectives.• Advising the CEO on business transformation and any potential organisational issues relating to the implementation of Uniting the Movement Sport England input to recruitment and appointment of the Sport England Chair.

Other groups

Sport England has an Equality, Diversity & Inclusion (EDI) Group which has responsibility for overseeing activities that aim to improve equality, diversity and inclusion within Sport England. Much of this work has driven changes to recruitment, engagement and educational practices with the aim of supporting greater inclusion. Specific areas of focus have been the Tackling Racism and Racial Equality in Sport (TRARIIS) report, the Code for Sports Governance and Equality and Diversity Action Plans. The EDI Group is chaired by the CEO and is attended by the Board Champion for EDI.

There is also an Information Governance Committee and a Statutory Health and Safety Committee. No Sport England Board members sit on these groups.

A Code for Sports Governance

Throughout the year we have, as demonstrated in this Governance Statement, worked hard to ensure our own governance practices continue to be robust and fit for purpose. In parallel, we have continued to work with

the sector to encourage and support continuous improvement in sports governance, ensuring both we and our partners are better able to effectively fulfil our various roles and responsibilities.

Since April 2017, all organisations seeking funding from Sport England (and UK Sport) have had to meet the governance requirements in A Code for Sports Governance (the Code). Developed by Sport England and UK Sport, the Code sets out the levels of transparency, accountability and financial integrity required from those seeking Government and National Lottery funding. In July 2020 Sport England and UK Sport announced a review of the Code. This focused on diversity and inclusion but also took a comprehensive look at every aspect of the Code, not only each individual Requirement but also how the Code is presented, used and applied, drawing on experience from the past four years of operation, best practice developments and a range of evidence. After a period of extensive consultation key changes to the Code were announced in July 2021, with the full revised Code and a new booklet for Tier 1 published in December 2021.

Tier 1 is the minimum standard in the Code and we hope the new booklet provides a more accessible resource for partners improving governance at that level. Both Code documents can be found on our website at: sportengland.org/code.

Assessing compliance with the Code continues as we make new investments, and we engage closely with the sector to achieve this while supporting our partners to reach the high governance standards set by the Code. Over the next year we will be supporting partners to understand and achieve the new requirements in the Code, with a view to start assessing compliance in 2023. The assessment process helps to protect the value for money the public receives from investment into sport and maximises the effectiveness of those investments. It also provides us with a more detailed level of assurance over the investments we make.

The Code adopts a proportionate approach, expecting the highest standards of governance from those organisations requesting the largest public investments. It has three tiers, with Tier 3 representing the top level of mandatory governance requirements. Sport

England is reassessing its own compliance against the revised Code but complies with continuing Tier 3 requirements including independence and diversity on the Board, term limits for appointments, primacy of the Board in decision-making and transparency and accountability. We publish a wide range of information about our governance structure, strategy and financial position.

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

System for managing risk

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

opportunities) on a continuing basis, which is summarised under the next heading.

Our risk management process has not changed significantly since our internal auditors, BDO, last conducted a review of it in line with the principles outlined in the Government's Orange Book on risk management. This, combined with ongoing review and challenge by Audit, Risk and Governance Committee members about the risk management process, provides us with assurance on its continuing efficacy.

Management's approach to risk

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

The Cross Directorate Risk Group, which is composed of officers from across Sport England, meets quarterly to share risk registers, discuss key operational risks and related matters, drawing on the internal expertise colleagues bring from a range of different functions. A summary of the key themes, highest operational risks and any significant emerging risks is then provided to the Executive Leadership Team to inform the Group's wider discussions on risk management.

Sport England's Risk Management Strategy, which sets out our approach to risk, including our risk appetite (i.e. the level of risk we are prepared to tolerate to meet our strategic objectives), is normally reviewed on an annual basis. This provides an opportunity to consider the environment within which we work and whether we have the right processes and approach in place. A dynamic approach to reviewing risk registers is adopted throughout the year leading to risks being added, amended and closed, as appropriate. During the year we actively reviewed and amended Sport England's corporate risks, also considering the external factors which might impact the risk environment

and our ability to deliver our objectives. Towards the end of the year the Executive and Senior Leadership Team met to consider the business plan for the coming year with review and consideration of strategic risks forming an integral part of the session.

Internal controls

The system of internal control is supported by various policies and procedures to ensure we are compliant with the policy, financial and accounts directions issued by our sponsor department DCMS.

All Executive Directors are required to provide me, the Accounting Officer, with assurance that the control systems have been in place for the year under review and up to the date of approval of the annual report and accounts and that proper standards of conduct have been maintained, within the areas for which they are each responsible.

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

Board scrutiny of risk management and risk appetite

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

Our approach and the system of internal control are designed to manage risk to a reasonable level rather than to eliminate all risk. The Board considers Sport England's risk profile and the Board's risk appetite at least every two years or in line with any changes to Sport England's strategic objectives. The Board believes it is important that Sport England can be innovative and take managed risks to achieve its strategic objectives. The Board reviewed and agreed Sport England's risk management strategy and risk appetite in March 2021. The risk appetite is described as follows:

- Sport England has a medium risk appetite overall, but recognises a multi-faceted approach to risk management is required to deliver its strategic aims, as described below
- Sport England will continue to adopt a low-risk appetite around transparency and stewardship of public money
- Within its framework of evidence based and well controlled decision-making, Sport England is currently willing to adopt a higher risk appetite to deliver its strategic priorities in circumstances such as the following:
 - Innovations, where outputs can be evidenced and evaluated
 - Exploratory projects that enable a 'test and learn' environment
 - Rerouting investment where performance or governance is poor
 - Developing potential sources of partnership and/or commercial income, providing there is a clear alignment with our values

- Where there is an urgent need for resource and support from Sport England and delivery aligns with the strategy

Managing our key delivery risks

The Executive Leadership Team and Board have actively reviewed the corporate risks facing Sport England during the year, with risks being added and amended as a result of these reviews. The continued impact of the coronavirus pandemic on the operating environment meant risks related to Covid-19 remained on the corporate risk register alongside other strategic risks.

While Covid-19 related risks remained on the register – for example, impact on ability to influence activity levels and need to balance ongoing Covid-19 response, and implementation of Uniting the Movement – some of these risks reduced as government restrictions gradually lifted and a return to 'play' resumed. This included a particular risk related to the Sport Survival Package, a £600 million government funding programme managed by Sport England which, supports

organisations under severe financial pressure because of the delay in readmission of spectators to live sporting events. Given the novel nature of the programme a risk was added to the register recognising the long-term implications were still unknown. This risk has reduced over the year as our knowledge and understanding of managing the programme has developed, supplemented by due diligence and post event assurance work.

Strategic risks over the year also reflected a period of change for the organisation, which will continue into next year. For example, a risk regarding the appointment of a new Board Chair and potential implications for the agreed strategy was added but removed once a successful appointment and induction process had taken place. More recently, as several Board Member terms come to an end a similar risk has been added related to Board turnover. A risk concerned with organisational restructure was also added in the year and remains as Sport England reorganises itself to ensure it is in the best possible position to deliver the ambitions of Uniting the Movement. The register also contains a risk related to the property portfolio

reflecting a change of office for London based colleagues. The Board and Executive Leadership Team recognise organisational change on multiple fronts could adversely impact strategic delivery and speed of decision-making, hence are monitoring these risks at a strategic level.

Several actions were taken over the year to help manage strategic risks. For risks related to Covid-19 this included continuing to provide support and advice to the sector on navigating restrictions and their impact, helping partners to produce and deliver Covid-19 protocols to reassure those taking part in activities, continued tracking of behaviours and attitudes towards activity (supplementing Active Lives data) and prioritisation of funding to audiences most at need through initiatives such as the Tackling Inequalities Fund.

Much has also been put in place over the last year to help mitigate risks associated with organisational change and to support a positive organisational culture. This includes consulting colleagues on structural change proposals, ongoing communications about relocation of the London office base, extension of a hybrid working trial and the introduction of a dynamic resource

and business planning process to mitigate impact on delivery of work. Staff wellbeing and mental health has remained in particular focus over the past year and continued to be supported in a number of ways – for example through active promotion of the Mental Health First Aider role, topic related webinars, continued enhancements to the Wellbeing Hub (providing access to a range of support services) and the introduction of Movement Champions who support colleagues to improve and maintain their movement levels by helping them make small and sustainable changes to their lifestyle.

Supplementing actions already noted, the internal audit programme of work has also been focused during the year to provide added assurance around areas such as the Sport Survival Package and business transformation.

Risks that remain in focus include the organisational restructure and changes at board level.

The Executive Leadership Team and the Board have maintained robust oversight of Sport England's strategic risks and worked to ensure they are mitigated. This includes continuing to take the opportunity to 'step back' in risk

discussions, considering outside influences or factors that could impact our risk environment. Although these may not always be within our control, we recognise they provide important context when considering Sport England's strategic risks and prompt us to consider if there are areas we should monitor more closely or additional mitigations we should put in place. Our risk appetite has also been prominent in discussions during the year as we have looked to ensure it is embodied in our decision-making, particularly given the continued unusual circumstances created by the pandemic.

Information risks

Within our management structure we have an Information Governance Committee (IGC), chaired by our Deputy Senior Information Risk Owner (Deputy SIRO), which meets quarterly to consider reports on the operation of key information governance controls and to review the Information Risk Register. The IGC will undertake a programme of training in the summer of 2022 and will review and update key information governance policies and documentation.

Sport England has provided regular assurances to the Audit, Risk and Governance Committee regarding its implementation of data protection legislation. Data protection impact assessments have been integrated into Sport England's decision-making processes and organisational compliance is supported by regular training for all staff as well as mandatory training for new starters.

As part of our ongoing programme of continuous improvement of our IT architecture taking a multi-layered approach, we have implemented a number of systems and controls to mitigate cyber security risks. These include enhancing our email hygiene platform; protection to prevent phishing and malicious applications; we have moved to passphrases for our passwords, AI and machine learning monitoring of bad actor activity within our Microsoft 365 tenancy, and introduced Multi-Factor Authentication.

No significant data issues have been reported to the Information Commissioner's Office. However, we keep all data security incidents under close review and continue to maintain a data breach and near miss incident log.

Fraud risks

No matter how effective the controls there always remains a risk that fraud may occur. Sport England seeks to ensure full compliance with the Government Functional Standard on Fraud (GovS013: Counter Fraud). Our Counter Fraud and Irregularity Strategy, Policy and Response Plan is reviewed annually.

Fraud risk has been particularly heightened during the year with funding programmes established quickly to respond to the coronavirus pandemic. While the majority of our investments maintained the standard due diligence process, all programmes had a fraud risk assessment carried out to ensure the controls were robust and to identify residual risks to test as part of Post Event Assurance.

A central fraud register is maintained that monitors past and present cases, their status and final outcomes. We also work collaboratively with partners, sharing information and best practice through the Lottery Funders Counter Fraud Forum. Two fraud allegations were added to the register during the year.

Independent assurance

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

An annual programme of internal audit work is carried out to professional standards by an external firm of auditors informed by our risk registers, and an assessment of my assurance requirements. This year, in agreement with our internal auditors, the annual programme was reviewed and adapted in-year to take account of the changed risk environment. This included, for example, the addition of reviews on subsidiary governance and elements related to the Sport Survival Package. As well as meeting with me at least twice a year, internal auditors attend each Audit, Risk & Governance Committee meeting and provide periodic progress reports which include the findings of follow-up reviews, culminating in an annual report to the Committee on internal audit activity. The Audit, Risk and Governance Committee also considers the External Audit Plan and reports from the National Audit Office.

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

BDO LLP have concluded in their opinion that, on the basis of their work on the internal audit plan during 2021–22, Sport England's risk management and internal control arrangements are generally adequate and effective to manage achievement of the organisation's objectives.

In addition to assurance from internal audit, BDO LLP were also appointed, under a separately procured contract, to provide independent financial and governance assurance over investments made to our funded partners. The timing and scope of this assurance programme is determined using a risk-based approach which takes into account factors such as level of investment, organisation size and a partner's role in delivering Sport England's strategy. The internal process for assessing compliance with 'A Code for Sports Governance' is informed by evidence from these reviews and other independent sources such as Companies House records.

We also rely on other types of independent assurance – for example, our capital programmes are supported by surveyors’ reports, independent project monitors and a benchmarking service. Many of our capital grants extend for significant periods, often up to 25 years therefore it is important to obtain assurance that the facility is being used for the purpose originally intended.

Active Lives surveys

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

Covid-19 presented additional challenges to the management of the Active Lives surveys.

Working with Ipsos MORI, and following consultation with Active Partnerships and schools about the Children and Young People Survey, careful adaptations were made to the surveys so they could continue to operate without compromising the comparability of survey estimates over time. Data collected during this period was subjected to an even greater level of assurance (by both Ipsos MORI and Sport England) than normal.

We have now completed five full years of data collection for the Active Lives Adult Survey, with the latest survey report summarising activity levels in England from November 2019 to November 2020, published on 29 April 2022.

This year, we also completed the third full year of data collection for the Active Lives Children and Young People Survey for the academic year 2019-20. The year 3 child survey results were published on 14 January 2021. The Active Lives Children and Young People Survey, and the the Active Lives Adult Survey results, will be reported on an annual basis moving forward.

NAO Value for Money report and Public Accounts Committee report

The NAO published its report on grassroots participation in sport and physical activity on 8 July 2022. This followed a robust and positive engagement with Sport England, and we have since set about considering how

the recommendations will form part of the delivery of Uniting the Movement.

The Public Accounts Committee subsequently published its report in January 2023. We are currently considering the recommendations and responding to HMT alongside DCMS.

Board and committee composition attendance

Board meetings	Total meetings attended
Member	
Nick Bitel (Chair)	2/2
Chris Boardman (Chair)	6/6
Azeem Akhtar	8/8
Rashmi Becker	7/8
Natalie Ceeney	6/8
Ian Cumming	7/8
Chris Grant	8/8
Andy Long	7/8
Karen Pickering	7/8
Tove Okunniwa	8/8
David Mahoney	8/8

Nick Bitel –Appointment end date 21 July 2021
Chris Boardman –Appointment start date 22 July 2021

Investment Committee meeting	Total meetings attended
Member	
Natalie Ceeney (Chair)	6/6
Rashmi Becker	5/6
Chris Grant	6/6
Tim Hollingsworth (CEO: Member ex officio)	6/6
Tove Okunniwa	5/6
David Mahoney	5/6
Karen Creavin (Independent member)	6/6

Karen Creavin – Appointment end date 27 May 2022

Audit Risk and Governance Committee meetings	Total meetings attended
Member	
Andy Long (Chair)	4/4
Azeem Akhtar	4/4
Ian Courts (Independent Member)	4/4
Ian Cumming	4/4
Eilish Jamieson (Independent member)	2/2
Karen Pickering	4/4

Eilish Jamieson – Appointment end date
3 November 2021

Chairs and Remuneration Committee meetings	Total meetings attended
Member	
Nick Bitel (Chair)	1/1
Chris Boardman (Chair)	1/1
Natalie Ceeney	2/2
Andy Long	2/2



Directors' Report

The Board members' term of appoint and Executive team appointment date are given in the tables below. The Directors are also required to report on related party transactions, complaints and whistleblowing complaints during the year. The Statement of the Council's and Chief Executive's Responsibilities is given on page 130 - 131 of the Grant-in-Aid accounts and on page 186 - 187 of the Lottery accounts.

Complaints

Sport England received 102 complaints in 2021/22 none of which were referred to the Parliamentary and Health Services Ombudsman (PHSO). The PHSO did refer a complaint to us for consideration as the complainant had not yet put their concerns through our formal complaints process. We continue to monitor trends and themes to determine if action can be taken to address issues raised, and to reduce the number of complaints received.

Whistleblowing

The Whistleblowing Policy is reviewed annually. No whistleblowing complaints were received during the year.

Related party transactions

Details of all related party transactions of Board Members, Executive Directors and other key managerial staff are disclosed in note 24 of the Exchequer and note 16 of the Lottery accounts. A register of interests is maintained and is available by submitting a freedom of information request to foi@sportengland.org.

Board Member	Term of appointment
Nick Bitel ¹ (Actual)	Apr 2013 – Jul 2021
Chris Boardman MBE (Actual)	Jul 2021–Jul 2025
Sue James	Apr 2018–Apr 2021
Natalie Ceeney	Jun 2018–May 2022
Rashmi Becker MBE	Jul 2018–Jul 2024
Chris Grant	Sep 2016–Sep 2022
Andy Long	Sep 2016–Dec 2022
Professor Ian Cumming OBE	Oct 2016–Jan 2023
Karen Pickering MBE	Oct 2016–Jan 2023
Azeem Akhtar	Sep 2019–Sep 2022
Tove Okunniwa	Sep 2019–Jun 2023
David Mahoney	Oct 2019–Jul 2023

Notes

¹ Nick Bitel term was extended to 21/07/21



Our Executive team



Tim Hollingsworth OBE
Chief Executive

Executive Directors'
appointment date

November 2018



Nick Pontefract
Chief Operating Officer

March 2018



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

November 2009



Ali Donnelly
Executive Director of Digital,
Marketing and Communications

November 2019



Charles Johnston
Executive Director of Property

August 2008



Lisa O'Keefe
Executive Director of Insight

July 2008



Phil Smith
Executive Director of Sport

September 2008



Chris Perks
Executive Director of Local Delivery

November 2017

Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

27 March 2023

Chris Boardman MBE

Chair
The English Sports Council

27 March 2023

The English Sports Council

Grant-in-Aid

**Consolidated Accounts for
the year ended 31 March 2022**



Statement of Council and Accounting Officer's responsibilities

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

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

In preparing the financial statements the Council is required to:

- Observe the accounts direction issued by the DCMS 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts;
- Prepare the Accounts on the going concern basis, and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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

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

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



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

27 March 2023

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

Opinion on financial statements

I have audited the financial statements of the English Sports Council Grant-in-Aid and its Group for the year ended 31 March 2022 under the Royal Charter of the English Sports Council.

The financial statements comprise the English Sports Council Grant-in-Aid and its Group's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the English Sports Council Grant-in-Aid and its Group's affairs as at 31 March 2022 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Royal Charter of English Sports Council and Secretary of State directions made thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the

financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the English Sports Council Grant-in-Aid and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the English Sports Council Grant-in-Aid and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that,

individually or collectively, may cast significant doubt on the English Sports Council Grant-in-Aid and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the English Sports Council Grant-in-Aid and its Group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does not include either the Grant-in-Aid or the Lottery Distribution financial statements nor my auditor's report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Royal Charter of English Sports Council.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Royal Charter of English Sports Council; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the English Sports Council Grant-in-Aid and its Group and its environment

obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the English Sports Council Grant-in-Aid or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and the Accounting Officer for the financial statements

As explained more fully in the Council and Accounting Officer Responsibilities, the Council and Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the English Sports Council Grant-in-Aid and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Accounting Officer anticipates that the services provided by the English Sports Council Grant-in-Aid and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with the Royal Charter of English Sports Council.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 economic decisions of users taken on the basis of these financial statements.

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

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

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

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the English Sports Council Grant-in-Aid and its Group's accounting policies.
- Inquiring of management, Internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the English Sports

Council Grant-in-Aid and its group's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the English Sports Council Grant-in-Aid and its group's controls relating to the English Sports Council Grant-in-Aid's compliance with its Royal Charter, and Managing Public Money;
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including pensions experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of the English Sports Council Grant-in-Aid and Group's framework of authority as well as other legal and regulatory frameworks in which the English Sports Council Grant-in-Aid and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the English Sports Council Grant-in-Aid and its Group. The key laws and regulations I considered in this context included the English Sports Council's Royal Charter, Managing Public Money, employment law, pensions legislation.

In addition, I considered the controls in place at English Sports Council Grant-in-Aid to ensure regularity of grant expenditure.

Audit response to identified risk

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit, Risk and Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making

accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

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



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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

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

28 March 2023

Statement of comprehensive net expenditure for the year ended 31 March 2022

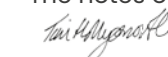
	Note	Group		Council	
		2021-22	2020-21	2021-22	2020-21
		£'000	£'000	£'000	£'000
Income					
Grants received	2	931	4,988	-	-
Other income	3	5,308	3,800	5,323	3,708
Total		6,239	8,788	5,323	3,708
Expenditure					
Grants	4	115,811	241,214	115,759	241,131
Staff Costs	5	8,236	7,034	8,236	7,034
National sport centres	6	4,998	5,502	4,998	5,502
Sports development costs	7	4,661	8,188	3,736	3,439
Operating costs	8	10,862	11,342	7,643	8,347
Assets gifted to subsidiaries	10,12	-	-	1,110	1,073
Loss on disposal of fixed assets	10	1	28	-	-
Total		144,569	273,308	141,482	266,526
Other					
Net interest on net defined benefit liability	21	462	386	462	386
Impairment (reversal)	10	(310)	(66)	-	-
Total		152	320	462	386
Net operating expenditure before interest, financial asset income, finance costs and taxation					
		(138,482)	(264,840)	(136,621)	(263,204)
Interest receivable		12	16	12	16
Financial asset income	13	23	34	-	-
Finance costs		(10)	(15)	(10)	(15)
Taxation		(3)	(20)	(1)	(3)
Net operating expenditure for the year		(138,460)	(264,825)	(136,620)	(263,206)
Other comprehensive income					
Surplus owing to revaluation of properties	10	7,228	302	-	-
Net gain on financial assets	13	19	201	-	-
Re-measurement of defined benefit liability	21	8,636	(6,585)	8,636	(6,585)
Total comprehensive net expenditure for the year		(122,577)	(270,907)	(127,984)	(269,791)

All income and expenditure relate to continuing activities.
The notes on pages 146 to 183 form part of these accounts.

Statement of financial position as at 31 March 2022

March 2022		Group		Council	
	Note	2021-22	2020-21	2021-22	2020-21
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	10	112,732	107,554	415	461
Right-of-use assets	11	919	1,421	919	1,421
Intangible assets	12	1,393	1,119	1,254	1,119
Financial assets	13	866	847	-	-
Total		115,910	110,941	2,588	3,001
Current assets					
Trade and other receivables	14	6,879	9,784	6,474	9,092
Cash and cash equivalents		26,997	16,167	26,420	15,584
Total		33,876	25,951	32,894	24,676
Total assets		149,786	136,892	35,482	27,677
Current liabilities					
Grants outstanding	15	(47,779)	(83,676)	(47,779)	(83,676)
Trade and other payables	16	(23,704)	(7,702)	(23,961)	(7,657)
Lease liabilities	17	(374)	(490)	(374)	(490)
Provisions	18	(554)	-	-	-
Total		(72,411)	(91,868)	(72,114)	(91,823)
Non-current liabilities					
Lease liabilities	17	(732)	(928)	(732)	(928)
Provisions	18	-	(375)	-	-
Pension liabilities	21	(16,203)	(24,270)	(16,203)	(24,270)
Total		(16,935)	(25,573)	(16,935)	(25,198)
Total liabilities		(89,346)	(117,441)	(89,049)	(117,021)
Assets less liabilities		60,440	19,451	(53,567)	(89,344)
Taxpayers equity					
Reserves		60,440	19,451	(53,567)	(89,344)
Total		60,440	19,451	(53,567)	(89,344)

The notes on pages 146 to 183 form part of these accounts.



Tim Hollingsworth OBE

Chief Executive and Accounting Officer

The English Sports Council

27 March 2023



Chris Boardman MBE

Chair

The English Sports Council

27 March 2023

Statement of cash flows for the year ended 31 March 2022

	Note	Group		Council	
		2021-22	2020-21	2021-22	2020-21
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	23	(150,817)	(216,760)	(150,788)	(217,035)
Cash flows from investing activities					
Purchase of property, plant and equipment	10	(1,301)	(1,818)	(1,301)	(1,268)
Purchase of intangible assets	12	(836)	(396)	(836)	(396)
Financial asset income	13	23	34	-	-
Sale of financial assets	13		297		-
Net cash outflow from investing activities		(2,114)	(1,883)	(2,137)	(1,664)
Cash flows from financing activities					
Grant-in-Aid - resource		84,067	197,892	84,067	197,892
Grant-in-Aid - capital		79,694	24,258	79,694	24,258
Net cash inflow from financing activities		163,761	222,150	163,761	222,150
Net increase in cash and cash equivalents		10,830	3,507	10,836	3,451
Cash and cash equivalents at 1 April		16,167	12,660	15,584	12,133
Cash and cash equivalents at 31 March		26,997	16,167	26,420	15,584

The notes on pages 146 to 183 form part of these accounts

All cash and cash equivalents are held in commercial banks.

Statement of changes in taxpayers' equity – Group for the year ended 31 March 2022

	Note	Revaluation reserve	Pension reserve	General reserve	Total reserves
		£'000	£'000	£'000	£'000
Balance at 1 April 2020		43,270	(18,107)	42,226	67,389
Net operating expenditure for the year		-	-	(264,825)	(264,825)
Surplus owing to revaluation of properties		302	-	-	302
Amortisation of revaluation reserve		(988)	-	988	-
Re-measurement of defined benefit liability	21	-	(6,585)	-	(6,585)
Pension transfer in - MTT	21	-	818	-	818
Transfer between reserves		(84)	(396)	480	-
Net gain on financial assets		-	-	202	202
Grant-in-Aid received - resource		-	-	197,892	197,892
Grant-in-Aid received - capital		-	-	24,258	24,258
Property, plant and equipment disposal		(16)	-	16	-
Balance at 31 March 2021		42,484	(24,270)	1,237	19,451
Net operating expenditure for the year		-	-	(138,460)	(138,460)
Surplus owing to revaluation of properties		7,228	-	-	7,228
Amortisation of revaluation reserve		(1,099)	-	1,099	-
Re-measurement of defined benefit liability	21	-	8,636	-	8,636
Prior period adjustment		-	-	(194)	(194)
Transfer between reserves		-	(569)	569	-
Net gain on financial assets		-	-	19	19
Grant-in-Aid received - resource		-	-	84,067	84,067
Grant-in-Aid received - capital		-	-	79,694	79,694
Property, plant and equipment disposal		-	-	(1)	(1)
Balance at 31 March 2022		48,613	(16,203)	28,030	60,440

The notes on pages 146 to 183 form part of these accounts.

Statement of changes in taxpayers' equity –
Council for the year ended 31 March 2022

		Pension reserve	General reserve	Total reserves
		£'000	£'000	£'000
Note				
Balance at 1 April 2020		(18,107)	(24,414)	(42,521)
Net operating expenditure for the year		-	(263,206)	(263,206)
Re-measurement of defined benefit liability		(6,585)	-	(6,585)
Pension transfer in - MTT	21	818	-	818
Transfer between reserves		(396)	396	-
Grant-in-Aid received - resource		-	197,892	197,892
Grant-in-Aid received - capital		-	24,258	24,258
Balance at 31 March 2021		(24,270)	(65,074)	(89,344)
Net operating expenditure for the year			(136,620)	(136,620)
Re-measurement of defined benefit liability		8,636	-	8,636
Transfer between reserves		(569)	569	-
Grant-in-Aid received - resource			84,067	84,067
Grant-in-Aid received - capital			79,694	79,694
Balance at 31 March 2022		(16,203)	(37,364)	(53,567)

The notes on pages 146 to 183 form part of these accounts.



Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with Article 14 of the Royal Charter of The English Sports Council (Sport England) account directions issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. A copy of the account directions can be obtained from Sport England at SportPark, 3 Oakwood Drive, Loughborough, Leicestershire, LE11 3QF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, and as adapted or interpreted for the public sector.

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

The particular policies adopted by Sport England as set out and described below have been

applied consistently to all periods presented in these accounts.

1.1 Accounting convention

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

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

1.2 Going concern

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

The Group and Council's Statement of financial position reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from Sport England's other sources of income, may only be met by future

grants or Grant-in-Aid from Sport England's sponsoring department, the Department for Culture, Media and Sport (DCMS). Under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Sport England has an Exchequer settlement agreed with DCMS to 31 March 2023. There is expected to be no change to the continued provision of services by Sport England.

1.3 Basis of consolidation

The Group accounts consolidate the accounts of Sport England Exchequer, The Sports Council Trust Company (a Charity), and English Sports Development Trust Limited. Details of the Group's investment in subsidiary undertakings are contained in note 13.

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

All the accounts consolidated are made up to 31 March 2022.

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

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

Separate accounts have been prepared for Sport England's National Lottery Distribution Fund (Lottery) activities (pages 184 - 223), in accordance with the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport, which follow different accounting policies.

1.4 Income recognition

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

and therefore credited directly to reserves as opposed to income.

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

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

1.5 Grants

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

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

Grant awards which are funded from future years' funding are shown as contingent liabilities (shown as future commitments – note 15).

1.6 Other expenditure

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

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

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

The current methodology calculates charges on a full cost recovery

basis in accordance with HM Treasury's Managing Public Money. The expenditure apportioned under this methodology to Sport England Lottery activities are reimbursed to the Exchequer account and vice versa – note 9.

1.7 Assets gifted to subsidiaries

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

1.8 Property, plant and equipment

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

Land and buildings

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

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

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

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

Artworks and antiques

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

Equipment and leasehold improvements

Other property, plant and equipment have not been re-valued as fair value is considered

not to be materially different to depreciated historical cost.

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

Depreciation

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

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

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

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

1.9 Leases

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

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

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

associated interest being charged as Finance costs to the Statement of comprehensive net expenditure.

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

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

1.10 Intangible assets

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

Software is amortised on a straight-line basis over three years. The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are

normally expensed in year with the exception of grouped assets. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

1.11 Financial assets

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

1.12 Cash and cash equivalents

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

1.13 Trade and other receivables

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

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

1.14 Trade and other payables

Trade and other payables are recognised at fair value.

1.15 Dilapidations

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

1.16 Taxation

VAT

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

Corporation Tax

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

1.17 Pensions

Defined contribution scheme

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

Defined benefit scheme

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

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

within staff costs. The net interest expense on the net defined liability is shown in the Statement of comprehensive net expenditure.

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

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

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

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March

2022, the actuary has estimated CPI to be lower than RPI by 0.3%, over the term of the liability, which for Sport England is 18 years, compared to a difference of 0.4% applied at 31 March 2021. This change reflects the movement in market implied RPI inflation that has occurred following the UK Statistics Authority's proposal and the Chancellor's confirmation in November 2020 to align RPI with CPI from 2030.

1.18 Use of estimates and judgement

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

Estimates and assumptions are reviewed on an ongoing basis, to reflect significant events for example Covid-19. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to:

- Land, buildings and bund held by the National sports centres including the valuation and revaluation, dilapidation, impairment and depreciation of Land, buildings and bund, as well as the valuation of artwork and antiques.
- useful life of tangible and intangible fixed assets in determining depreciation and amortisation;

- pension scheme defined benefit plan assets and liabilities which determine the scheme’s deficit position.
- 1.19 Accounting standards that have been issued but not adopted**
- There are no accounting standards that have been issued that have not been applied to these accounts.

2 Grants received

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Lottery grant – This Girl Can	931	1,676	-	-
Lottery grant – Join the Movement	-	3,062	-	-
Exchequer grant ¹	-	250	-	-
Total	931	4,988	-	-

¹The Exchequer grant to The Sports Council Trust company funded the strategic purchase of a freehold property within grounds of Lilleshall National sports centre.

3 Other income

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
External funding income	139	104	139	104
Active Lives survey recharges	231	255	231	255
Asset hire recharges	943	886	943	886
Other income ¹	3,995	2,555	4,010	2,463
Total	5,308	3,800	5,323	3,708

Other income is shown net of income apportioned to the Sport England Lottery Fund.

Note 9 details the gross income and the recharge to the Lottery accounts.

¹£3.9 million was costs (note 8) for administering the loan element of the Sport Winter Survival Package recharged to DCMS.

4 Grants

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Resource grants				
Children and young people	15,720	22,193	15,720	22,193
Talent	17,014	16,928	17,014	16,928
Capital/Infrastructure	-	417	-	417
Covid-19	1,062	1,597	1,062	1,597
National Leisure Recovery Fund	-	97,248	-	97,248
Sports Winter Survival Package	-	48,862	-	48,862
Funded Partners	12,163	12,151	12,163	12,151
Workforce/Volunteering	6,016	6,017	6,016	6,017
Sports Survival Package	12,172	-	12,172	-
Decommitments	(1,590)	-	(1,590)	-
Other	52	(31)	-	(114)
Total	62,609	205,382	62,557	205,299
Capital Grants				
Capital/infrastructure	53,841	33,130	53,841	33,130
Covid-19	-	2,705	-	2,705
Total	53,841	35,835	53,841	35,835
Total	116,450	241,217	116,398	241,134
Grant recoveries	(639)	(3)	(639)	(3)
Total	115,811	241,214	115,759	241,131

The categories for 2022 reflect the main areas of grant expenditure following the change in priorities due to the Covid-19 pandemic (see Performance Report pages 16 to 47).

5 Staff costs

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Permanent and fixed term staff				
Wages and salaries	5,839	5,097	5,839	5,097
Social security costs	639	613	639	613
Pension costs	1,136	948	1,136	948
Total	7,614	6,658	7,614	6,658
Agency staff	622	376	622	376
Total staff costs	8,236	7,034	8,236	7,034

Further details can be found in the Remuneration Report on pages 94 to 103.

6 National sports centres

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Income	6,026	2,604	6,026	2,604
Expenditure				
Centre operator expenditure ¹	9,472	6,408	9,472	6,408
Other expenditure	1,552	1,698	1,552	1,698
Total	11,024	8,106	11,024	8,106
Net expenditure	4,998	5,502	4,998	5,502

The Sports Council Trust Company (a Sport England subsidiary) owns the National sports centres: Bisham Abbey, Lilleshall and Plas y Brenin. The value of the assets can be seen in note 10 under the categories Land, buildings and bund. Sport England manages and funds the operational contracts of the National sports centres on behalf of The Sports Council Trust Company.

¹ Includes operator management fees of £182,293 (2021: £182,382)

7 Sports development costs

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Grant programme support costs				
Local Delivery	–	13	–	13
Children and young people	9	23	9	23
Tackling Inactivity	10	10	10	10
Facilities	151	300	151	300
Core Market	42	58	42	58
Coaching	145	102	145	102
Total	357	506	357	506
Other sports development costs				
Travel and subsistence	24	–	24	–
Facilities expertise and support	594	335	594	335
Irrecoverable VAT	187	172	187	172
Legal	293	184	293	184
Measurement surveys	1,158	1,096	1,158	1,096
Media buying and planning ¹	925	4,749	–	–
Other costs	158	150	158	150
Planning data and guidance	833	830	833	830
Research	132	166	132	166
Total	4,304	7,682	3,379	2,933
Total	4,661	8,188	3,736	3,439

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

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

¹ These costs are in relation to the This Girl Can and Join the Movement campaigns funded by a Lottery grant from the Sport England Lottery Fund (note 2).

8 Operating costs

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Auditor's remuneration ¹	85	84	69	67
Communications	65	46	65	46
Depreciation ²	4,725	4,371	1,440	1,343
Grant outsourcing costs ³	2,360	3,632	2,360	3,632
Internal audit and governance	22	18	22	18
Irrecoverable VAT	1,074	1,119	1,074	1,119
IT infrastructure and systems costs	617	587	617	587
Legal	1,164	900	1,167	886
Other costs	80	27	81	27
Other staff costs	104	77	104	77
Property costs ²	364	236	442	300
Other property costs	–	4	–	4
Staff training	68	103	68	103
Travel and subsistence	28	10	28	10
Defined benefit scheme admin charges	54	46	54	46
Strategy	52	82	52	82
Total	10,862	11,342	7,643	8,347

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

¹ No other payment was made to the auditors for non-audit work. The Group audit fees for the year were £85,100 (2021: £84,075), the Council audit fees for the year were £68,100 (2021: £67,275). Included within the Council for 2022 is £5,100 relating to the fees of English Sports Development Trust Limited (2021: £5,025) which were paid on its behalf by Sport England. All audit fees are excluding VAT.

² Includes the impact of IFRS 16 Leases.

³ Includes in 2021 administration costs for the National Leisure Recovery Fund (NLRf) and Sports Winter Survival Package (SWSP). There was Grant-in-Aid received for NLRf and the grants element of SWSP. The administration costs of £3.9 million relating to SWSP loans was recharged to DCMS (note 3).

9.1 Net costs apportioned from Exchequer to Lottery – Group

	2021-22				2020-21			
	Gross	To Lottery	From Lottery	Net	Gross	To Lottery	From Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other income	(5,622)	314		(5,308)	(4,716)	916		(3,800)
Staff costs	20,269	(12,033)		8,236	18,442	(11,408)		7,034
Sports development	8,887	(4,311)	85	4,661	11,979	(3,903)	112	8,188
Operating costs	14,874	(4,012)		10,862	14,781	(3,439)		11,342
Total	38,408	(20,042)	85	18,451	40,486	(17,834)	112	22,764

9.2 Net costs apportioned from Exchequer to Lottery – Council

	2021-22				2020-21			
	Gross	To Lottery	From Lottery	Net	Gross	To Lottery	From Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other income	(5,637)	314		(5,323)	(4,624)	916		(3,708)
Staff costs	20,269	(12,033)		8,236	18,442	(11,408)		7,034
Sports development	7,962	(4,311)	85	3,736	7,230	(3,903)	112	3,439
Operating costs	11,655	(4,012)		7,643	11,786	(3,439)		8,347
Total	34,249	(20,042)	85	14,292	32,834	(17,834)	112	15,112

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

10.1 Property, plant and equipment — Group

	Land	Buildings and bund	Leasehold improv'm't	Equipment	IT equipm't	Artworks and antiques	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2020	19,114	119,221	1,170	2,908	1,117	865	144,395
Additions	-	1,600	-	20	198	-	1,818
Disposals	-	(64)	-	-	-	-	(64)
Revaluation	(248)	550	-	-	-	-	302
Impairment charge	-	66	-	-	-	-	66
At 31 March 2021	18,866	121,373	1,170	2,928	1,315	865	146,517
Additions		961		10	152		1,123
Disposals		(161)		(381)	(37)		(579)
Revaluation	1,703	5,525					7,228
Impairment charge		310					310
At 31 March 2022	20,569	128,008	1,170	2,557	1,430	865	154,599
Depreciation							
At 1 April 2020	-	31,733	797	2,475	818	-	35,823
Charge for year	-	2,768	159	126	125	-	3,178
Disposals	-	(38)	-	-	-	-	(38)
At 31 March 2021	-	34,463	956	2,601	943	-	38,963
Charge for year	-	3,070	124	114	174		3,482
Disposals	-	(161)		(381)	(36)		(578)
At 31 March 2022	-	37,372	1,080	2,334	1,081		41,867
Net book value							
At 31 March 2021	18,866	86,910	214	327	372	865	107,554
At 31 March 2022	20,569	90,636	90	223	349	865	112,732

Assets are valued in accordance with the accounting policy (note 1.8).

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

The freehold properties were last fully valued as at 31 March 2019 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2017 and the UK national standards and guidance set out in national supplement (November 2018 Edition). The valuation of the non-specialised properties was undertaken on a

fair value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost.

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

10.2 Property, plant and equipment – Council

	Buildings and bund	Equipment	IT equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	-	312	991	1,303
Additions	1,050	20	198	1,268
Gifted assets ¹	(1,050)	(23)	-	(1,073)
At 31 March 2021	-	309	1,189	1,498
Additions	971	-	151	1,122
Gifted assets ¹	(971)	-	-	(971)
Disposals	-	-	(36)	(36)
At 31 March 2022	-	309	1,304	1,613
Depreciation				
At 1 April 2020	-	182	706	888
Charge for year	-	27	122	149
At 31 March 2021	-	209	828	1,037
Charge for year	-	26	171	197
Disposals	-	-	(36)	(36)
At 31 March 2022	-	235	963	1,198
Net book value				
At 31 March 2021	-	100	361	461
At 31 March 2022	-	74	341	415

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

11 Right-of-use assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2020	2,783	2,783
Additions	–	–
Disposals	–	–
At 31 March 2021	2,783	2,783
Additions	179	–
Disposals	–	–
At 31 March 2022	2,962	2,783
Depreciation		
At 1 April 2020	681	681
Charge for year	681	681
At 31 March 2021	1,362	1,362
Charge for year	681	681
At 31 March 2022	2,043	2,043
Net book value		
At 31 March 2021	1,421	1,421
At 31 March 2022	919	740

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

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases and the corresponding right of use asset are therefore treated as those of Sport England. Refer to note 17 for details of the associated Lease liabilities.

12 Intangible assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2020	5,133	5,133
Additions	396	396
At 31 March 2021	5,529	5,529
Additions	975	836
Transfers	(139)	(139)
At 31 March 2022	6,365	6,226
Depreciation		
At 1 April 2020	3,898	3,898
Charge for year	512	512
At 31 March 2021	4,410	4,410
Charge for year	562	562
At 31 March 2022	4,972	4,972
Net book value		
At 31 March 2021	1,119	1,119
At 31 March 2022	1,393	1,254

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

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

13 Financial assets

Listed stocks and securities

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Market value at 1 April	847	943	-	-
Revaluation of financial asset	19	201	-	-
Disposal	-	(297)	-	-
Market value at 31 March	866	847	-	-

Listed stocks and securities relate to a managed investment fund held by The Sports Council Trust Company in the Sarasin Endowments Fund managed by Sarasin & Partners. These investments are held for medium to long-term strategic purposes. The holding is classified as ‘not held for trading’. The disposal

funded the purchase of a property at the Lilleshall National Sports Centre in February 2021.

The historical cost of the asset at 31 March 2022 was £0.7 million (2021: £0.7 million). The income received on the investment fund for the year to 31 March 2022 was £23k (2021: £34k).

Group investments in subsidiary undertakings

Company and country of incorporation	Financial activity	Proportion held	Status of subsidiary	Total reserves at 31 March	Net (expenditure) / income
The Sports Council Trust Company (England and Wales)	Charitable trust dedicated to the promotion of sport	Sole member 100% guarantor	Active	2022: 113.7m 2021: £108.3m	2022: (£1.8m) 2021: (£1.5m)
English Sports Development Trust Limited (England and Wales) ¹	Media buying for Sport England activity campaigns	Sole member 100% guarantor	Active	2022: £294,000 2021*: £277,000	2022: £19,000 2021*: (£113,000)

¹ English Sports Development Trust Limited’s financial statements for the year ended 31 March 2021 were restated. A clawback relating to income received from ESC, in respect of the use of the “This Girl Can” brand was accounted for in 2021-22. The 2020-21 figures have been restated to disclose the impact of this omission. The amount of clawback omitted in 2020-21 was £194k.

14 Trade and other receivables

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Trade receivables	137	3,949	138	3,937
Other receivables	399	606	399	606
Staff travel loans	1	3	1	3
Prepayments and accrued income	2,819	3,590	2,413	2,910
Sport England Lottery	3,523	1,636	3,523	1,636
Total	6,879	9,784	6,474	9,092

The lifetime expected loss provision for trade receivables is £nil (2021: £nil).

15 Grants outstanding

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Grants outstanding	47,779	83,676	47,779	83,676

Future commitments

On the undertaking that funds are to be provided by DCMS, Sport England at 31 March 2022 had entered into commitments to pay grants to award recipients in respect of their approved programmes. These commitments, which are mainly the Exchequer element of the Covid-19 Rollover support funding for partners to 31 March 2023, have not been recognised in the Statement of comprehensive net expenditure or the Statement of financial position and are shown below.

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
2021-22	-	59,612	-	59,612
2022-23	53,331	-	53,331	-
Total	53,331	59,612	53,331	59,612

16 Trade and other payables

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Trade payables	343	309	311	285
Corporation tax	3	20	1	3
Accruals	22,514	6,791	22,076	6,066
Other payables	844	582	844	582
Prepaid Income	-	-	-	-
The Sports Council Trust Company	-	-	433	245
English Sports Development Trust Limited	-	-	296	476
Total	23,704	7,702	23,961	7,657

17 Lease liability

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Undiscounted lease liabilities				
No later than 1 year	386	518	386	518
Later than 1 year and no later than 5 years	735	943	735	943
Total undiscounted lease liabilities at 31 March	1,121	1,461	1,121	1,461
Future finance charges	(15)	(43)	(15)	(43)
Total lease liabilities at 31 March	1,106	1,418	1,106	1,418

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Net present value of lease liabilities				
No later than 1 year	374	490	374	490
Later than 1 year and no later than 5 years	732	928	732	928
Total	1,106	1,418	1,106	1,418

The lease liabilities relate to the Group's lease of its offices at 21 Bloomsbury Street and Loughborough. The total cash payable in 2022 in respect of these leases was £848k (2021: £848k).

Leases are held in the name of The Sports Council Trust Company and are recharged to Sport England. The total values of commitments under these leases are therefore treated as those of Sport England.

18 Provisions

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Balance at 1 April	375	375	-	-
Provided during the year	179	-	-	-
Balance at 31 March	554	375	-	-

The provision is for dilapidations at Bloomsbury Street, the main operational premises occupied by Sport England. The lease expired in November 2022 with no option to extend.

In February 2022 a dilapidations assessment was commissioned and undertaken by the Building Surveying team of the Bloomsbury Street property management company, Avison Young. This report indicated the expected cost of dilapidations to be £554k.

19 Contingent liabilities

Contributions towards property, plant and equipment

In 1979, the Football Association (FA) contributed £500,000 towards the construction of a hostel at Lilleshall National Sports Centre.

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

Pensions

Pension liabilities are disclosed in Note 21 of these financial statements and include an estimate

of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Firefighters' Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £12k which is 3.3% of the projected service cost of £377k.

The Ministry of Housing, Communities and Local Government (MHCLG) consultation on the proposals following the McCloud case closed in October 2020, and the final remedy will only be known after the consultation responses have been reviewed and the final remedial Regulations published. The actuaries do not believe that there are any material differences between the estimated allowance above and the proposed remedy. Any resulting changes to the pension liabilities from the review will be made once they are known.

20 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements as at 31 March 2022 amounting to £0.1 million (2021: £0.2 million). These commitments include implementation of new IT systems of £0.1 million (2021: £0.2million).

21 Pension liabilities

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

Defined benefit LPFA scheme

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

The scheme is funded by employee and employer contributions at actuarially determined rates based

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

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

Employee contribution rates

2021-22 salary range		2020-21 salary range	
Up to £14,600	5.5%	Up to £14,600	5.5%
£14,601-£22,800	5.8%	£14,601-£22,800	5.8%
£22,801- £37,100	6.5%	£22,801- £37,100	6.5%
£37,101- £46,900	6.8%	£37,101- £46,900	6.8%
£46,901- £65,600	8.5%	£46,901- £65,600	8.5%
£65,601- £93,000	9.9%	£65,601- £93,000	9.9%
£93,001- £109,500	10.5%	£93,001- £109,500	10.5%
£109,501- £164,200	11.4%	£109,501- £164,200	11.4%
Over £164,201	12.5%	Over £164,201	12.5%

On 31 March 2020 Sport England subsumed the pension liabilities of Mountain Training Ltd (MTL) into its scheme. The settlement of the liabilities of this scheme have been incorporated into the IAS 19 valuation with a transfer date of 3 September 2020. The capitalised cost of the settlement £1.1m has been included with the service cost in the Statement of comprehensive net expenditure. The valuation of the settlement is calculated using assumptions based on market conditions at the date of transfer.

The tables below show employee contribution rates and employer contributions for 2022 and 2021 and those that are expected to be made in 2023 for the Exchequer portion of the scheme:

21 Pension liabilities (continued)

Employer contributions to schemes

	2023	2022	2021
All figures in £'000s			
% Employer contributions	16.0%	16.0%	16.0%
Contributions to pension schemes			
Employer contributions	152	157	154
Required additional contributions	-	-	221
Total contributions to pension schemes	152	157	375

International Accounting Standard IAS 19 Employees Benefits requires the disclosure of additional information, in respect of the Sport England’s superannuation scheme. The information has been provided by the LPFA’s consulting actuaries.

The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities. The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.17).

21 Pension liabilities (continued)

The following information relates to the scheme as a whole:

Employer membership statistics (Sport England)

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

Employer membership statistics (MTL)

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

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

21 Pension liabilities (continued)

Financial assumptions (expressed as weighted average)

	2022 % per annum	2021 % per annum	2020 % per annum
Price increases – RPI	3.65%	3.25%	2.75%
Price increases – CPI	3.30%	2.85%	1.95%
Salary increase	4.30%	3.85%	2.95%
Pension increase	3.30%	2.85%	1.95%
Discount rate	2.60%	2.00%	2.35%

Life expectancy assumptions from age 65

	2021–22 Years	2020–21 Years
Retiring today		
Males	22.2	22.1
Females	24.6	24.6
Retiring in 20 years		
Males	23.7	23.6
Females	26.1	26.0

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

Statement of financial position disclosure

	2022 £'000	2021 £'000	2020 £'000
Present value of funded liabilities	(66,396)	(68,221)	(58,809)
Fair value of employer assets	53,233	47,184	43,644
Present value of unfunded liabilities	(3,040)	(3,233)	(2,942)
Net liability in the Statement of financial position	(16,203)	(24,270)	(18,107)
Liabilities	(69,436)	(74,454)	(61,751)
Assets	53,233	47,184	43,644
Net liability in the Statement of financial position	(16,203)	(24,270)	(18,107)

21 Pension liabilities (continued)

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

	2021-22		2020-21	
	£'000	%	£'000	%
Equities	30,301	57	25,479	54
Target return portfolio	11,465	22	11,324	24
Infrastructure	5,423	10	3,775	8
Property	4,776	9	4,247	9
Cash	1,268	2	2,359	5
Total	53,233	100	47,184	100

Amounts recognised in the Statement of comprehensive net expenditure

	2021-22	2020-21
	£'000	£'000
Service cost	377	339
Net interest on the net defined benefit liability	462	386
Administration expenses	54	46
Total	893	771

Re-measurement in Other comprehensive income

	2021-22	2020-21
	£'000	£'000
Return on plan assets in excess of interest	6,742	5,393
Other actuarial losses	-	-
Change in demographic assumptions	-	629
Change in financial assumptions	2,206	(13,169)
Experience gains	(312)	562
Total Re-measurement (cost)/credit	8,636	(6,585)

21 Pension liabilities (continued)

Changes in the present value of the defined benefit obligation

	2021-22	2020-21
	£'000	£'000
Return on plan assets in excess of interest	71,454	61,751
Service cost	377	267
Interest cost	1,410	1,371
Change in demographic assumptions	-	(629)
Change in financial assumptions	(2,206)	13,169
Contributions by members	81	83
Curtailments	-	72
Estimated unfunded benefits paid	(179)	(178)
Estimated benefits paid	(1,813)	(583)
Experience gains	312	(562)
Transfer in - MTT	-	(3,307)
Closing defined benefit obligation	69,436	71,454

Changes in the fair value of the plan assets

	2021-22	2020-21
	£'000	£'000
Opening fair value of employer assets	47,184	43,644
Interest on assets	948	985
Return on assets less interest	6,742	5,393
Actuarial losses	-	-
Administration expenses	(54)	(46)
Contributions by members	81	83
Contributions by employer	325	375
Estimated benefits paid	(1,993)	(761)
Transfer in	-	(2,489)
Closing fair value of employer assets	53,233	47,184

21 Pension liabilities (continued)

Sensitivity analysis

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	68,225	69,435	70,668
Projected service cost	340	350	361
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	69,503	69,435	69,369
Projected service cost	350	350	350
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	70,591	69,435	68,299
Projected service cost	361	350	340
Adjustment to life expectancy assumption	+1 Year	None	-1 Year
Present value of total obligation	72,826	69,435	66,210
Projected service costs	366	350	335

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2022 were £483k (2021: £429k). There were no amounts outstanding or pre-paid at 31 March 2022 (2021: £nil).

Contribution rates ¹	
Employee	Employer
3%	3% ²
4%	5%
5%	8%
6.5%	11%
8%	11%
10%	11%

¹ Contribution rates apply to all salary levels

² Relates to auto enrolment

22 Revaluation reserves - Group

Land and buildings

	2021-22	2020-21
	£'000	£'000
Balance at 1 April	42,484	43,270
Surplus/(Deficit) owing to revaluation of properties	7,228	302
Amortisation of revaluation reserve	(1,099)	(988)
Disposal of property, plant and equipment	-	(16)
Transfer between general reserve	-	(84)
Balance at 31 March	48,613	42,484

For further detail relating to the surplus owing to the revaluation of properties see note 10
Property, plant and equipment – Group.

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

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Net operating expenditure	(138,482)	(264,840)	(136,620)	(263,204)
Depreciation	4,724	4,371	1,440	1,343
Disposal of property, plant and equipment	1	28	-	-
Impairment (charge)	(310)	(66)	-	-
Net interest on net defined benefit liability and administration costs	516	432	516	432
Increase/(decrease) in receivables	2,711	(1,825)	2,618	(1,536)
Increase in payables	16,018	656	16,305	361
(Decrease)/increase in grants outstanding	(35,896)	45,344	(35,896)	45,344
Decrease in finance lease liabilities	(312)	(804)	(312)	(804)
Increase in provisions	179	-	-	-
LPFA service costs	377	339	377	339
LPFA employer contributions	(325)	(375)	(325)	(375)
Assets gifted to subsidiaries	-	-	1,110	1,073

23 Reconciliation of net operating expenditure to net cash outflow from operating activities (continued)

	Group		Council	
	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000
Taxation	(20)	(21)	(10)	(9)
Interest received	12	16	12	16
Finance costs	(10)	(15)	(3)	(15)
Net cash outflow from operating activities	(150,817)	(216,760)	(150,788)	(217,035)

24 Related party transactions

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

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

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

The related party transactions are in relation to:

- awards made during the year ended 31 March 2022. Decommitments are shown in brackets;
- awards unpaid at 31 March 2022;
- supplier transactions during the year ended 31 March 2022;
- unpaid supplier transactions at 31 March 2022.

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

Relationship

	Awards made in 2021-22	Awards unpaid at 31 March 2022	Supplier transactions in 2021-22	Unpaid supplier transactions at 31 March 2022
	£	£	£	£
Department for Culture, Media and Sport				
Grant-in-Aid funding	163,761,000	-	-	-
The Sports Council Trust Company				
Payable by Sport England	-	-	1,811,044	-
Nick Bitel				
Consultant to advisors of Rugby Football Union	3,495,244	2,515,579	-	-
Partner: Member, Lawn Tennis Association	656,250	9,185	-	-
Partner: Member, British Triathlon Federation	625,103	-	-	-
Board Member: UK Sport	-	-	14,760	-
Chris Grant				
Consultant, UK Sport	-	-	14,760	-
Consultant, The Football Association	2,000,000	2,072,075		
Karen Pickering MBE				
Imm. Family: Member, Swim England	2,109,500	561	-	-
Andy Long				
Imm. Family: Member, Swim England	2,109,500	561	-	-
Imm. Family: Member, British Rowing	578,530	-	-	-
Imm. Family: Member, England Netball	1,880,398	525,000	-	-
Rashmi Becker				
Member, UK Coaching	2,000,000	-	35,037	183
Associate Member, Activity Alliance	1,214,495	-	-	-
Member, Get yourself active steering committee	-	134,140	-	-
Member, CIMSPA	1,110,000	48,060		
Tove Okunniwa				
CEO, London Sport Limited	950,000	-	-	-
Member, British Cycling	2,027,361	2,480,091	-	-
David Mahoney				
Director, England and Wales Cricket Board	1,000,000	96,439	-	-

24 Related party transactions (continued)

Relationship	Awards made in 2021-22	Awards unpaid at 31 March 2022	Supplier transactions in 2021-22	Unpaid supplier transactions at 31 March 2022
	£	£	£	£
Tim Hollingsworth				
Board Member, Football Foundation	52,362,715	8,144,844	-	-
Lisa O'Keefe				
Member, British Mountaineering Council	65,550	-	-	-
Member, British Cycling Federation	2,027,361	2,480,091	-	-
Alison Selfe				
Imm. Family: Member, British Cycling Federation	2,027,361	2,480,091	-	-
Imm. Family: Member, Basildon Borough Council	43,188	-	-	-
Kevin Mills				
Member, Royal Yachting Association	878,597	-	-	-
Ali Donnelly				
Member, Rugby Football Union	3,495,244	2,515,579	-	-
Al Strang				
Member, Lawn Tennis Association	656,250	9,185		
Graeme Dell				
Member, Football Association	2,000,000	2,072,075	-	-
Sir Chris Boardman				
Advisor, British Cycling	2,027,361	2,480,091	-	-
Ian Courts				
Member, British Triathlon	625,103	-	-	-

25 Derivatives and other financial instruments

Sport England Exchequer relies mainly on Grant-in Aid funding to finance its operations. Other than

items such as trade receivables and trade payables that arise from its operations and cash resources, it holds no other financial instruments nor enters into derivative transactions.

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

The Sports Council Trust Company holds a financial instrument listed in the United Kingdom. The return from investments is not material £23k (2021: £34k). Due to the value of the investment held by The Sports Council Trust Company, Sport England is not exposed to significant market risk. The Board of The Sports Council Trust Company regularly undertakes reviews to mitigate the risks of performance of this instrument.

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

26 Ultimate parent body and domicile

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and Sport, which classifies the ESC as a non-departmental government body. The ESC was originally established by Royal Charter in 1972 (as The Sports Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE11 3QF.

27 Events after the reporting period

There were no post balance sheet events between the year end and when the accounts were authorised for issue on the date of the Comptroller and Auditor General's audit report. The financial accounts do not reflect events after this date.

The English Sports Council

National Lottery
Distribution Fund

Accounts for the year
ended 31 March 2022



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

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

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

In preparing the financial statements The Council is required to:

- observe the accounts direction issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts;
- prepare the Accounts on the going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

"Managing Public Money", issued by the HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993 (as amended).

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

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



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

27 March 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of The English Sports Council National Lottery Distribution Fund for the year ended 31 March 2022 under the National Lottery etc. Act 1993.

The financial statements comprise The English Sports Council National Lottery Distribution Funds;

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of The English Sports Council National Lottery Distribution Fund's affairs as at 31 March 2022 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the*

audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of The English Sports Council National Lottery Distribution Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The English Sports Council National Lottery Distribution Fund's use of the going concern basis of accounting in the preparation of the financial statements is 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 English Sports Council National Lottery Distribution Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Chief Executive, acting as Accounting Officer, with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for The English Sports Council National Lottery Distribution Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does

not include either the Grant-in-Aid or the Lottery Distribution financial statements nor my auditor's certificate and report. The Chief Executive is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of The English Sports Council National

Lottery Distribution Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the English Sports Council National Lottery Distribution Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- information given in Accountability Report is consistent with the financial statements and with information obtained during the course of my audit; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and the Chief Executive for the financial statements

As explained more fully in the Statement of the Council and the Chief Executive responsibilities, the Chief Executive is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Chief Executive determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing The English Sports Council National Lottery Distribution Fund's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the Chief Executive anticipates that the services provided by The English Sports Council National Lottery Distribution Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions

of users taken on the basis of these financial statements.

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

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

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

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of The English Sports Council National Lottery Distribution Fund's accounting policies.

- Inquiring of management, The English Sports Council National Lottery Distribution Fund's head of Internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The English Sports Council National Lottery Distribution Fund's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The English Sports Council National Lottery Distribution Fund controls relating to The English Sports Council National Lottery Distribution Fund's compliance with the National Lottery etc. Act 1993 and Managing Public Money;

- discussing among the engagement team and involving relevant internal and external specialists, including pension specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I also obtained an understanding of The English Sports Council National Lottery Distribution Fund's framework of authority as well as other legal and regulatory frameworks in which The English Sports Council National Lottery Distribution Fund operates, focusing on those laws and regulations that

had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The English Sports Council National Lottery Distribution Fund. The key laws and regulations I considered in this context included National Lottery etc. Act 1993, Managing Public Money, employment law, pensions legislation.

Audit response to identified risk

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit, Risk and Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged

with governance and the Board and internal audit reports; and

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

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

28 March 2023

Statement of comprehensive net expenditure for the year ended 31 March 2022

		2021-22	2020-21
	Note	£'000	£'000
Income			
National Lottery share of proceeds	2	224,161	224,908
National Lottery investment returns	2	317	132
Grant recoveries		1,345	76
Interest receivable		3	-
Other income	3	787	1,405
Total		226,613	226,521
Expenditure			
Grants made	4	554,545	258,894
Grant de-commitments	4	(4,811)	(447)
Non-cash grants	5	1,312	2,175
Staff costs	6	12,259	11,277
Sport development costs	7	6,073	6,143
Operating costs	8	4,219	4,087
Total		573,597	282,129
Net interest on net defined benefit liability	15	672	564
Net expenditure before taxation		(347,656)	(56,172)
Taxation	9	-	-
Net expenditure for the year		(347,656)	(56,172)
Other comprehensive income			
Re-measurement of defined benefit liability	15	13,311	(8,957)
Total comprehensive net (expenditure)/ income for the year		(334,345)	(65,129)

All Income and Expenditure relates to continuing activities.
The notes on pages 200 to 223 form part of these accounts.

Statement of financial position as at 31 March 2022

		2021-22	2020-21
	Note	£'000	£'000
Current assets			
National Lottery Distribution Fund	2	191,286	176,608
Trade and other receivables	10	1,011	560
Cash and cash equivalents		1,366	2,346
Total		193,663	179,514
Current liabilities			
Trade and other payables	12	(5,200)	(3,466)
Grants payable	13	(286,699)	(134,443)
Total		(291,899)	(137,909)
Total assets less current liabilities		(98,236)	41,605
Non-current liabilities			
Grants payable	13	(343,472)	(136,655)
Pension liabilities	15	(20,538)	(32,851)
Total		(364,010)	(169,506)
Net liabilities		(462,246)	(127,901)
Equity			
General reserve		(441,708)	(95,050)
Pension reserve		(20,538)	(32,851)
Total		(462,246)	(127,901)

The notes on pages 200 to 223 form part of these accounts



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

27 March 2023



Chris Boardman MBE

Chair
The English Sports Council

27 March 2023

Statement of cash flows for the year 31 March 2022

	2021-22	2020-21
	£'000	£'000
Net income before taxation	(347,656)	(56,172)
Decrease/(increase) in trade and other receivables	(451)	613
(Decrease)/increase in trade and other payables	1,734	(3,426)
Increase in grants payable	359,073	42,233
Corporation tax	-	-
Transfer between reserves	988	728
Increase/(decrease) in NLDF	(14,678)	18,060
Net cash (outflow)/inflow from operating activities	(980)	2,036
Net (decrease)/increase in cash and cash equivalents	(980)	2,036
Cash and cash equivalents at 1 April	2,346	310
Cash and cash equivalents at 31 March	1,366	2,346

The notes on pages 200 to 223 form part of these accounts.
All cash and cash equivalents are held with commercial banks.

Statement of changes in equity for the year ended 31 March 2022

	Pension Reserve	General Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2020	(23,166)	(39,606)	(62,772)
Net expenditure for the year	-	(56,172)	(56,172)
Re-measurement of defined benefit liability	(8,957)	-	(8,957)
Transfer between reserves	(728)	728	-
Balance at 31 March 2021	(32,851)	(95,050)	(127,901)
Net expenditure for the year	-	(347,656)	(347,656)
Re-measurement of defined benefit liability	13,311	-	13,311
Transfer between reserves	(998)	998	-
Balance at 31 March 2022	(20,538)	(441,708)	(462,246)

The notes on pages 200 to 223 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with the National Lottery etc. Act 1993 (as amended), the Lottery Accounts Direction issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. A copy of the Lottery Accounts Direction can be obtained from Sport England at SportPark, 3 Oakwood Drive, Loughborough, Leicestershire, LE11 3QF. The accounting policies contained in the FReM apply the requirements of the Companies Act 2006, and International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, and as adapted or interpreted for the public sector.

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

The particular policies adopted by the Sport England National Lottery

Distribution Fund (Lottery) as set out and described below have been applied consistently to all periods presented in the accounts.

1.1 Accounting convention

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

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

In compliance with Section 35 of the National Lottery etc. Act 1993 (as amended), the accounts cover the year to 31 March 2022. Comparative figures are shown for the year ended 31 March 2021.

A separate set of accounts has been prepared for Sport England activities funded from Grant-in-Aid, in accordance with the instructions issued by the Secretary of State for Culture, Media and Sport.

1.2 Going concern

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

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

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

1.3 National Lottery Distribution Fund

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

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

1.4 Income recognition

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

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

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

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

1.5 Grants

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

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

1.6 Non-cash grants

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

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

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

1.7 Other expenditure

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

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

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

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

1.8 Trade receivables

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

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

1.9 Cash and cash equivalents

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

1.10 Trade and other payables

Trade and other payables are recognised at fair value.

1.11 Taxation

VAT

Sport England Lottery is registered for VAT as part of Sport England's VAT registration, however, it does not undertake any business activities for VAT purposes. VAT is not recoverable on any of its operational expenditure.

Corporation Tax

Corporation tax is payable on bank interest received net of

bank charges and other income derived from trading activities.

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

1.12 Pensions

Defined contribution scheme

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

Defined benefit scheme

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

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

This valuation is undertaken by an independent actuary.

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

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

The scheme's administration expenses are shown in the Statement of comprehensive net expenditure within operating costs. Re-measurement of the net defined benefit liability which comprises actuarial gains and losses and returns on plan assets (in excess of interest), is recognised immediately in the Statement of financial position and in Other comprehensive income.

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

allocation as determined by the methodology in note 1.7.

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2022, the actuary has estimated CPI to be lower than RPI by 0.3%, over the term of the liability, which for Sport England is 18 years, compared to a difference of 0.4% applied at 31 March 2022. This change reflects the movement in market implied RPI inflation that has occurred following the UK Statistics Authority's proposal and the Chancellor's confirmation in November 2020 to align RPI with CPI from 2030.

1.13 Use of estimates and judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the

application of the accounting policies and the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from the estimates used.

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

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

1.14 Accounting standards that have been issued but not adopted

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

2 National Lottery Distribution Fund

	2021-22	2020-21
	£'000	£'000
Balance at 1 April	176,608	194,668
Share of proceeds	224,161	224,908
Investment returns	317	132
Funds drawn down	(209,800)	(243,100)
Balance at 31 March	191,286	176,608

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

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

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

3 Other income

	2021-22	2020-21
	£'000	£'000
National Lottery Community Fund Award contribution ¹	118	48
External funding income	81	689
Active Lives survey recharges	428	494
Other recharges	160	174
Total	787	1,405

¹ Contribution to the Potentials and Opportunities Volunteering fund

4 Grants made

	2021-22	2020-21
	£'000	£'000
Grants made in the year	554,545	258,894
Grant de-commitments	(4,811)	(447)
Net grants made	549,734	258,447
Children and young people	9,526	27,329
Talent	1,527	8,229
Campaigns	2,632	1,872
Capital/Infrastructure	19,668	27,609
Core Partners	437,823	53,057
Covid-19 Support	53,387	68,419
Local Delivery Pilots	12,460	41,950
Tackling Inactivity	14,285	20,563
Workforce/Volunteering	487	9,866
Digital Skills Programme (CWG)	2,750	-
Decommitments	(4,811)	(447)
Total	549,734	258,447

The categories for 2022 reflect the main areas of grant expenditure following the change in priorities due to the Covid-19 pandemic (see Performance Report page 16 to 47).

5 Non-cash grants

	2021-22	2020-21
	£'000	£'000
Club Matters – guidance and support for running a club	650	478
Creative assets of the This Girl Can campaign	662	900
Creative assets of the Join the Movement campaign	–	580
Other	–	217
Total	1,312	2,175

6 Staff costs

	2021-22	2020-21
	£'000	£'000
Permanent and fixed term staff		
Wages and salaries	8,681	8,129
Social security costs	899	887
Pension costs	1,892	1,649
Total	11,472	10,665
Agency staff	787	612
Total staff costs	12,259	11,277

Further details can be found in the Remuneration Report on pages 94 to 103.

7 Sports development costs

	2021-22	2020-21
	£'000	£'000
Grant programme support costs		
Local delivery	90	126
Inactivity	45	85
Children and young people	57	106
Digital, Marketing and Communications ¹	93	75
Facilities	525	532
Core market	74	86
Coaching/Workforce	189	194
Other	–	5
Total	1,073	1,209
Other sports development costs		
Legal	593	423
Measurement surveys	2,134	2,143

7 Sports development costs (continued)

	2021-22	2020-21
	£'000	£'000
Research	296	426
Facilities expertise and support	383	366
Planning data and guidance	148	164
Communications	31	–
Other costs	369	292
Irrecoverable VAT	1,046	1,120
Total	5,000	4,934
Total	6,073	6,143

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

¹ This directorate was previously known as Mass Markets.

8 Operating costs

	2021-22	2020-21
	£'000	£'000
Auditor's remuneration ¹	53	52
Board expenses	–	–
Communications	120	99
Internal audit and governance	41	35
Irrecoverable VAT	739	601
IT infrastructure and systems costs	1,117	1,122
Legal	68	116
Other costs	88	49
Other staff costs	187	138
Property operating leases ²	472	451
Other property costs	–	9
Staff training	122	192
Strategy	97	206
Travel and subsistence	37	14
Asset hire ²	962	915
Defined benefit scheme administration charge	100	88
Grant outsourcing costs	16	–
Total	4,219	4,087

¹ No other payment was made to the auditors for non-audit work. The audit fees for the year were £53,000 (2021: £52,000).

² Included is the impact of IFRS 16 Leases on the Lottery share of operating leases and the asset hire recharge from Sport England Grant-in-Aid (see page 160).

9 Taxation

	2021-22	2020-21
	£'000	£'000
UK corporation tax at 19% (2021: 19%)	-	-

10 Trade and other receivables

	2021-22	2020-21
	£'000	£'000
Trade receivables	397	33
Accrued income	614	527
Total	1,011	560

11 Capital commitments

There are no capital commitments as at 31 March 2022 (2021: £nil).

12 Trade and other payables

	2021-22	2020-21
	£'000	£'000
Sport England Grant-in-Aid	3,523	1,636
Trade payables	10	176
Corporation Tax	-	-
Accruals	1,667	1,654
Total	5,200	3,466

13 Grants payable

	2021-22	2020-21
	£'000	£'000
Grants payable at 1 April	271,098	228,864
Grants paid during the year	(190,661)	(216,213)
Grant de-commitments	(4,811)	(447)
Grants made in the year	554,545	258,894
Grants payable at 31 March	630,171	271,098

Amounts due during 2021 Financial Year	-	134,443
Amounts due during 2022 Financial Year	286,699	74,581
Amounts due during 2023 Financial Year	263,244	37,320
Amounts due during 2024 Financial Year	47,827	21,055
Amounts due during 2025 Financial Year	22,364	3,699
Amounts due during 2026 Financial Year	10,037	-

Grants payable at 31 March	630,171	271,098
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Grant commitments payable in more than one-year amount to £343.5 million (2021: £136.7 million). The allocation of commitments over the financial years is based on management’s latest assessment of the likely timing of cash payments. These assumptions are periodically reviewed and updated. The assumptions take into account that a number of these awards cover up to four years of revenue funding which is paid over the period of the award.

14 Contingent Liabilities

Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29 March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors (via the core department). We continue to engage with the GLA on forecasts for land sales on the Olympic Park.

Grant commitments

Contingent liabilities amounting to £8.6 million (2021: £16.4 million) comprise of grant commitments where the conditions of the funding remain under the control of Sport England.

Pensions

Pension liabilities are disclosed in Note 15 of these financial statements and include an estimate

of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Firefighters' Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £23k which is 3.3% of the projected service cost of £700k.

The Ministry of Housing, Communities and Local Government (MHCLG) consultation on the proposals following the McCloud case closed in October 2020, and the final remedy will only be known after the consultation responses have been reviewed and the final remedial Regulations published. The actuaries do not believe that there are any material differences between the estimated allowance above and the proposed remedy. Any resulting changes to the pension liabilities from the review will be made once they are known.

15 Pension liabilities

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

Defined benefit LPFA scheme

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

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to

reduce the deficit as advised by the scheme's actuaries based on triennial valuations, the most recent triennial valuation being 31 March 2019. Sport England will make additional voluntary contributions to the scheme where the funding is available to do so.

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

The tables below show employee contribution rates and employer contributions for 2022 and 2021 and those that are expected to be made in 2023 for the Lottery portion of the scheme:

15 Pension liabilities (continued)

Employee contribution rates

2021-22 salary range		2020-21 salary range	
Up to £14,600	5.5%	Up to £14,600	5.5%
£14,601-£22,800	5.8%	£14,601-£22,800	5.8%
£22,801- £37,100	6.5%	£22,801- £37,100	6.5%
£37,101- £46,900	6.8%	£37,101- £46,900	6.8%
£46,901- £65,600	8.5%	£46,901- £65,600	8.5%
£65,601- £93,000	9.9%	£65,601- £93,000	9.9%
£93,001- £109,500	10.5%	£93,001- £109,500	10.5%
£109,501- £164,200	11.4%	£109,501- £164,200	11.4%
Over £164,201	12.5%	Over £164,201	12.5%

Employer contributions to schemes

All figures in £'000s	2023	2022	2021
% Employer contributions	16.0%	16.0%	16.0%
Contributions to pension schemes			
Employer contributions	222	229	224
Required additional contributions	-	-	322
Total contributions to pension schemes	222	229	546

International Accounting Standard IAS 19 (2011) Employees Benefits requires the disclosure of additional information, in respect of the Sport England’s superannuation scheme. The information has been provided by the LPFA’s consulting actuaries Barnett Waddingham. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities. The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.12).

The following information relates to the scheme as a whole:

Employer membership statistics

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

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

15 Pension liabilities (continued)

Financial assumptions (expressed as weighted average)

	2022 % per annum	2021 % per annum	2020 % per annum
Price increases – RPI	3.65%	3.25%	2.75%
Price increases – CPI	3.30%	2.85%	1.95%
Salary increase	4.30%	3.85%	2.95%
Pension increase	3.30%	2.85%	1.95%
Discount rate	2.60%	2.00%	2.35%

Life expectancy assumptions from age 65

		2021-22 Years	2020-21 Years
Retiring today	Males	22.2	22.1
	Females	24.6	24.6
Retiring in 20 years	Males	23.7	23.6
	Females	26.1	26.0

The following information relates to the Lottery portion of the scheme only:

Statement of financial position disclosure

	2022	2021	2020
	£'000	£'000	£'000
Present value of funded liabilities	(96,304)	(99,185)	(80,961)
Fair value of employer assets	80,326	71,181	62,134
Present value of unfunded liabilities	(4,560)	(4,847)	(4,339)
Net liability in the Statement of financial position	(20,538)	(32,851)	(23,166)
Liabilities	(100,864)	(104,032)	(85,300)
Assets	80,326	71,181	62,134
Net liability in the Statement of financial position	(20,538)	(32,851)	(23,166)

15 Pension liabilities (continued)

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

	2021-22		2020-21	
	£'000	%	£'000	%
Equities	45,720	57	38,438	54
Target return portfolio	17,301	22	17,083	24
Infrastructure	8,184	10	5,695	8
Property	7,207	9	6,406	9
Cash	1,914	2	3,559	5
Total	80,326	100	71,181	100

Amounts recognised in the Statement of comprehensive net income

	2021-22	2020-21
	£'000	£'000
Service cost	700	622
Net interest on the net defined benefit liability	672	564
Administration expenses	100	88
Total	1,472	1,274

Re-measurements in Other comprehensive income

	2021-22	2020-21
	£'000	£'000
Return on plan assets in excess of interest	10,170	8,141
Other actuarial losses	-	-
Change in demographic assumptions	-	918
Change in financial assumptions	3,211	(19,221)
Experience gain	(70)	1,205
Total re-measurement (cost)/credit	13.311	(8,957)

15 Pension liabilities (continued)

Changes in the present value of the defined benefit obligation

	2021-22	2020-21
	£'000	£'000
Opening defined benefit obligation	104,032	85,300
Service cost	700	517
Interest cost	2,053	2,002
Change in demographic assumptions	-	(918)
Change in financial assumptions	(3,211)	19,221
Contributions by members	118	122
Curtailments	-	105
Estimated unfunded benefits paid	(260)	(260)
Experience gains	70	(12,051)
Estimated benefits paid	(2,638)	(852)
Closing defined benefit obligation	100,864	104,032

Changes in the fair value of the plan assets

	2021-22	2020-21
	£'000	£'000
Opening fair value of employer assets	71,181	62,134
Interest on assets	1,381	1,438
Return on assets less interest	10,170	8,141
Administration expenses	(100)	(88)
Contributions by members	118	122
Contributions by employer	474	546
Actuarial gains	-	-
Estimated benefits paid	(2,898)	(1,112)
Closing fair value of employer assets	80,326	71,181

15 Pension liabilities (continued)

Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	99,106	100,864	102,654
Projected service cost	631	651	670
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	100,961	100,864	100,766
Projected service cost	651	651	650
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	102,542	100,864	99,213
Projected service cost	670	651	632
Adjustment to life expectancy assumption	+1 Year	None	-1 Year
Present value of total obligation	105,788	100,864	96,179
Projected service cost	681	651	621

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2022 were £766k (2021: £737k). There were no amounts outstanding or pre-paid at 31 March 2022 (2021: £nil).

Contribution rates ¹	
Employee	Employer
3%	3% ²
4%	5%
5%	8%
6.5%	11%
8%	11%
10%	11%

¹ Contribution rates apply to all salary levels
² Relates to auto enrolment

16 Related party transactions

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

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

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

- The related party transactions are in relation to:
- awards made during the year ended 31 March 2022. Decommitments are shown in brackets;
 - awards unpaid at 31 March 2022;
 - supplier transactions during the year ended 31 March 2022;
 - unpaid supplier transactions at 31 March 2022.

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

16 Related party transactions (continued)

Relationship	Awards made in 2021-22 £	Awards unpaid at 31 March 2022 £	Supplier transactions in 2021-22 £	Unpaid supplier transactions at 31 March 2022 £
English Sports Development Trust Limited				
Payable by Sport England	1,493,080	863,514	-	-
Nick Bitel				
Consultant to advisors of Rugby Football Union	1,795,000	95,000	-	-
Director, English Sports Development Trust	1,493,080	863,514	-	-
Partner: Member, Lawn Tennis Association	1,535,030	38,668	-	-
Partner: Member British Triathlon Federation	1,296,574	7,052,036	-	-
Board Member: UK Sport	-	-	3,360	-
Chris Grant				
Consultant, UK Sport	-	-	3,360	-
Consultant, The Football Association	429,650	3,131,300	-	-
Karen Pickering MBE				
Member, Swim England	1,296,134	116,000	-	-
Imm. Family: Swim England	-	-	-	-
Andy Long				
Imm. Family: Member, Swim England	1,296,134	116,000	-	-
Imm. Family: Member, England Netball	3,352,680	19,204,040	-	-
Imm. Family: Member, British Rowing	916,275	1,091,275	-	-
Member, Partner, National Trust	620,850	2,431,511	-	-
Rashmi Becker				
Member, One Dance UK	144,137	-	-	-
Member, CIMSPA	4,955,000	1,725,000	-	-

16 Related party transactions (continued)

Relationship	Awards made in 2021-22 £	Awards unpaid at 31 March 2022 £	Supplier transactions in 2021-22 £	Unpaid supplier transactions at 31 March 2022 £
Tove Okunniwa				
CEO, London Sport Limited	643,628	13,553,061	-	-
Member, British Cycling	3,999,556	23,350,000	-	-
Director, English Sports Development Trust	1,493,080	863,514	-	-
David Mahoney				
Director, England and Wales Cricket Board	1,202,500	265,687	-	-
Tim Hollingsworth OBE				
Board Member, Football Foundation	3,253,553	17,791,436	-	-
Lisa O'Keefe				
Director, English Sports Development Trust	1,493,080	863,514	-	-
Member, British Mountaineering Council	314,385	2,190,875	-	-
Member, British Cycling	3,999,556	23,350,000	-	-
Alison Selfe				
Imm. Family: Member, British Cycling	3,999,556	23,350,000	-	-
Kevin Mills				
Member, Royal Yachting Association	930,474	3,825,000	-	-
Ali Donnelly				
Member, Rugby Football Union	1,795,000	95,000	-	-
Al Strang				
Member, Lawn Tennis Association	1,535,030	38,668	-	-
Phil Smith				
Member, Track Academy	141,200	108,800	-	-

16 Related party transactions (continued)

Relationship	Awards made in 2021-22	Awards unpaid at 31 March 2022	Supplier transactions in 2021-22	Unpaid supplier transactions at 31 March 2022
	£	£	£	£
Graeme Dell				
Member, The Football Association	429,650	3,131,300		
Sir Chris Boardman				
Advisor, British Cycling	3,999,556	23,350,000		
Araba Webber				
Member, National Trust	620,850	2,431,151		
Ian Courts				
Member, British Triathlon	1,296,574	7,052,036		
Member, National Trust	620,850	2,431,151		

17 Derivatives and other financial instruments

Sport England Lottery relies on its share of proceeds from the National Lottery, with some partnership funding to finance its operations. Items such as trade receivables and trade payables arise from its operations. Sport England does not enter into derivative transactions.

Sport England Lottery undertakes all transactions in Pound Sterling and therefore has no currency exchange risk. Sport England

does not enter into any forward foreign currency contracts or similar financial instruments.

Sport England Lottery does not borrow money and therefore has no exposure to interest rate or liquidity risk in this regard.

Cash balances are held in a commercial bank account and attract market rates of interest.

Liquidity risks

The bulk of the financial assets of Sport England Lottery are held by the NLDF.

The Board recognises that their grant commitments and other payables exceed the value of funds in the NLDF. However, the Board considers that Sport England is not exposed to significant liquidity risks as they are satisfied that Sport England will have sufficient liquid resource to cover all likely grant payments and other liabilities in the coming year.

If there was a long-term decline in Lottery income the Board would adjust its annual grant budgets to compensate for the decline.

18 Ultimate parent body and domicile

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and

Sport, which classifies the ESC as a non-departmental government body. The ESC was originally established by Royal Charter in 1972 (as The Sports Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE11 3QF.

19 Events after the reporting period

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

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