



**SPORT
ENGLAND**

**Annual report
and financial
statements
2013-14**

**The English Sports
Council Grant-in-Aid
and National Lottery
Distribution Fund
annual report and
financial statements for
the year ended
31 March 2014**

The English Sports Council

Grant-in-Aid

and

National Lottery Distribution Fund

Annual Report and Financial Statements for the year ended 31 March 2014

Annual Report presented to Parliament pursuant to Section 34 (3) of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998) and Accounts presented to Parliament pursuant to Section 35(5) of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998 and the National Lottery Act 2006).

Ordered by the House of Commons to be printed on 10 July 2014

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This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474106870

Web ISBN 9781474106887

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 12061405 07/14

Printed on paper containing 75% recycled fibre content minimum

Contents

Chair's Forward	2	Grant-in-Aid and Group Financial Statements	53
CEO's Introduction	3	The Council's and Chief Executive's responsibilities	54
Strategic Report	4	Independent auditors report	55
Who we are	4	Index to the financial statements	57
Our strategy	4	Statement of comprehensive net expenditure	58
How we work	5	Statement of financial position	59
Measuring our impact	8	Statement of cash flows	60
Progress against our strategic priorities	10	Statement of changes in taxpayers equity - Group	61
Participation	10	Statement of changes in taxpayers equity - Council	62
Talent	19	Council	
Facilities	22	Notes to the financial statements	63
Directors' Report	27	National Lottery Distribution Fund Financial Statements	93
How we work	27	The Council's and Chief Executive's responsibilities	94
Financial review	32	Comptroller and Auditor General report	95
Remuneration Report	37	Index to the financial statements	97
Governance Statement	43	Statement of comprehensive net expenditure	98
		Statement of financial position	99
		Statement of cash flows	100
		Statement of changes in equity	101
		Notes to the financial statements	102

Chair's Foreword



My first year as Chair of Sport England has been both challenging and productive.

During the course of the year, we welcomed Kate Bosomworth, Ian Drake, David Goldstone CBE, Sally Gunnell OBE DL, Debbie Jevans CBE, Charles Reed and Mark Spelman to the Sport England Board. They joined Clare Connor OBE, Hanif Malik and Peter Rowley. This level of change could have proved a challenge to some organisations, however, thanks to hard work from the entire Board as well as leadership from Jennie Price and the support from the rest of our Sport England colleagues, the induction process went very smoothly and we are already benefitting from their experience and expertise. I would also like to record my thanks to Sadie Mason, Mich Stevenson, James Stewart and Peter Stybelski who left the board during the course of the year having completed their terms of office.

Our principal focus over the last 12 months has been to ensure that our investments bring us the return we are seeking – more people playing sport once a week, every week and to re-evaluate how sport is delivered in this country.

During the period 2012-17 Sport England will invest over £1 billion into community sport to do just this. We are funding

programmes, projects and facilities in communities across the whole of England. I am confident that our investment strategy is robust and responsive, built as it is on insight and intelligence.

But it is not our investment alone that will have an impact, the Board and I continue to be impressed by the high level of expertise that exists within Sport England as well as the open and collaborative approach the organisation takes with partners inside and outside the sporting sector.

We are making an impact. Figures published in December 2013 showed that 15.5 million people play sport regularly - that is 1.5 million more than when London won the bid to host the 2012 Games. I was particularly delighted to see record numbers of disabled people playing sport. But we know there is much more to do if sport is to become a lifelong habit for everyone.

I look forward to working closely with all our partners, both existing and new, over the next 12 months to help us achieve this.



Nick Bitel
Chair of Sport England

CEO's Introduction



As I write, Sport England is close to the mid-point of its 2012-17 youth and community strategy, and we have just completed the first year of our new

four-year investment cycle into NGBs. Our goals remain consistent: investing in community sport to get more people to play sport regularly, especially young people and disabled people, and supporting and improving talent systems in England.

Increasing participation is no easy task. There is no international road map to follow. At its heart, this is a behaviour change challenge which will take time. So far, we and our partners have made good progress in introducing people to a wider range of sports and different ways of playing them, but it is proving much tougher to keep people playing once a week, every week.

Whilst the numbers are creeping steadily upwards, we have still not broken out of the traditional patterns of regular sport being a minority occupation, most especially for women and girls where numbers are increasing but the gender gap remains stubbornly present at all ages.

But we and many of our partners have got much better at understanding the motivations and barriers to participation. During the year we have seen a significant increase in insight capacity both in Sport England and in key partners, including some of our largest NGBs. We need now to be brave enough to go where that improved insight takes us and put the individual player at the heart of our work.

I think we are getting close to that major breakthrough, and it is notable that many of our international equivalents, including Australia, Canada, New Zealand, and even

the Scandinavian countries where participation rates are generally higher than in England, are drawing on Sport England's strategy, especially our approach to insight, how we manage our investments and our partnership approach.

This year we have had to make some difficult decisions about reducing funding to some NGBs that are not growing the number of people playing their sports. These were not taken lightly. We committed to a robust payment for results regime when we gained Government support for our current strategy and £1 billion investment in community sport, and we need to stick to it if we are to retain that support. I want to make it absolutely clear that in every case the decommitted funds will be invested elsewhere in the same sport, so grassroots football, for example, will not lose out. The £1.6 million taken from the Football Association will go into creating a 'City of Football' where strong local partnerships unite around encouraging more youngsters - and the not so young - to play the game.

Finally, I would like to thank all of our funded partners and stakeholders for their support during the year - hundreds of people within grassroots sport are working incredibly hard to increase the number of people playing sport, many of them working in different ways and with new partners. I want to continue to support their efforts so that sport becomes a majority occupation.

A handwritten signature in black ink that reads "Jennie Price." The signature is written in a cursive, flowing style.

Jennie Price
Chief Executive Officer

Strategic report

Who we are

Sport England is the Government agency working with grassroots sport. We were established in September 1996 as the English Sports Council and became fully operational as Sport England on 1 January 1997.

We are responsible for managing and distributing public investment and are a statutory distributor of funds raised by the National Lottery under the provisions of the National Lottery etc. Act 1993 (as amended).

Our strategy

Sport England's Youth and Community Sport Strategy 2012-17 will see an investment of around £300 million a year (£299.1 million in 2013/14) of National Lottery money and Grant-in-aid in programmes designed to increase the number of people playing sport for at least 30 minutes once a week, every week. Sport is defined very widely to include many forms of physical activity including running, gym, cycling and exercise classes.

The early signs of a participation legacy from the Olympic and Paralympic Games are promising with an overall upward trend and 1.5 million more people playing sport once a week than when London won the bid in 2005. Although overall progress is positive and young people still play the most sport, increasing their participation is proving to be the toughest challenge, and this will remain a strong focus for us over the coming year and beyond.

We have three strategic priorities:

- **Participation:** Helping as many people as possible play sport regularly, regardless of their age, gender or ability. We are particularly focussed on creating a sporting habit for life in younger people, disabled people and more recently women

- **Talent:** Investing in developing and nurturing talent to create a talent pool from which the World Class Programme funded by UK Sport can draw and to help young people from all backgrounds reach their sporting potential
- **Facilities:** Investing in sporting facilities across England, and fulfilling our statutory role in planning applications relating to playing fields.

Our goals are:

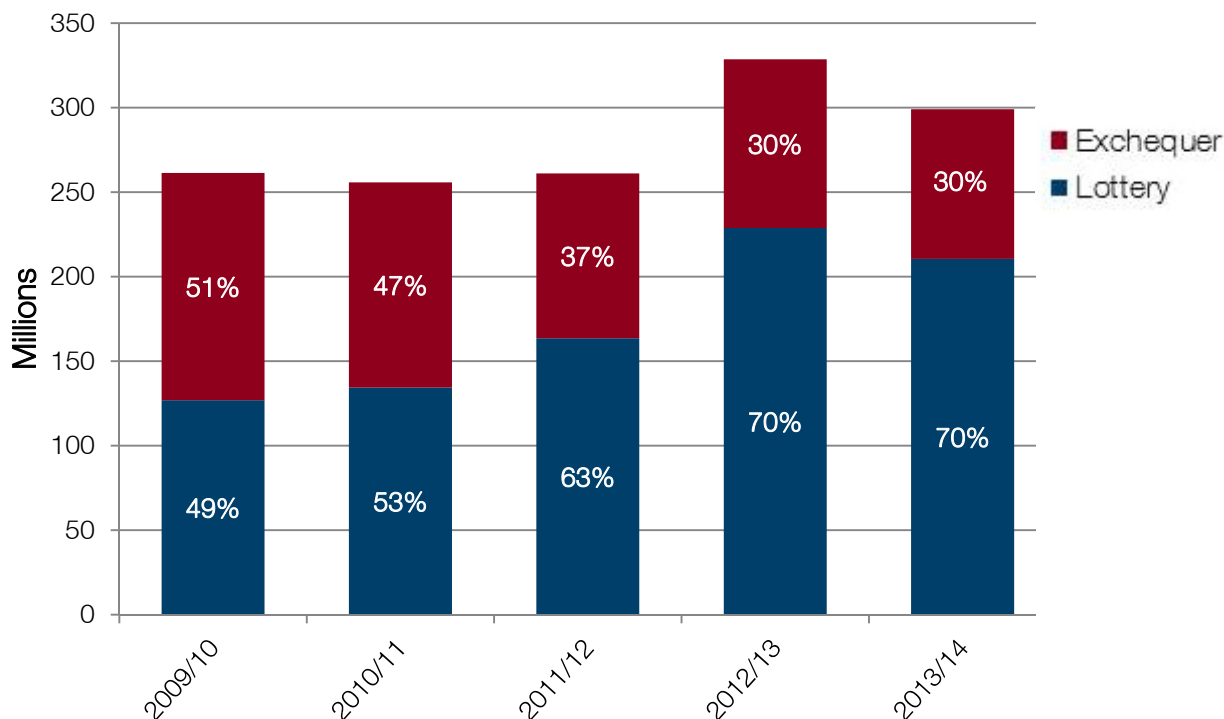
- To increase the number of people over the age of 14 who play sport at least once a week for 30 minutes at moderate intensity, as measured by the Active People Survey
- To increase the number of disabled people who play sport regularly as measured by the Active People Survey
- To ensure our national governing bodies of sport (NGBs) use our investment to develop and nurture talented athletes and meet the specific objectives we have agreed with them
- To invest in sports facilities across England so that people have safe, attractive places in which to play sport.

How we work

We make strategic investments to achieve our goals. In 2013/14 we received £210.5 million of National Lottery funding and £88.6 million of Exchequer, or Grant-in-aid, funding. Over the period 2012-17 we will invest over £1 billion of Exchequer and

National Lottery funding. We support our investments by providing advice, expertise and insight to ensure they have the desired impact.

Where does our money come from?



Our investment strategy is based on evidence and insight. During 2013/14 we increased our insight capacity to ensure that insight and understanding underpin all our strategic thinking, establishing a dedicated directorate with expertise in research and analysis, business engagement, information management and behavioural change.

This structural change also reflects the increasing emphasis we are placing on using behavioural change and social marketing principles and techniques to increase participation.

We recognise that a better understanding of the motivations of particular population groups and the barriers which may deter them from developing new habits as well as how best to engage with them are essential if we are to design or invest in effective interventions.

While around half of our grant funding is invested through national governing bodies, we are actively developing a mixed economy within the community sport sector.

Creating a mixed economy for outdoor sports with the National Trust

We have been working with the National Trust since 2012/13; running a pilot to explore the possibility of engaging Trust visitors in sport and physical activity.

During 2013/14 we rolled the project out nationally and saw over 40,000 people taking part in sport on Trust properties. Of these, one third went for a day out with the National Trust and coincidentally discovered a sporting opportunity and over 10,000 were new to sport.

Together we will be expanding this programme during 2014/15, offering a wider range of informal sporting opportunities.

For the National Trust the project is to reposition itself to a younger audience while Sport England benefits from the association with a highly trusted brand with over 4 million members.

Where appropriate we go out to tender to seek new partners able to deliver growth in

particular sports (or groups of sport) but we will always ensure that it adds up to a coherent plan for that sport, based on what the evidence is telling us about how people might like to participate.

As a result we are working with all of the providers of sport including community groups and charities, private sector operators and professional clubs.

We also work closely with local authorities who remain the single biggest investor in community sport spending around £1 billion every year. As well as investing in and collaborating on specific participation activities including through our £47.5 million Community Sport Activation Fund, we encourage local authorities and other facility owners to plan, protect and invest in facilities based on local need and sustainable business plans to reduce operating subsidies. In 2013/14 we also invested £35 million (core and programme funding) into the network of County Sports Partnerships which continue to be valued key partners.

All of our investments are evaluated to ensure they are providing value for money, that we understand the impact they are having and the lessons they teach.

Priorities and actions

2013/14

- Put in place four year funding contracts for 46 national governing bodies of sport, and support them during the first year of delivery of their participation and, where appropriate, talent and disability outcomes
- Refine, agree and begin to operate our payment for results process
- Roll out our key youth programmes, especially satellite clubs
- Design and launch a new work strand on participation by women
- Continue our investment in facilities
- Respond to the exceptional winter weather by launching a Flood Relief Fund

2014/15

- Support our key investment partners, including NGBs, in delivering increased participation
- Develop a better understanding of how habits are created and sustained to increase the long-term value for money of our investment
- Take a more mixed economy approach where appropriate but always maintaining a coherent strategy for individual sports
- Undertake more work with people who are currently inactive but would like to try some sport or exercise including supporting those with mental health problems and other long term conditions
- Invest in a Talented Athlete Scholarship scheme
- Launch a new Talented Athlete Bursary scheme
- Develop comprehensive delivery plans with a number of local authorities that allow them to maintain strong facility delivery strategies within tight spending constraints
- Work with the industry to ensure new sports facilities can be procured cost effectively

Measuring our impact

Our primary performance indicator is the number of people playing sport at moderate intensity for at least 30 minutes a week and is measured by the Active People Survey (APS).

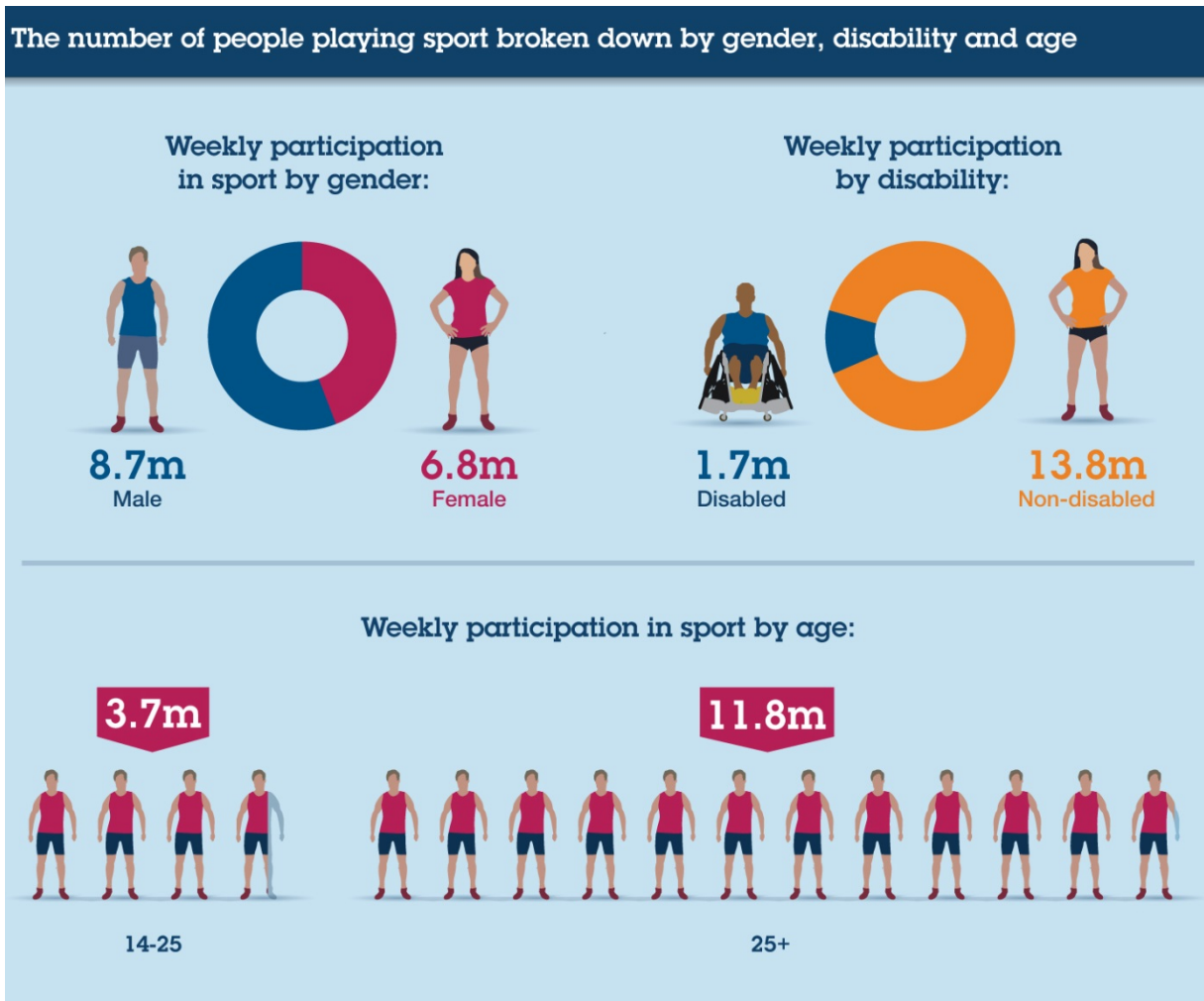
A rolling annual survey of over 160,000 people APS is the largest evaluation of leisure in Europe and provides us with rich intelligence on sport in England, who plays sport, what they do, how often and how this changes over time.

The APS results published in December 2013 covering the period October 2012-

October 2013 revealed that 15.5 million people aged 16 and over played sport regularly, an increase of over 1.5 million since London won the bid to host the 2012 games.

The figures confirmed that we are the first host nation to have delivered a sustained increase in the number of people playing sport after an Olympic and Paralympic Games.

The APS figures published in December 2013 included data on 14 and 15 year olds. By including the sporting habits of this



younger age group, the aim is to generate a clearer understanding of when sporting habits are made and broken and inform more targeted interventions.

The baseline data reveals that 906,700 14 and 15 year olds (530,800 boys and 375,900 girls), or 71 per cent, currently play sport for at least 30 minutes once a week.

This brings the total number of people aged 14 and over playing sport to 16.4 million.

The insight APS provides is used by many governing bodies and local authorities – as well as Sport England – to help them develop the right activities in the right places.

Important as it is, the Active People Survey is not the only way we measure the impact of our interventions. We also have project and programme specific evaluation processes which tell us what impact different specific interventions are having.

Progress against our strategic priorities: participation, talent and facilities

Participation

NGB Investment

The major proportion of our investment and of our expertise and focus is on helping more people to do sport – which is widely defined to include most forms of exercise regularly, that is once a week, every week.

The first quarter of 2013/14 saw contracts with the 46 NGBs for their 2013-17 Whole Sport Plans being finalised. They set participation targets for 14-25 year olds, those aged 26 and over, and disabled people, as well as for their talent plans. The contracts also set out the payment for results approach we are taking with these investments by which we will reward success and penalise failure to ensure the NGBs are delivering results and value for the public money they receive. NGBs failing to achieve annual targets risk losing up to 20 per cent of their future funding.

Active People Survey results published in December 2013 revealed 15.5 million people playing sport once a week, every week with sports like cycling, running, boxing and swimming all showing growth.

Following the publication of these results the 46 NGBs reported against their targets and during January 2014 we reviewed all our NGB investments. As a result, in March 2014 we announced the action we were taking against the NGBs which had missed one or more of their agreed first year targets. This included withdrawing a total of £2.8 million of funding from six NGBs (the Football Association, England

Golf Partnership, England Netball, England Hockey, British Mountaineering Council and British Rowing) all of which had seen the number of people who play their sport regularly fall. All six, in our view, needed to make significant changes to their approach to growing their sport. Sport England will reinvest funds in the same sports, but outside the NGB, during 2014/15.

“I want these decisions to send a clear message to those NGBs who need to change. This year, we are removing up to 10 per cent of their future investment, and we will be working with them to improve their plans. I want to reassure people who play those sports that they won’t lose out – we will still fund them, but through other bodies, such as local authorities or charities.

“Where we think NGBs are doing the right things to encourage people to play their sport we are backing them by giving them another year to prove their plans can deliver results.”

Jennie Price, CEO

A further three NGBs (England and Wales Cricket Board, Badminton England and Rugby Football Union) were put on notice that they must deliver growth by December 2014 or lose money.

During the year, we also reviewed the progress made by the six NGBs (the Amateur Swimming Association, Lawn Tennis Association (LTA), England Basketball (EB), England Table Tennis Association, British Fencing and England Squash and Racquetball) which received investments for participation for just 2013/14.

In all cases we were not satisfied that sufficient progress had been made to justify commitment to a further three years of investment. In the case of the LTA and EB we agreed to take a mixed economy approach, spreading our investment in the sport beyond the NGBs.

A mixed economy approach in basketball

In January 2014 we decided to increase our investment into basketball to £9 million in 2013-17, announcing new investments in the professional British Basketball League Foundation and leading community provider Reach and Teach to increase participation particularly among young people.

At the same time we reduced our investment in England Basketball, asking it to focus its attention on its satellite clubs activity and support for talented players.

Dedicated youth programmes

The stereotype of a younger generation lying on the sofa and never going outside is belied by the statistics. Younger people are much more active than the general population with the participation rate of 53.7 per cent for 16-25 year olds compared to just 35.7 per cent for the general population.

What is extremely challenging is growing the numbers of young people playing sport. The APS figures published in December 2013 for 16-25 year olds showed a small decline of 51,000 over the previous year to 3.74 million.

The long term trend at best is flat. We are committed to reversing this trend and as we review our investments during 2014/15 we will use our growing insight into young people to adapt and expand our programmes as necessary.

While at least 60 per cent of our NGB investment supports young people playing sport, Sport England has a number of its own programmes to help young people play sport and keep them playing, including Satellite clubs, Sportivate and Active Universities, as well as the Sainsbury's School Games.

Satellite clubs

There is strong evidence that young people drop out of sport when they move from one environment to another. Using this insight we have designed programmes to help young people through these transitions. Satellite clubs is our biggest single intervention to address this issue.

Satellite clubs are aimed at young people aged 11 to 25. Although they are located on school and college sites, in most other respects they feel like a regular community sports club run by volunteers and coaches

linked to a local sports club (the hub to which this club is a 'satellite') rather than teachers.

The young person will therefore be able to play their sport in a familiar place – literally and figuratively close to home – but will get used to a club-like environment, and often move to playing at the hub club with people and coaches they have already got to know.

Oarsome progress



London Youth Rowing received £2 million of National Lottery funding to establish 110 satellite clubs by 2017.

The project introduces young Londoners to rowing, initially getting them used to the sport on rowing machines before taking them on the water at one of 11 centres.

To mark the start of the project, in October 2013 LYR organised an indoor rowing challenge with over 400 young people competing.

Competitors at the LYR indoor rowing challenge.

Over the period 2013-17 we will invest almost £50 million into Satellite clubs and expect to have established at least 5,000 by then, which means every secondary school in England will be able to have at least one satellite club on their site.

By 31 March 2013 over 2,000 satellite clubs had been established and had welcomed over 90,000 young people through their doors. Responding to local demand, over 10 per cent of clubs were female-only and 4 per cent had a specific disability focus.

Sportivate

Sportivate is a £58 million programme that gives youngsters access to six to eight weeks of coaching in a range of sports, from conventional sports like basketball and tennis, to wakeboarding and parkour (free running). It is organised at local level by county sports partnerships, and the choice of sport varies according to the geography and the preferences of the local young people.

Drawing on insight gained from earlier programmes, Sportivate offers a wide choice of activities, with sessions being carefully designed to take account of preferences on timing, location and clothing. This has proved key to attracting almost 400,000 young people to the programme. Moreover the commitment to helping them find low cost ways of staying in their chosen sport has boosted retention rates with typically over 80 per cent still playing the sport three months later.

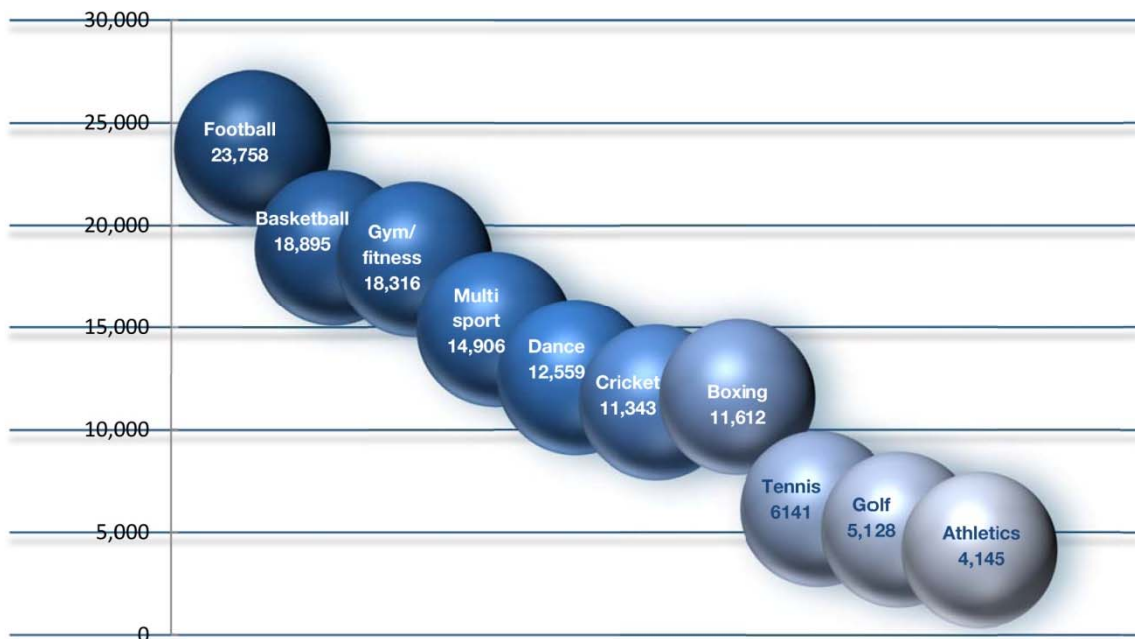
From taster session to track-cycling success

Every week, thousands of young people find the sport for them through Sportivate sessions. Once in a while, one of those young people reveals themselves to be a real talent.

Rebecca Raybould, 15, was spotted on a Sportivate session at Bournemouth's outdoor velodrome. She had never been track cycling before and has now been selected to represent Great Britain in the under-16 Great Britain Olympic Development Squad for Track Cycling.

"Sport is a really big part of my life now, it's a really good way of expressing who you are and who you want to be. I hope to be the best that I can be, and I would like to become an Olympic Champion. If it wasn't for Sportivate I would probably be doing nothing."

Sportivate sports by number of players



Active Universities

This £8 million fund has seen 41 projects benefiting over 50 higher education institutions run over the last three academic years ending in June 2014.

By January 2014, over 135,000 students had taken part in the various activities (over 10 per cent above the target for the whole programme) and participation levels in each institution increased, particularly among female and disabled students.

Universities have often tended to focus their sports offer around highly competitive competition.

Active Universities projects were designed to respond to what the students want from informal intramural activities and turn up and play mixed sport sessions to beach competitions and less formal and more fun matches which do not contribute to a league table. Activities such as glow in the dark sport sessions to music and innovative running sessions such as 'zombie run' have also proved popular with students.

Sainsbury's School Games

The Sainsbury's School Games offers school children the chance to compete in four levels of competition – within their schools, against local schools, county finals and national (elite) finals.

Over 17,000 schools (65 per cent of all schools) have signed up and are part of the Games. In 2013, over 125,000 children took part in the county finals and the national finals were staged in Sheffield and involved over 1,600 competitors and some 400 young volunteers.

The Games are delivered at a national level through partners including the DCMS, Department for Education, Department of Health, Sport England, Youth Sport Trust, Association for Physical Education, ParalympicsGB and sports governing bodies.

Making sport a practical choice for disabled people

Currently 1.67 million disabled people play sport at least once a week compared to 1.61 million in 2012 and 1.32 million in 2005.

This is the highest number ever recorded and is starting to look like the beginning of a profound change. The work we are doing in this area and our investment does seem to be having a real impact.

However, non-disabled people are still twice as likely to play sport as disabled people (39.2 per cent compared to 18.5 per cent) which is why Sport England continues to focus attention and investment to address this imbalance.

Over the period 2013-17, Sport England is investing £171 million into making sport a practical lifestyle choice for disabled people and getting more disabled people playing sport regularly.

This includes £91.5 million in the four Paralympic NGBs and 38 NGBs with inclusive participation programmes; £18.2 million in two rounds of the Inclusive Sport fund; and £1.98 million invested in EFDS and £1.37 million into seven National Disability Sports Organisations to help more disabled people access sport.

It also includes Get Equipped for disability sports equipment which was launched in September 2013, with over 140 local sports clubs benefitting from grants totalling £1.1 million which were announced in February 2014.

Sailing for all

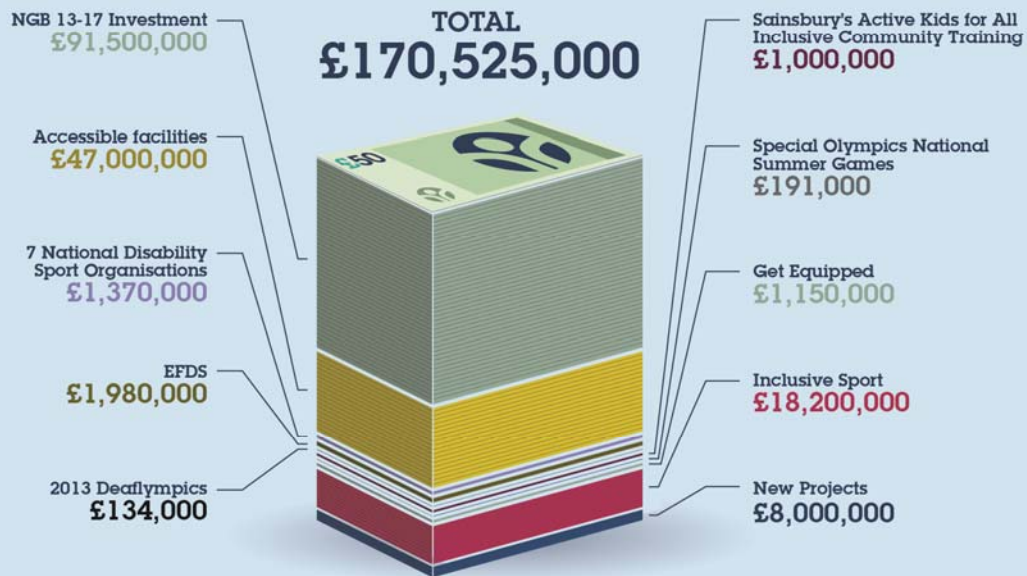
Carsington Sailability received £10,000 from the Get Equipped fund to buy a hoist for transferring disabled sailors into and out of boats as well as a specially designed dinghy.

"There is a demand for sport amongst the disabled community in Derbyshire and the new equipment will enable us to make more sailing opportunities available through the season.

"Having a second hoist will make transfers to and from wheelchairs quicker, enabling more sailors to get on the water. The new 303 Access Dinghy will provide two additional places per sailing session for people taking part in our programme, thereby increasing the opportunities for Sailability members to sail more often."

Malcolm Torry, Carsington Sailability

The total amount Sport England has invested in disability sport and a breakdown of the specific investments through Inclusive 1, Inclusive 2 and Get Equipped



Disabled people's top five sports



Sport for women

In December 2013 we reported that 6.83 million women aged 16 years or over (30.8 per cent) played sport once a week, an increase of 580,800 since 2005.

This is the second highest result ever recorded and the continued growth in the number of women taking part is positive but while the gap between the number of men and women who play sport regularly is getting slightly narrower, it still exists.

Sport England is committed to increasing the number of women who play sport and do physical activity regularly. We know that to achieve this we need to take a different approach.

As well as encouraging the national governing bodies of sport to think about what women might want to do and how they might want to do it when designing participation programmes for women, we fund the Women's Sport and Fitness Foundation to provide advice and expertise to NGBs among others.

Sport England also supports the very large numbers of women who favour physical activity which falls outside the direct control of NGBs, like gym and fitness training, through our facilities investment and our strong partnerships with local authorities and private providers.

But we felt there was still more that Sport England could do. In May 2013 we announced an intensive sporting experiment in Bury to get more women and girls active and tackle the gender gap in sport.

The £2.3 million Lottery-funded campaign is being led by Bury Council, working closely with partners across the private, public and voluntary sectors. Originally envisaged as a year-long pilot, in March 2014, we agreed to extend the activity to enable sustained behaviour change to be achieved and genuine learnings obtained.

The project is for the first time testing both what sporting offers are attractive to women and will keep them playing as well as creating an environment which encourages and supports women to play sport and in which women and girls doing sport is seen as "normal" by both women and men.

Using the campaign banner *I Will If You Will*, this is a behaviour change campaign which involves understanding local women, their lifestyles, their social networks, sport habits, what they are looking for from sport and physical activity and then designing programmes of activity in response, backed up by a marketing campaign.

The campaign is already having an impact. Interim figures from January 2014 showed that there were 27,300 women (35.5 per cent) in Bury playing sport at least once a week, 3,200 more women than six months previously.

The work is being closely monitored and evaluated to provide a blueprint for other places in England to replicate in future, with key learnings and insight shared as soon as they are known.

Sport for change

In 2013/14 we continued to invest in projects, programmes and organisations such as StreetGames, Access Sport and Greenhouse that use sport for social change whilst helping us achieve our strategic priority of getting more young people playing sport regularly.

Our investment in the Dame Kelly Holmes Trust (DKHLT) is a good example of this. We are investing £6.9 million over the period 2012-17 in the Trust's Get on Track programme which uses the power of sport to engage highly marginalised young people, aged 16-25, to enhance their life skills (education/employability) whilst also kick starting a life-long sporting habit. The

programme is having real impact. By the end of 2013/14 (year two), it supported almost 800 young people through 36 projects, with around 85 per cent of them still doing sport three months after the end of the programme and almost 70 per cent engaged in education, employment or training within three months of the end of the programme.

Research undertaken by the DKHLT shows a significant social return on our investment. Each £1 invested into Get on Track produces a return of £2.50 of social value, based on an assessment of the amount of change that took place due to Get on Track.

Talent

Sport England is investing over £80 million to support talented athletes. Of the 43 NGBs where Sport England supports talent, 24 received an increased investment for the 2013–17 cycle, compared to 2009-13.

Our talent investment has three complementary objectives: developing and nurturing talent to create a talent pool from which the World Class Programme funded by UK Sport can draw progression within and beyond the talent pathway; diversifying and broadening that talent pool by providing access and opportunity for more athletes regardless of their background or circumstances; and ensuring that the talent system is effectively integrated with community, education and performance sport sectors.

During 2013/14, 40 of the 43 NGBs met or exceeded expectations of their talent development targets. To support their work, Sport England provides expert help including guidance and support for some sports to help them more clearly define and articulate their England Talent Pathway and technical advice on talent development provision to a number of the larger sports with more mature pathways and in receipt of significant Sport England funding.

We also assisted 12 sports in the recruitment of new talent pathway personnel; ran a programme of cross sport talent workshops on athlete profiling; and held a two-day seminar for talent pathway professionals facilitating cross-sport interaction, discussion and sharing of best practice.

We continued to work closely with UK Sport to ensure good alignment and connectivity between the England Talent Pathway and its world class investment in Olympic and Paralympic programmes.

Alongside our NGB investment, we have also supported other National Partners involved in supporting talented athletes.

For example, our core investment of £320,000 into Sports Aid helped generate over £1 million which supported 1,200 young talented English athletes across 43 sports.

During the year Sports Aid received a further £500,000 from Sport England which was allocated to an additional 400 talented athletes (150 of whom were disabled) as a contribution towards the personal costs that they incur such as travel, accommodation and equipment.

During the year we continued to invest in Commonwealth Games England with our funding supporting the underpinning infrastructure; core functions and key activities carried out by the organisation including the essential planning and preparation required to ensure that Team England can perform at its optimum level and achieve significant medal success at the Glasgow 2014 Commonwealth Games.

In 2013/14 we provided additional Lottery funding of £1 million in total across nine sports (athletics; bowls; judo; shooting; swimming; table tennis; triathlon; weightlifting and wrestling) to support the training and preparation programmes of English athletes who are seen as strong medal prospects for the Glasgow 2014

Commonwealth Games but are not in receipt of funding through UK Sport England World Class programmes. Finally, Commonwealth Games England also received £200,000 to support the Queen's

Baton Relay, enabling the organisation to engage communities across England to get behind Team England and encourage more people to take part in sport in the run up to the Games.

Updating our talent strategy

During the second half of the year we produced an updated and revised Talent Strategy to guide and steer our talent investment and work programmes through to March 2017 and beyond.

The new strategic framework, endorsed by the Board in March 2014, provides a sharper definition of our talent aims, objectives and rationale.



Supporting elite performance

Alongside our investment in talent development, Sport England continues to invest in and support the high performance and England elite programmes in three important non-Olympic sports – netball; squash and women’s rugby.

All three sports achieved significant success in international competition during 2013/14:

- **Netball** – England won 12 of its 13 test matches
- **Squash** - England Men became world team champions; England number 1 male player Nick Matthew become individual world champion for the third time and returned to the top of the world rankings; and Laura Massaro, the leading England female player, retained her number 2 world ranking for much of the year
- **Women’s Rugby** – England came second in the 2014 six nations championship.

Facilities

We know that good sports facilities are essential if we want more people to play sport. This year we continued to invest in facilities, supporting hundreds of small,

local clubs as well as a number of major projects. Over the period 2013-17 our total investment into facilities will be over £265 million.

Inspired Facilities

By the end of 2013/14, some 1,300 community and local sports clubs had received funding totalling over £71 million from this popular fund since its launch in 2011.

Investment is available for sports clubs, local authorities, schools and parish

councils to help fix facilities that can be unattractive, expensive to run and difficult to maintain, and to convert existing buildings into venues that are suitable for grassroots sport. We have fixed roofs, installed new shower blocks, put in new boilers and put up floodlights.

Bringing life back to Wigan Judo Club

“Sport England's £50,000 grant has given Wigan Judo Club a new lease of life. We've turned around from struggling in the doldrums and facing obsolescence following an arson attack to looking forward to the future with eager anticipation. It's not just a question of the money but the support, insight and motivation have been a real boost to morale.

“We're about to place some junior competitors in the National Championships, which would have been unthinkable just one year ago!”

Phil Sullivan, Head Coach of Wigan Judo Club

Protecting Playing Fields

Playing fields are one of the most important resources for sport in England but many of them are waterlogged or in a state of

disrepair, so we are investing £33 million of National Lottery funding into improving community sports fields.

The programme is delivered via eight funding rounds. In the first five rounds 336 projects have benefited from £18.4 million,

with almost 1,000 pitches and nearly 3,500 acres protected and improved.



Flood Relief Fund

Last winter saw extensive flooding and storms affecting large parts of England. This damaged many community sport facilities as well as homes and businesses.

We wanted to help communities get back to normal and in February 2014, announced a £5 million flood relief fund to help repair sports pitches and facilities.

The most affected sports included hockey, rugby and football due to waterlogged pitches, and water sports where many clubs are on riverbanks or in coastal areas. Our first priority was to assess the damage and consult with the worst affected areas and sports to set priorities.

Clubs, charities and similar organisations in a position to act quickly could request up to £2,000 of emergency funding which could be awarded within three weeks. Gloucester All Blues Rugby Football Club, Ashton on Mersey Cricket and Tennis Club in Cheshire and Bolton Sailing Club were among the first clubs to receive support. Those with

extensive damage were invited to apply in March. It remains open until September 2014 so those unable to make an immediate damage assessment can apply.

Rain stops play

"We lost 15 weekends in the space of two years because of water-logging. Sport England's grant of £46,000 ensured we can continue to grow youth rugby."

Mark Armstrong, Chairman of Birmingham Rugby Club

Strategic Facilities Fund

The Strategic Facilities Fund, the successor to our Iconic Facilities Fund, directs capital investment into a number of key local authority projects selected on the basis of the strategic needs and the impact they will have on increasing and sustaining community sport participation.

Sport England investment generally unlocks significant levels of third party funding from

the public and private sectors and national governing bodies of sport (NGBs). The fund is also designed to encourage applicants and their partners to invest further capital and revenue funding to ensure sustainability. Sport England has allocated a budget of £40 million of National Lottery funding to this fund over the period of 2013-17.

Improvement Fund

The Improvement Fund awards capital grants worth £150,000 to £500,000 into sustainable projects with a clear local need to fund medium-sized projects that will improve the quality and experience of sport.

It bridges the gap between our Strategic Facilities Fund which invests in large-scale, multi-sport facilities and our Inspired Fund which supports small-scale community projects.

Between 2013 and 2017, Sport England will invest £50 million of Lottery funding through the Improvement Fund into medium-sized projects to improve grassroots sport facilities.

In the second round of funding made during 2013/14, a total of £9.6 million of National Lottery funding was awarded to 28

projects to make their facilities more efficient and sustainable and so save money.

With a typical sports clubs spending around 30 per cent of its running costs on energy, and about £10,000 each year on electricity alone, we are keen to encourage them to become more environmentally sustainable and potentially reduce their energy bills by 10-20 per cent.

Projects to receive funding included Taunton Vale Sports Club, which has been awarded £273,318 to refurbish its existing hockey pitch and install LED lighting across the club, as part of improvement works costing £500,000 and Southwark Council which received £252,000 to improve the energy efficiency of 'Peckham Pulse' healthy living centre.

Working with local authorities

Sport England recognises the financial pressures that local authorities face and the need to review and rationalise leisure stock

strategically so that cost effective and financially sustainable provision is available in the long-term.

Sport England has a key role to play in the sector, from influencing the local strategic planning and review of sports facility provision to investing in major capital projects of strategic importance.

Using bespoke strategic planning tools and guidance on affordable design, costs, procurement and management, our expert facilities team is able to help partners deliver the right facilities in the right places.

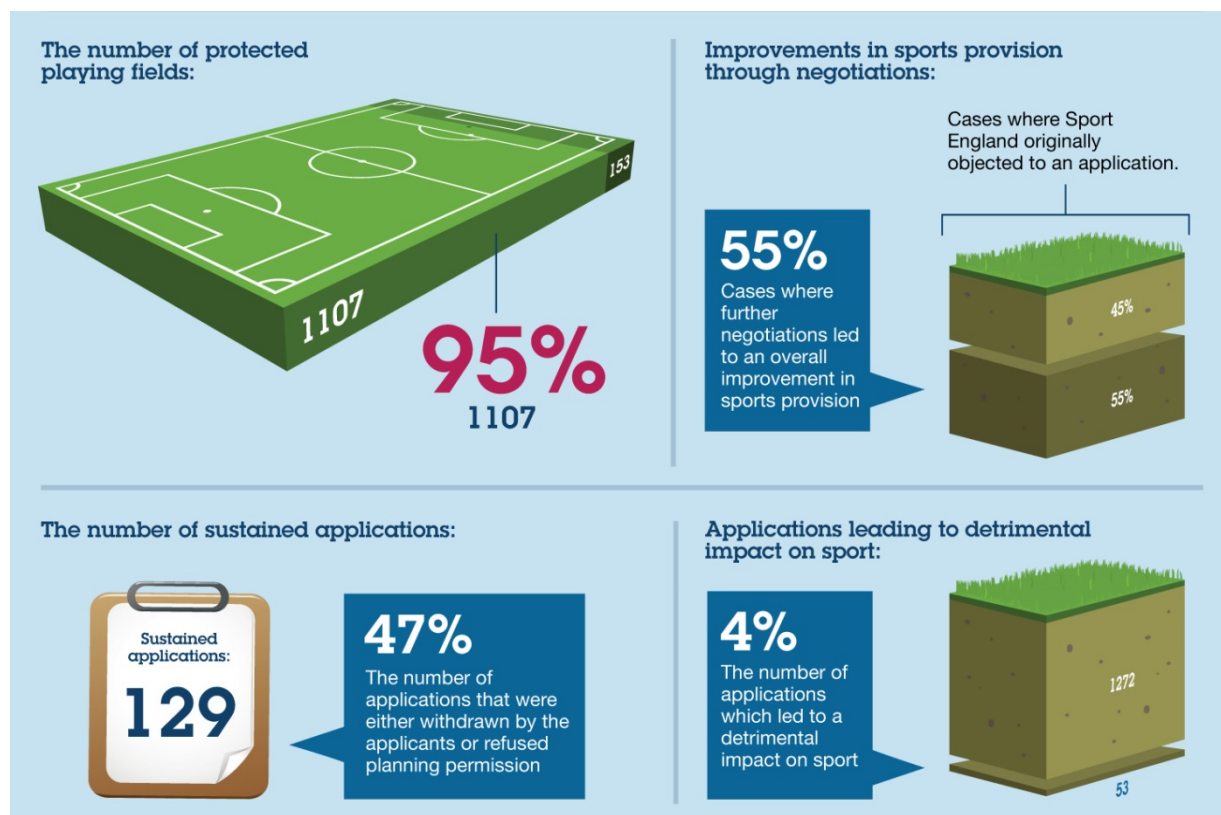
For example, Sport England assisted Birmingham City Council to undertake a review of its leisure stock to strategically plan provision across the city ensuring a sustainable network of modern, efficient, high quality facilities.

The proposals will result in annual revenue savings of £6.8 million by March 2017 which will be used to support capital investment in new facilities.

Statutory and strategic planning

We have a statutory planning role which means we have to be consulted on all planning applications that affect playing fields. We always object unless we are confident that local sports provision will be protected or enhanced.

In 2011/12, 95 per cent of the applications we opposed resulted in the places where people play sport being improved or safeguarded. Published in December 2013, these are the most recent figures available, due to the length of time individual planning processes can take to complete.



Opening up London 2012 facilities

Having invested in a number of Olympic and Paralympic venues and training facilities in the run up to the Games, during 2013/14 we saw two major London 2012 facilities open their doors to the local community thanks to the investment made by Sport England.

In February 2014, the London Aquatics Centre which benefitted from £34 million of National Lottery investment from Sport England reopened to elite athletes and community users alike.

Our funding included £5 million towards the transformation of the venue for community use which ensured its two 50m pools as well as the diving pool all have movable floors and booms to enable maximum use of the water space. Our involvement in the scheme has led to a much more viable

project with opportunities for the community to make maximum use of one of the largest swimming complexes in England, including a 50 station gym, café and dry diving zone.

A month later, the Lee Valley Velopark, also on the Queen Elizabeth Olympic Park, also opened and thanks to a Sport England investment of £10.5million of National Lottery funding into the conversion works welcomes riders of all abilities to its world class facilities including a velodrome, BMX circuit, mountain bike trails and a one mile floodlit road circuit.

Thanks to Sport England's investment, community clubs like the Lee Valley Youth Cycle Club now have regular training sessions at the Velopark.

Principal risks and uncertainties

Our principal risk and uncertainties are detailed in the governance statement which can be found on page 43.

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

26 June 2014

Chair of The English Sports Council

26 June 2014

Directors' report

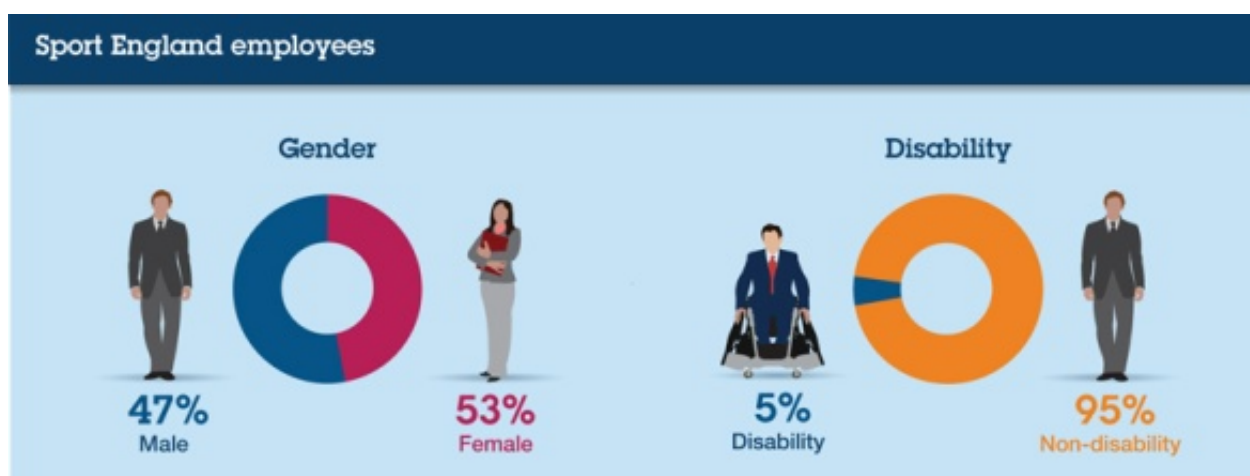
How we work

Headquartered in London, we also have offices in Loughborough, Bisham Abbey, Leeds and Crewkerne, as well as a significant number of colleagues who work from home.

As at 31 March 2014 our total staff complement was 238 FTE, of whom 53 per cent were women. Within the senior

executive team, four including the Chief Executive were women and three men.

Creating a lifelong sporting habit in many more people is not an easy task. To succeed we must focus our resources – time, knowledge and money – on projects, programmes and initiatives that deliver the greatest impact.



Sport England's seven directorates work individually and collaboratively to support, develop and promote grassroots sport, helping sport to reach beyond its traditional heartland.

Community sport

Community Sport combines the specialists who work on our youth programmes with those who work with local partners (in particular local authorities and county sports partnerships).



The Executive Director is Mike Diaper, and his team:

- Works with national governing bodies and county sports partnerships to establish strong connections between school sport and club/community sport, making it easier and more attractive for young people to choose to play sport
- Leads youth programmes like Sportivate and Satellite Clubs

- Works with higher and further education institutions to create more opportunities for 16-25 year olds to play sport
- Leads on programmes that use sport to support youngsters on society's margins (such as Get on Track delivered by the Dame Kelly Holmes Trust)
- Leads targeted investment into school sport (through the School Games and the Primary School Sport Premium)
- Oversees local investment through the Community Sport Activation Fund and supports projects that get and keep people in sport
- Leads our engagement with health and investment into getting inactive people into sport
- Engages with local authorities (especially London and the core cities) and partners to influence policy, plus provide tools and intelligence to support continued investment in sport
- Oversees Sport England's investment into the network of County Sports Partnerships.

National governing bodies and sport



The NGB and Sport directorate is responsible for managing Sport England's investment of over £100 million each year in 46 NGBs, which is aimed at increasing participation in the

individual sports and improving the talent development system.

Through relationship managers, supported by teams with individual areas of expertise, the directorate works closely with the NGBs to provide technical support, and expert advice to ensure our investment in them is effective.

We also make small investments in National Partners to provide even deeper expertise in some areas such as coaching, or diversity.

The executive director of NGB and Sport is Phil Smith, his team has expertise in:

- Participation
- Talent development
- Workforce
- Club development
- Equality and diversity

Facilities and planning

The Facilities and Planning directorate is



responsible for developing and implementing the capital funding strategy for the organisation, supporting partners in sustaining and enhancing investment into

sport. The Executive Director is Charles Johnston, his team:

- Provides strategic advice and leadership in the sector to ensure new sports facilities are developed in response to robust needs and evidence, and sustainable business plans to ensure the efficient delivery of public sports facilities
- Designs and manages the capital facility investment streams funds such as Strategic Facilities Fund, Improvement Fund, Inspired Facilities Fund and Protecting Playing Fields Fund
- Produces guidance to ensure value for money in capital build, financial sustainability in facility operations and maintaining sports facility standards
- Assists NGBs to ensure they utilise our capital investment most effectively to complement their overall objectives including driving participation
- Manages our National Sports Centres, Bisham Abbey, Lilleshall and Plas y Brenin and the facilities at Caversham which provide training and rehabilitation facilities for elite and community athletes
- Acts as a statutory consultee on planning applications that may affect playing fields and influences policy through its non-statutory role as a consultee on more general sports planning matters.
- Encourages and helps schools to open up their facilities to community use.

Insight

The newly created Insight Directorate is responsible for putting insight at the heart of our decision making, and in doing so changing the way Sport England and others think and act to drive increased participation and improved talent development.



The Executive Director is Lisa O'Keefe. Her team has specialist expertise in information and data management; research, evaluation and analysis; behavioural change, business engagement and disability. The team:

- Ensures that high quality data and insight is openly available and shared across the community sport sector in England
- Supports the community sport sector to use the logic, rigour and creativity of insight to provide solutions
- Ensures that the community sport sector benefits from an insight-led approach to investment that demonstrates impact
- Fosters a deep understanding of behaviours to transform the delivery of community sport in England
- Measures how many adults play sport through the Active People Survey
- Evaluates the impact of our investments to understand what works and shows value.

Business partnerships

The Business Partnerships directorate manages Sport England's relationships with the Government, media, the public and the commercial sector.



The Executive Director is Tanya Joseph, her team:

- Manages and protects the reputation of Sport England
- Promotes our funding programmes to generate strong applications and highlights the results of our investment
- Helps the public, voluntary and private sectors understand how they can work with us and the benefits of doing so
- Works with the media to raise the profile of grassroots sport
- Manages our direct engagement with consumers through the Sport England website, social media channels and the Be Inspired consumer database
- Provides consultancy services directly and indirectly to our investment partners to help them deliver our strategic objectives
- Manages National Lottery recognition
- Provides briefing to DCMS ministers and officials, including answers to Parliamentary Questions

- Responds to Freedom of Information Requests and Complaints
- Responsible for managing relationships with existing partners such as Sainsbury's and the BBC and securing new partnerships
- Secures private sector resources, including expertise, in-kind support and financial investment, to promote and develop grassroots sport.

Corporate services

The Corporate Services directorate is responsible for ensuring we operate efficiently, legally and with good governance.



It also manages our grants programmes.

The Executive Director is Rona

Chester, her team:

- Manages our Lottery and Exchequer open funding streams from initial application through to post-award evaluation
- Supports compliance and risk mitigation with specialist professional services including legal, information governance, and audit, risk and governance
- Manages annual investment of over £300 million, including the administration of thousands of awards a year
- Ensures value for money from all our suppliers through effective procurement
- Provides financial support and advice to the organisation
- Drives organisational efficiencies, including joint procurement and increased collaboration with UK Sport and other National Lottery distributors where appropriate.

Financial review

Funding received

Sport England receives Grant-in-aid (Exchequer) from the Department for Culture, Media and Sport (DCMS) and is one of the bodies designated to distribute funds from the National Lottery by the National Lottery etc, Act 1993 (as amended by the National Lottery Act 1998).

In 2013/14 our Exchequer funding represented 30 per cent (2012/13: 30 per cent) of our total funding and Lottery funding 70 per cent (2012/13: 70 per cent).

Exchequer funding during the year was £88.6 million (2013: £99.8 million). This included £24.0 million (2013: £27.2 million) for capital grants. In addition £6.4 million (2013: £6.5 million) of other grant funding was received during the year which is detailed in note 2 of the Exchequer financial statements.

Sport England receives 12.4 per cent of the proceeds from the **National Lottery** ticket sales. In 2013/14 our National Lottery income was £209.5 million. This is the second highest level of Lottery income Sport England has ever received, but is £26.9 million down compared to the £236.4 million received in the previous year. It is worth noting that during 2012/13 National Lottery sales income was at an unprecedented high as a result of huge ticket sales generated by the Millionaires Raffle held on the night of the Olympic Games opening ceremony and two extended EuroMillions rollovers.

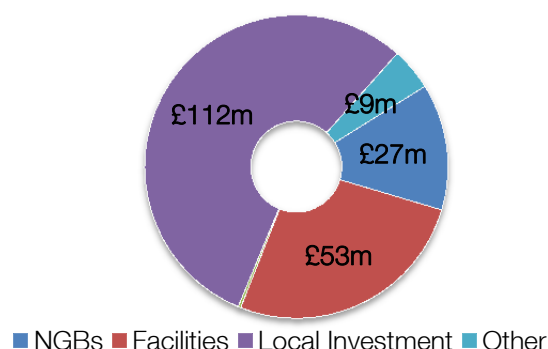
We also receive the 12.4 per cent of investment income of the National Lottery Distribution Fund (NLDF) which was £1.0 million for the year (2013: £1.3 million).

Funding invested as awards

During the year we **awarded** £72.0 million of **Exchequer** funds (2013: £80.8 million) of which £48.0 million (2013: £53.6 million) were for revenue projects and £24.0 million (2013: £27.2 million) for capital projects. Details are set out in note 5 of the Exchequer financial statements.

We committed and offered to applicants £176.3 million of **Lottery awards** (note 15) during the year (2013: £431.1 million). The commitments in 2013 included four year awards to 46 NGBs for the period 2013 to 2017 totalling £256 million.

Unaccepted awards as at 31 March 2014



Lottery awards of £338.8 million (2013: £116.0 million) were accepted by applicants and expensed during the year which included £233 million of NGB awards offered in 2013 (see note 5).

All Lottery awards committed and accepted were consistent with our policy on additionality.

Additionality means that Lottery funding should be distinct from any Exchequer funding and add additional value to community sport. Lottery funding decisions are independent of Government, and we only use Lottery to fund projects that the Government is unlikely to fund. Lottery funding can complement Exchequer

funding, as long as there is a clear distinction between the uses of each and an opportunity arises to add additional value to existing schemes.

Our operations

During the year £36.1 million (2013: £36.3 million) was spent to support the delivery of our strategy, award programmes and core operations. These costs are apportioned between our Exchequer and Lottery activities in accordance with the methodology set out in note 1.8 of the Exchequer and note 1.7 of the Lottery financial statements. The apportionment of costs varies between years and thus the costs have been aggregated to make comparison easier.

Sports development costs support the delivery of our award programmes as well as promoting the development of sport in local communities. Sport England has actively worked on reducing its sports development expenditure through efficiencies and moving towards programmes with lower delivery costs. Expenditure has reduced by 34 per cent or £4.9 million during the year to **£9.7 million**.

Administration costs incurred to operate the business during the year were £12.5 million (2013: £8.3 million). This is an exceptional year due to our relocation to new premises. In 2013/14 Sport England exercised its option to terminate the lease of its London office and move into an unoccupied government building to reduce both the amount of space it occupied and its long term premises costs. However, the relocation has a number of short term financial consequences, the majority of which fall within the 2013/14 financial year, including the costs of operating two buildings for a short period, provision for dilapidations and the remaining lease costs of the former premises of £1.5 million.

We also incurred £2.0 million of costs which were recharged to other organisations, £1.3 million of which is for the fit out of their floors of our new premises which we now share with a number of other public sector bodies, including our sister organisation UK Sport.

The **costs of staff** that deliver and support both sports development and administrative functions were £14.0 million (2013: £13.5 million). The increase is due to the agreed public sector 1 per cent pay award, and to the filling of business critical vacancies we were carrying in the prior year, including staff to operate the consumer database we have inherited from LOCOG.

Efficiency targets

Exchequer: Sport England is required to meet an absolute value administration cost target set for each of the four years of the 2010 spending review period which began on 1 April 2011. This target, which reduces by 50% over the spending review period, has been and will continue to be achieved.

Administration cost target		
	2014	2013
Target	7,698	8,920
Outturn ¹	7,628	8,649

¹ As per submission for DCMS consolidated account. 2014 is provisional

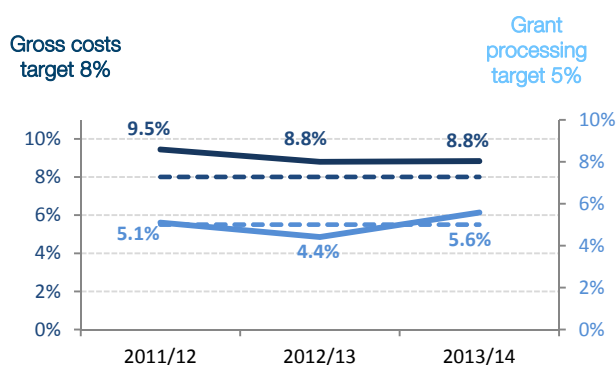
Lottery: In 2010 the Lottery distributors agreed to work towards a benchmark of 5 per cent for grant processing costs and 8 per cent for gross costs. In calculating the percentages the Lottery distributors agreed a common definition which we have applied to this calculation.

Due to the cross governmental nature of the Active People Survey, with the agreement of DCMS its cost have been excluded from this calculation, as have the costs of operating the former LOCOG database. The percentages for 2011/12

and 2012/13 have been restated to take into account these agreed exclusions.

Lottery income for 2013/14 has been adjusted for the in year deductions from the NLDF to create the new Lotto prize fund.

Sport England's achievement against the targets is shown in the graph below:



The reduction in our income levels coupled with our commitment to deliver our strategic objectives has made achieving our National Lottery gross costs target and grant processing target a challenge. While we managed to maintain our National Lottery gross costs target at 8.8 per cent despite a decrease of 6 per cent in the Lottery proceeds, we have not achieved the grant processing target of 5 per cent. However, these include all the one-off costs associated with the move to new premises. If these were excluded the percentage would be similar to that achieved in 2011/12, and we have a clear plan in place to meet the 5 per cent target in 2014/15.

Cash management

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

Our Exchequer cash balance at 31 March 2014 was £1.3 million (2013: £0.5 million).

We have also not drawn down funds to cover capital retentions of £1.5 million.

Providing the level of retentions remain the same year on year, we will not need to draw down these funds in the future.

The management of our **Lottery cash resources** is by a rolling five year investment and cash flow plan which is regularly reviewed by the Executive and Board. The investment and cash plan ensures that the right balance is maintained between having award programmes in place to achieve our strategic objectives while taking into account the uncertainty of Lottery income and that a minimum balance of £20 million is maintained in the NLDF.

Our Lottery cash balance in the NLDF at 31 March 2014 was £177.1 million (2013: £195.0 million). The movement in the NLDF balance is detailed in note 2 of the Lottery financial statements.

Equity

Exchequer: Taxpayers' equity is £66.8 million (2013: £59.1million) and includes increases in the revaluation and general reserve offset by a decrease in the pension reserve which results from calculating the liabilities in accordance with IAS 19 explained below.

The increase is mainly due to additions to and revaluation of the buildings at our National Centres totalling £8.6 million. Net receivables increased by £0.4 million due to amounts owing by the Lottery account to the Exchequer account. The amounts were settled in April 2014.

Lottery: The deficit in equity amounted to £147.9 million (2013: equity £9.2 million) and includes reductions in the general and pension reserves.

The reduction in the general reserve is due to an increase in grant hard commitments resulting from the acceptance of the NGB 13-17 awards during the year. Our Lottery

Accounts Directions require us to recognise commitments in the financial statements when an award offer has been signed and accepted by the applicant and the acceptance of the award for a four year period creates the deficit in reserves.

The reduction in the pension reserve is due to the Lottery share of the movement in the IAS 19 calculation for the defined benefit pension scheme as discussed in the section below.

Defined benefit pension scheme

IAS 19 valuation of the defined benefit and unfunded pension liability for accounting purposes is £40.2 million (2013: £37.6 million). The value of the unfunded liability is £7.6 million (2013: £7.7 million). The increase in value of the pension deficit is mainly due to the change in financial assumptions used in the calculation of the deficit.

The latest triennial actuarial valuation as at 31 March 2013 indicated a deficit of £5.6 million. The deficit has reduced by £11.9 million from the previous valuation as at 31 March 2010 as a result of the both compulsory and voluntary contributions over the past few years.

Sport England contributions to pension schemes are detailed in note 25 to the Exchequer and note 16 to the Lottery financial statements.

Audit

Sport England is required to have its Exchequer financial statements audited by a body approved by the Secretary of State for the DCMS and appointed the Comptroller and Auditor General. It is also required to have its Lottery financial statements audited by the Comptroller and Auditor General. The audit fee was £58,500

for the Exchequer group financial statements (2013: £59,500) for the Lottery account £58,500 (2013: £59,500). The subsidiary companies were also audited by Comptroller and Auditor General and the audit fee was £21,000 (2013: £21,000).

Sport England also paid the audit fee of £2,000 on behalf of its dormant subsidiary, Caversham Lakes Trust Limited.

Sustainability reporting

Sport England falls below the threshold for mandatory inclusion of a Sustainability Report; however we are committed to supporting and promoting sustainable development in all aspects of our work.

This includes:

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

A number of energy efficiency initiatives have been introduced at our National Sports Centres including LED lighting, new heating systems and solar panels.

Supplier payment performance

We seek to abide by the Better Payment Practice Code, and in particular to pay bills within the payment terms in our contracts with suppliers. Any complaints about failure to pay on time are dealt with expeditiously.

In 2013/14 the average period from date of receipt to payment of invoices was 10 days (2013: 10 days). The average period previously reported was calculated using

the invoice date to the payment date which in 2013 was 21 days.

Sickness absence

Sickness absence during the year excluding long-term sick absence averaged 1.1 days per person (2013: 1.7 days). There was only one colleague who had long term sickness of greater than 20 days (2013: four).

Off payroll tax engagements

There were no off payroll tax engagements in 2014 (2013: one) earning more than

£220 per day for longer than six months. The required disclosures were obtained for the one off payroll engagement in 2013.

Related party transactions

Details of all related party transactions and register of interests of Board Members, Executive Directors and other key managerial staff are disclosed in note 32 of the Exchequer and note 19 of the Lottery financial statements.

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

Remuneration Report

The Remuneration Report covers both the Exchequer and Lottery financial statements.

Remuneration policy

The Terms and Remuneration Committee is responsible for agreeing the policy for the remuneration of the Chief Executive and to be aware of and comment on the remuneration of the Executive Directors, including bonuses. The Terms 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, and 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.

Appointments

All appointments including Executive Directors are made in accordance with Sport England's stated Recruitment and Selection Guidelines. 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 Organisational Change Policy. This Policy is not applicable to Non-Executive Board Members.

Executive Director	Date of Appointment
Jennie Price	Apr 2007
Rona Chester	Mar 2010
Mike Diaper OBE ¹	Nov 2009
Charles Johnston	Aug 2008
Tanya Joseph	Jan 2012
Lisa O'Keefe	Jul 2008
Phil Smith	Sep 2008

¹ Mike Diaper was seconded from DCMS from October 2006 until his appointment in November 2009.

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

Board Members' remuneration

Board Members' remuneration includes travel and an allowance for attendance at Board and sub-committee meetings of £218 per day (2013: £218).

There were no bonuses or benefit in kind payments made to Board Members during 2013/14 or 2012/13.

Subject to audit Board Member	Term of Appointment	2013/14 £'000	2012/13 £'000
Nick Bitel ¹	Sep 2010 - Apr 2017	35 – 40	0 – 5
Full Time Equivalent		100 - 105	
Charles Reed	Oct 2013 - Oct 2016	0 – 5	-
David Goldstone CBE	Oct 2013 - Oct 2016	0 – 5	-
Debbie Jevans CBE	Oct 2013 - Oct 2016	0 – 5	-
Ian Drake	Oct 2013 - Oct 2016	0 – 5	-
Kate Bosomworth	Oct 2013 - Oct 2016	0 – 5	-
Mark Spelman	Oct 2013 - Oct 2016	0 – 5	-
Sally Gunnell OBE DL	Oct 2013 - Oct 2016	0 – 5	-
Clare Connor OBE	Sep 2010 - Sep 2014	0 – 5	0 – 5
Hanif Malik	Sep 2010 - Sep 2014	0 – 5	0 – 5
Peter Rowley ²	Sep 2010 - Sep 2014	10 – 15	10 – 15
Richard Lewis ³	Apr 2009 - Mar 2013	-	20 – 25
Full Time Equivalent			110 - 115
Jill Ainscough	Apr 2007 - Apr 2013	-	0 - 5
Michael Farrar CBE	Mar 2005 - Mar 2013	-	-
Sadie Mason	Sep 2010 - Sep 2013	0 – 5	0 – 5
Mich Stevenson OBE DL	Apr 2007 - Oct 2013	0 – 5	0 – 5
James Stewart OBE	Apr 2007 - Oct 2013	-	0 - 5
Peter Stybelski	Sep 2010 - Sep 2013	0 – 5	0 – 5
Martin Thomas	Apr 2007 - Apr 2013	0 – 5	0 – 5

Notes

1. During 2012/13 Nick Bitel served as a Non-Executive Board Member and was appointed as the new Chairman of the Board on 22 April 2013.
2. Peter Rowley served as a Regional Champion advocate for sport as well as being a Board Member during 2013/14 and 2012/13. He received remuneration for his board duties in the band £0k-£5k and for his regional champion duties in the band £5k-£10k in both years.
3. Richard Lewis served as Chairman of the Board until 31 March 2013.

Executive Directors' remuneration

The following sections provide details of the remuneration and pension interests of the Executive Directors.

Salary

'Salary' includes gross salary; performance pay and any other allowance to the extent that it is subject to UK taxation. In 2013/14 all employees, including Executive Directors, received a 1 per cent pay award.

Bonus

There have been no non-consolidated performance or bonus payments in either 2013/14 or 2012/13. Individuals eligible for a bonus waived that entitlement in both 2013/14 and 2012/13. 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.

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 various schemes.

The **London Pension Fund Authority Superannuation Scheme (LPFA)**, which 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 and 1/60th per year from 1

April 2008 until 31 March 2014. From 1 April 2014 benefits will accrue based on career average salary.

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 decreases due to a transfer of pension rights. Lisa O'Keefe is the only Executive Director who is a member of the LPFA scheme.

Four Executive Directors are members of the **Aviva Group Personal Pension Plan (GPPP)** for which colleagues choose between one of four levels of contribution into their personal pension fund. This scheme includes death in service life assurance cover of three times salary.

Employee and employer contribution rates for the above schemes are detailed in note 25 of the Exchequer accounts and note 16 of the Lottery accounts.

For two Executive Directors, Sport England contributes 10 and 11 per cent of their annual basic salary to **personal pension plans**.

Colleagues may also choose to contribute to the GPPP and personal pension plans through salary exchange arrangements.

The value of pension benefits accrued during the year for all personal pension plan members is the total pension contributions made by the employer.

Subject to audit	Salary £'000	Bonus payments £'000	Benefits in kind £'000	Pension Benefits to nearest £1000	Total £'000
2013/14					
Jennie Price ¹	145 – 150	-	-	15,000	160 - 165
Full time equivalent is	160 - 165	-	-	-	160 - 165
Rona Chester	150 – 155	-	-	24,000	175 – 180
Charles Johnston ²	125 – 130	-	-	10,000	135 – 140
Lisa O'Keefe ¹	115 – 120	-	-	17,000	135 – 140
Phil Smith	110 - 115	-	-	13,000	125 – 130
Mike Diaper OBE	95 – 100	-	-	8,000	105 – 110
Tanya Joseph	110 – 115	-	-	13,000	120 – 125
2012/13					
Jennie Price ¹	145 – 150	-	-	15,000	155 - 160
Full time equivalent is	160 - 165	-	-	-	160 - 165
Rona Chester	150 – 155	-	-	19,000	170 – 175
Charles Johnston	125 – 130	-	-	-	125 – 130
Lisa O'Keefe ¹	110 – 115	-	-	7,000	120 – 125
Phil Smith	110 - 115	-	-	12,000	125 – 130
Mike Diaper OBE	95 – 100	-	-	8,000	105 – 110
Tanya Joseph	110 – 115	-	-	13,000	120 – 125

Notes

1. The 1 per cent pay award has resulted in the movement to a higher pay band for both Jennie Price and Lisa O'Keefe.
2. Charles Johnston joined the pension scheme in August 2013.

Median remuneration of staff

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Sport England in the financial year 2013/14 was £160k - £165k (2013: £160k - £165k).

This was 3.8 times (2013: 3.9) the median remuneration of the workforce, which was £42,222 (2013: £41,722). In 2013/14 no employees (2013: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £14,746 to £153,223 (2013: £12,251 - £151,500).

LPFA Pension benefits

Subject to audit	Accrued pension at age 65 as at 31/03/14	Real increase in pension at age 65	Real increase in lump sum at age 65	Lump sum at 31/03/14	CETV at 31/03/14	CETV at 31/03/13	Real increase in CETV
Lisa O'Keefe	20 - 25	0 – 2.5	(2.5) – 0	30 – 35	276	251	10

Cash equivalent transfer values (LPFA only)

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

Real increase in CETV

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

Exit packages

2013/14 (subject to audit)			
Cost Band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	Nil	1	1
£10,000 - £25,000	Nil	2	2
£25,000 - £50,000	Nil	2	2
Total number of exit packages	Nil	5	5
Value of exit packages		£105,961	
2012/13 (subject to audit)			
Cost Band (subject to audit)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	Nil	3	3
£10,000 - £25,000	Nil	2	2
£25,000 - £50,000	Nil	1	1
£50,000 - £100,000	Nil	1	1
£100,000 - £150,000	Nil	1	1
Total number of exit packages	Nil	8	8
Value of exit packages		£285,150	

Notes

1. Exit packages are paid under terms of employment and no ex-gratia payments were made.
2. No exit packages were paid to Executive Directors in 2013/14 and 2012/13.

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

Governance Statement

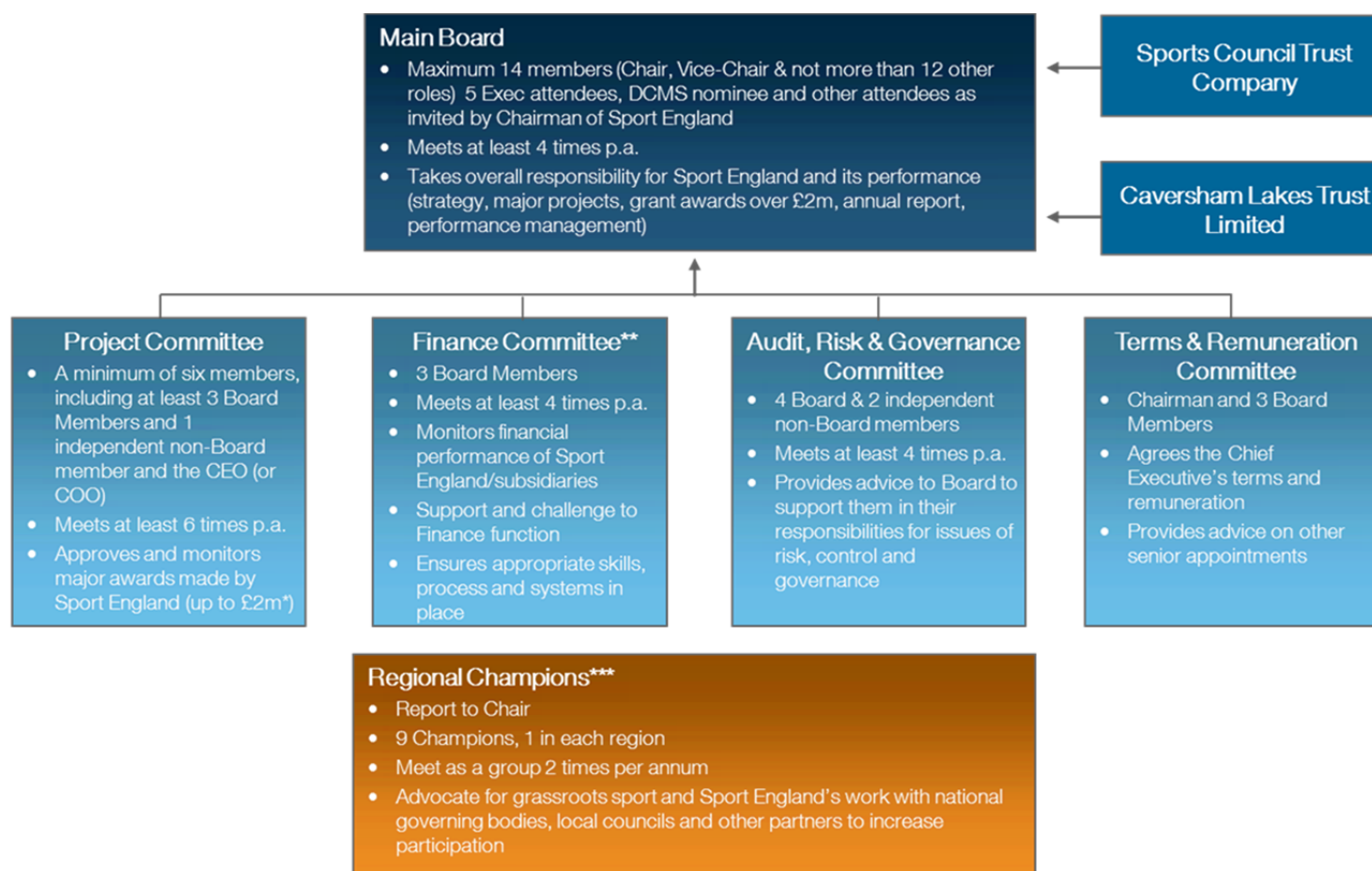
Overview

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 Main Board and the Executive Group. Collectively, we work together 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's governance framework consists of a Main Board¹, a number of sub-committees and two subsidiaries each of which reports to the Board as shown below:



* Project Committee approves awards between £0.5 million and £2 million, with the exception of Legacy Programmes where the Committee approves awards above £100k. Awards under £100k (or £500k for themed rounds) can be approved by the relevant Directors and the CEO has delegated authority to approve awards up to £1 million. The Committee makes recommendations to the Board on awards over £2 million.

** The Finance Committee was disbanded in October 2013 (see page 47)

*** The role of Regional Champion was ended on 31 March 2014 (see page 48)

¹ All references in this statement to 'Board' refer to our Main Board

Our governance standards

Throughout this year we have, as demonstrated in this statement, worked hard to ensure our own governance practices are robust and fit for purpose. In parallel we have continued to work with the sector we fund to help bring about a step change in sports' governance. Our funded NGBs are required to satisfy a number of key criteria for effective governance by October 2014 which can be found on our website at

<http://www.sportengland.org/our-work/governance/governance-strategy/>.

We meet the standards we set our funded NGBs including in relation to independents on the board, open recruitment, restricted tenure, size of the board, diversity, decision making and transparency and accountability.

As a Non Departmental Public Body (NDPB) we also measure ourselves against the principles, government policy and supporting provisions of the Corporate Governance Code. Our assessment tells us that as applicable to a NDPB we are compliant in relation to Parliamentary Accountability, The Role of the Board, Board Composition, Board Effectiveness and Risk Management with one exception relating to Board evaluation. There was a significant change in Board membership during the year as explained in this statement and the new Board did not meet for the first time until November 2013.

As a consequence, our Chair decided that individual appraisals and a collective Board evaluation exercise should be deferred until the autumn of 2014 when the new Board will have been together for a full year.

Our Board

This year saw a temporary but significant reduction in our Board membership at the start of the year as well as, subsequently, seven new members joining the Board.

The tenure of members is limited in line with good practice, normally to two terms of three years. As a consequence, the tenure of five of our twelve Board members expired at the end of March 2013.

Our then Chair, Richard Lewis, had also announced his intention last year to step down following his appointment as CEO to the All England Tennis Club and two further Board members stepped down in mid-September 2013.

Inherently therefore, we faced some short term governance risks and challenges this year. The mitigating actions that we took in response to those risks and challenges were designed to maintain strong governance in the period to, and immediately after, the appointment of our new Board members on 28 October 2013. Those actions are set out below.

Managing transition risks

The risk of a loss of corporate memory and disruption to our decision-making with a much reduced Board and consequent reduction in committee membership was recorded in our corporate risk register. The risk was actively managed in a number of ways. First, as we reported last year, we liaised with DCMS to gain agreement to extend the terms of two Board members, Mich Stevenson and James Stewart, who were the Chairs of our Project and Finance Committees. Both remained with us until mid-October 2013. Mitigating the risk of a lack of continuity of business, for example

Project Committee approves and monitors major awards of up to £2 million, was key. Second, our new Chair Nick Bitel worked closely with DCMS who manage and control our Board appointment processes to expedite the appointment of new Board members. As an existing Board member he was also able to provide an element of continuity of business knowledge through his leadership.

The Board discussed succession planning and the proper operation of Sport England's governance and business during transition at its May, June and September 2013 meetings. Achieving a quorum for the sub committees was identified as a key risk. James Stewart was therefore appointed as an interim member of Audit, Risk and Governance Committee and Clare Connor was appointed to the Terms and Remuneration Committee. Both these appointments ensured that two key committees were able to operate effectively when the Board numbers were low.

Seven new Board members were appointed to our Board in October. Of course, seven new members out of a Board of eleven is a high proportion. Naturally

there was a short-term inherent risk, also recorded in our corporate risk register at the time, that with such a high proportion of new members it would take time to for the new Board to develop to be fully integrated and high performing. To manage this risk, as well the pre-existing risk of loss of corporate memory and disruption in decision-making, the new Board had a full induction upon joining us and there were separate tailored inductions for new sub-committee members. The risk was closed early in March 2014.

Appointment and make-up of our new board

As is the practice with all Board positions, the new appointments were widely advertised and all the appointments were made on the basis of merit through an open and transparent skills-based recruitment process. We now have four women on our board representing 36% of total membership. This exceeds the 25% figure we expect our funded NGBs to meet by 2017. We also have one BME member on our Board.

The Sport England Board



Nick Bitel
Chair



Kate Bosomworth



Debbie Jevans
CBE



Clare Connor
OBE



Hanif Malik



Ian Drake



Charles Reed



David Goldstone
CBE



Peter Rowley



Sally Gunnell
OBE DL



Mark Spelman

Board activity

The Board met seven times during 2013/14: attendance records for board and sub-committee meetings are provided at the end of this statement. The Board's principal focus is to oversee delivery of Sport England's 2012-17 strategy which aims to help people and communities across the country create a sporting habit for life. A key part of the Board's role includes detailed scrutiny of data that is relevant to delivering our strategic objectives. For example, the Active People Survey provides key data that helps inform its decision making. The Board is satisfied that reporting frequency and quality is sufficient to allow it to make informed decisions.

The Board is also satisfied by the quality of other data and its applicability to the work of the Board but considers that the grants and grant management data may be improved by changes to the style and frequency of reporting. This will be taken forward in 2014/15. The finance data was particularly commended as being of consistently very high quality.

A summary of Board decisions, approvals and items for discussion in 2013/14 is set out below. As can be seen, during the transition period agendas were as far as possible managed so that key decisions were not tabled until the new Board was in place and new members had had sufficient time to become familiar with the organisation.

June 2013	November 2013	December 2013	January 2014	March 2014
Active People Results	Board Committees	Active People Results	One year NGB Investments	Payment for Results - Review of NGB Performance
Capital Strategy	Lottery Investment Decisions	CSP Funding 2014-17		2014/15 Business Plan and Financial Budget
Annual Report and Accounts 2012/13		National Partners Investment		Medium Term Plan and Lottery Cash Flow
Office Relocation				

In addition to the above, the Chair, CEO and COO also presented individual reports to each meeting and the corporate risk register was on the agenda subsequent to each Audit, Risk and Governance Committee meeting.

Our sub-committee structure

At our Chair's request and in line with expected good practice, the sub-committee framework was reviewed by the new Board in November to ensure it remained fit for Sport England's current governance needs.

The key change to the structure was the decision to disband the Finance

Committee. The Committee had been set up at the time of the Dutton Inquiry when our Finance team was largely made up of temporary staff and we needed financially experienced and qualified Board members to provide a check, challenge and support role to the team. We now have a strong team of permanent staff overseen by the Chief Operating Officer and the risks that the Committee was set up to help mitigate are now well managed.

With the closure of the Finance Committee the Board agreed that the Audit, Risk and Governance Committee's terms of reference should be amended to include scrutiny of a small number areas previously reviewed by Finance Committee. None of

these areas compromise the Audit Committee's scrutiny role and, of course, ultimate responsibility for financial scrutiny still sits with the Board.

Sub-committee activity

During the year key areas scrutinised by board sub-committees and, as appropriate, key decisions included:

Finance Committee	Project Committee	Audit, Risk and Governance Committee
<p>The 2012/13 draft accounts</p> <p>Sport England's management of cash flow, with a particular emphasis on Lottery awards pipeline and Lottery cash balance</p> <p>Quarterly management accounts</p> <p>Judgements made with respect to allocation of expenditure</p>	<p>Approval of all our major capital investments including:</p> <p>Strategic Facilities</p> <p>Inspired Facilities</p> <p>Improvement Fund</p> <p>As well as:</p> <p>School Sports Awards</p> <p>School Games Organisers</p> <p>Inclusive Sport</p>	<p>The corporate (strategic) and operational risk profile</p> <p>Regular reports on fraud</p> <p>Detailed feedback, challenge and advice in relation to the accounts process</p> <p>NGB governance, including key issues arising</p> <p>The 2012/13 draft accounts and NAO audit completion report and management letter</p> <p>Internal audit reports and the internal audit plan for 2013/14</p>

Other groups

Although not a formal sub-committee of the Board, a new Insight Forum was proposed and agreed at the November Board meeting. A number of Board members work with the Executive and other key staff on insight, market development and communications all of which are key areas for us in meeting our objectives.

We also have an Equality Group which was set up three years ago to oversee the

development of our Equality Scheme and Equality Action Plan. The Group works in partnership with one of our board members, Hanif Malik, who oversees equality issues on behalf of the Board.

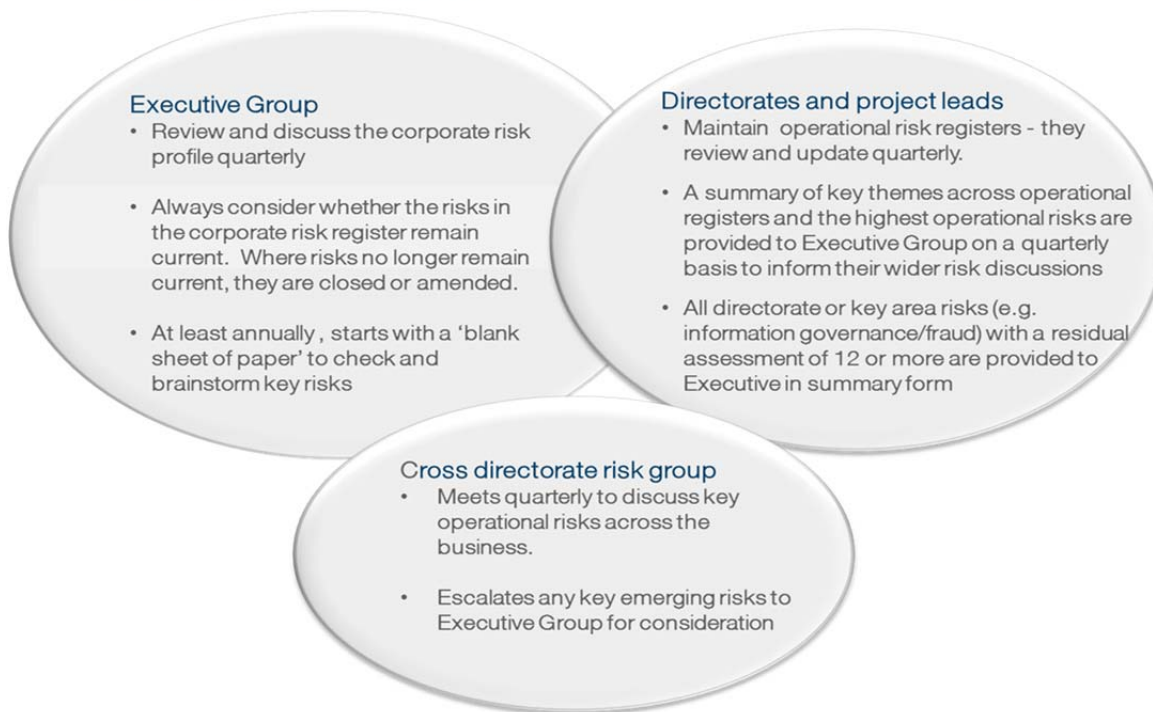
As part of the wider strategic review of the governance structure, in light of the closure of Government Offices and the phasing out of the Regional Development Agencies, in January 2014 the Board took the decision to phase out the role of 'Regional Champion'.

Risk

Risk management is embedded in our corporate governance and operational

activity. We have a top down, bottom up and cross organisational approach to risk which is summarised below.

Management's risk approach



Scrutiny

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 at each meeting. The corporate risk register is then provided to the Board for its review, scrutiny and input.

The Board holds a risk workshop to consider Sport England's risk profile and the Board's risk 'appetite' (i.e. the level of risk it is prepared to tolerate in order to meet its strategic objectives) every two years. The next review is due to take place in 2014/15.

Managing our key delivery risks

Our two highest delivery risks (as at 31 March 2014) were that 'the Active People results do not show continued strong growth and there is a perception that the grassroots sports legacy is not therefore being delivered' and that we have a high level of dependency on the performance of funded bodies and other partners to help us deliver our strategy. We have put in place a number of actions to mitigate these key risks all of which are recorded within our detailed corporate risk register. They include:

- The creation of a new Insight Directorate. We recognised as an Executive Group that we needed to increase our understanding of behaviours and the market that we must influence to take up sport and we restructured to support this

- Commissioning new quantitative and qualitative research into young people's motivations for playing sport (as opposed to other activities) so that we can attract them to play more sport, more often
- Taking a tough approach to NGBs where they do not meet their participation targets. Under our Payment for Results process, for the first time we removed investment in year 1 of delivery where NGBs had not met their targets
- Adopting a 'mixed economy' approach to our investment. This will allow us to invest in organisations outside NGBs where NGBs are not delivering growth or where different organisations can give us access to a wider range of markets and activities.

We have also recognised that there are risks of resource or skills gaps in key delivery partners, for example NGBs, on participation. Our Insight Directorate is providing insight resource to our priority investments and we are also supporting recruitment to key posts where we are asked by NGBs to do so.

Lastly, we identified early in the year that we may not have the relevant skills to take the organisation forward, especially in the areas of behavioural change and social media.

We have since engaged outsourced behavioural change expertise to shape our internal thinking and to assist our partners in delivery. We have also recruited into the Business Partnerships and Insight Directorates to help mitigate these risks.

Information risks

Within our management structure we have an Information Governance Committee which meets quarterly to consider reports on the operation of key information governance controls and to review the information risk register. The Senior

Information Risk Officer has reported to me that no significant issues, including any loss of personal data, have arisen during the year. We received a number of Freedom of Information requests and dealt with a number of complaints about NGBs this year. We intend to improve the transparency over the metrics we report on in relation to these areas next year. Risks relating to our ownership of the 'Be Inspired' database were identified and are recorded in the corporate register. These risks have reduced during the year and I consider that the controls in place are satisfactory. In the context of our wider Information Strategy which is being developed, the database does, of course, provide us with significant opportunities.

Our control framework

All Executive Group members are required to provide me with an assurance that proper and reasonable internal controls have been in place and have operated effectively over the accounting period and that proper standards of conduct have been maintained. 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 were significant enough to merit inclusion in this statement.

The Fraud and Whistleblowing policies were both revised and reviewed by Audit, Risk & Governance Committee during the year. Sessions were then held with teams to reinforce understanding and awareness in both areas. The current economic climate is such that there is a heightened risk to all grant giving bodies of fraud. There have been a very small number of incidents where fraud has been suspected by a grant recipient organisation or by individuals in a management position at the recipient organisation. We are actively working with the police in two cases. To increase our

understanding in this area, we commissioned some fraud advisory work in the autumn using a counter fraud specialist. The work covered how we might better manage fraud as well as a detailed review and benchmarking exercise on our fraud resilience. We will be taking steps to further strengthen our fraud resilience early in 2014/15.

Independent assurance

A number of sources of independent assurance were in place during the year. They included on-site audits carried out by independent auditors on a sample of bodies funded through the 2013-17 programme, surveyors reports to provide assurance that key build stages had been reached for capital projects, and an assessment of Sport England to intermediate level of the Equality Standard.

The independent reports and information available to me as Accounting Officer, in addition to internal and external audit assurance, provide me with further assurance on the overall control framework. The Head of Internal Audit has concluded in the annual internal audit opinion that overall there has been an adequate and effective framework of governance, risk management and control that provides

reasonable assurance over the achievement of objectives.

Conclusion

I believe that this statement gives a true reflection of corporate governance and risk management in Sport England over the 2013/14 period. There are no material factors that I consider need to be highlighted.

Looking forward, the factors which I consider to be material to our governance, risk and internal control framework and operating environment are

- The challenges of maintaining good progress in delivering our key objective of increasing the number of people who play sport once a week, every week, especially as some key influences such as extreme weather conditions are outside our control
- The risk of an increased incidence of fraud as we continue to make a large number of relatively small grants whilst seeking to mitigate the burden on applicants
- Operational risks associated with our move to new premises.

Board and Sub-Committee Attendance

Name	Board	Audit, Risk and Governance Committee	Finance Committee ⁷	Project Committee	Terms and Remuneration Committee
Number of meetings in the year	7	3 ⁹	2	7	1
Nick Bitel	7	- ⁵	-	-	1
Clare Connor OBE	5	-	-	4	1
Hanif Malik	7	- ⁶	-	7	-
Sadie Mason ¹	2	-	1	-	-
Peter Rowley	7	3	2	-	-
Mich Stevenson OBE DL ²	2	-	-	5 ⁸	-
James Stewart OBE ²	1	2	2	-	-
Peter Stybelski ¹	2	-	-	3	-
Kate Bosomworth ³	4	-	-	-	-
Ian Drake ³	4	-	-	2	-
David Goldstone CBE ³	4	-	-	2	-
Sally Gunnell OBE DL ³	3	-	-	2	-
Debbie Jevans CBE ³	3	-	-	-	-
Charles Reed ³	4	1	-	-	-
Mark Spelman ³	4	-	-	2	-
John Flook ⁴	-	2	-	-	-
Paul Millman ⁴	-	-	-	7	-
David Oliver ⁴	-	3	-	-	-

¹ Tenure ended 6 September 2013

² Tenure ended 15 October 2013

³ Appointed Board Member 28 October 2013

⁴ Independent non-Board Member

⁵ Resigned from Committee 15 October 2013

⁶ Appointed to Committee 28 October 2013

⁷ Committee disbanded October 2013

⁸ Left Committee 20 January 2014

⁹ The Committee met in very early April 2014. As that meeting formed part of the 2013/14 cycle it is included here. The equivalent meeting in 2013 took place at the end of March.

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

The English Sports Council

Grant-in-Aid

and

The English Sports Council Group

Financial Statements

for the year ended 31 March 2014

Statement of the Council and Chief Executive's Responsibilities

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

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

In preparing the financial statements the Council is required to:

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

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

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The English Sports Council as the Accounting Officer for the Council. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she 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 she ought to have taken to make herself aware of any relevant audit information and to establish that The English Sports Council's auditors are aware of that information.

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

Independent auditor's report to the English Sports Council

I have audited the financial statements of the English Sports Council for the year ended 31 March 2014. The financial statements comprise: the Group and Council Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of the Council and Chief Executive's Responsibilities, the Chief Executive and Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the English Sports Council's circumstances and have been consistently applied and

adequately disclosed; the reasonableness of significant accounting estimates made by the English Sports Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Group's and of the English Sports Council's affairs as at 31 March 2014 and of the Group's and of the English Sports Council's net operating expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the Royal Charter of the English Sports Council and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Royal Charter of the English Sports Council; and
- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Sir Amyas C E Morse
 Comptroller and Auditor General
 National Audit Office
 157-197 Buckingham Palace Road
 Victoria
 London
 SW1W 9SP
 Date 2 July 2014

Matters on which I report by exception

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

- adequate accounting records have not been kept by the English Sports Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Index to the Grant-in-aid Financial Statements

Abbreviation	Financial statements	
SOCNE	Statement of comprehensive net expenditure	58
SOFP	Statement of financial position	59
Cash flow	Statement of cash flows	60
Equity	Statement of changes in taxpayers equity – Group	61
Equity	Statement of changes in taxpayers equity - Council	62
Note number	Notes to the financial statements	
1	Statement of accounting policies	63
2	Grants received	68
3	Other income	68
4	Big Lottery Fund: Active England	69
5	Grants	69
6	Staff costs	70
7	National sports centres	70
8	Sports development costs	71
9	Operating costs	72
10	Commitments under operating leases	73
11	Analysis of total expenditure by programme and administration	73
12	Interest receivable	74
13	Financial asset income	74
14	Taxation	74
15	Property, plant and equipment (Group and Council)	75
16	Intangible assets	77
17	Financial assets	78
18	Inventory	79
19	Trade and other receivables	79
20	Grants outstanding	80
21	Trade and other payables	80
22	Provisions	81
23	Contingent liabilities	82
24	Capital commitments	82
25	Pension liabilities	82
26	Revaluation reserve	87
27	National centre reserve	87
28	General reserve	88
29	DCMS grant	88
30	Reconciliation of net operating expenditure to net cash outflow	88
31	Prior year restatement	89
32	Related party transactions	90
33	Derivatives and other financial instruments	92
34	Post financial year-end events	92

Statement of comprehensive net expenditure

	Note	Group		Council	
		2014 £'000	2013 £'000 Restated	2014 £'000	2013 £'000 Restated
Income					
Grants received	2	6,368	6,489	950	1,300
Other income	3	1,136	773	1,091	660
Big Lottery Fund: Active England	4	-	(741)	-	(741)
Total		7,504	6,521	2,041	1,219
Expenditure					
Grants	5	71,965	80,497	71,951	80,481
Big Lottery Fund: Active England	4	-	(741)	-	(741)
Staff costs	6	4,931	5,398	4,931	5,398
National sports centres	7	4,176	4,194	4,176	4,194
Sports development costs	8	2,824	3,972	2,824	3,972
Operating costs	9	8,043	5,431	4,656	3,164
Assets gifted to subsidiaries	15	-	-	1,297	1,909
Loss on disposal of fixed assets		3	43	-	-
Total	11	91,942	98,794	89,835	98,377
Other					
Net interest on net defined benefit liability		662	677	662	677
Loss on revaluation		1,084	689	-	-
Total		1,746	1,366	662	677
Net operating expenditure before interest, financial asset income and taxation		(86,184)	(93,639)	(88,456)	(97,835)
Interest receivable	12	50	28	50	28
Financial asset income	13	19	19	-	-
Taxation	14	(15)	(7)	(15)	(7)
Net operating expenditure for the year		(86,130)	(93,599)	(88,421)	(97,814)
Other comprehensive income					
Surplus owing to revaluation of properties	26	6,330	705	-	-
Net (loss)/gain on financial assets		(1)	39	-	-
Re-measurement of defined benefit liability	25	(1,338)	435	(1,338)	435
Total		(81,139)	(92,420)	(89,759)	(97,379)

The prior year figures have been restated to reflect the revised International Accounting Standard, IAS 19 (2011) Employee Benefits (note 31).

All income and expenditure relates to continuing activities.

The notes on pages 63 to 92 form part of these financial statements

Statement of financial position

	Note	Group		Council	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
Non current assets					
Property, plant and equipment	15	80,149	71,555	437	428
Intangible assets	16	447	543	447	543
Financial assets	17	636	637	-	-
Total		81,232	72,735	884	971
Current assets					
Inventory	18	-	-	-	-
Trade and other receivables	19	13,605	9,606	12,120	8,719
Cash and cash equivalents		1,271	526	1,260	516
Total		14,876	10,132	13,380	9,235
Total assets		96,108	82,867	14,264	10,206
Current liabilities					
Grants outstanding	20	(3,198)	(1,627)	(3,198)	(1,627)
Trade and other payables	21	(7,497)	(5,855)	(7,528)	(5,203)
Provisions	22	(1,124)	-	(34)	-
Total		(11,819)	(7,482)	(10,760)	(6,830)
Non current liabilities					
Provisions	22	(155)	-	-	-
Pension liabilities	25	(17,375)	(16,334)	(17,375)	(16,334)
Total		(17,530)	(16,334)	(17,375)	(16,334)
Total liabilities		(29,349)	(23,816)	(28,135)	(23,164)
Assets less liabilities		66,759	59,051	(13,871)	(12,958)
Taxpayers equity					
Reserves		66,759	59,051	(13,871)	(12,958)
Total		66,759	59,051	(13,871)	(12,958)

The notes on pages 63 to 92 form part of these financial statements

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

Statement of cash flows

	Note	Group		Council	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
Cash flows from operating activities					
Grants received		5,932	7,380	1,020	1,230
Other income		763	579	718	465
Grants expenditure		(70,201)	(80,848)	(70,187)	(80,832)
Staff costs		(5,983)	(6,709)	(5,983)	(6,709)
National sports centres		(3,283)	(4,953)	(3,283)	(4,953)
Sports development costs		(3,460)	(3,440)	(3,460)	(3,440)
Operating costs		(5,389)	(4,901)	(5,341)	(4,774)
Interest received		54	28	54	28
Taxation paid		(10)	(7)	(10)	(7)
Net cash flow from operating activities		(81,577)	(92,871)	(86,472)	(98,992)
Cash flows from investing activities					
Purchase of property, plant and equipment		(6,392)	(8,517)	(1,479)	(2,366)
Purchase of intangible assets	16	(151)	(282)	(151)	(282)
Purchase of assets for resale		-	-	-	-
Financial asset income	13	19	19	-	-
Net cash flow from investing activities		(6,524)	(8,780)	(1,630)	(2,648)
Cash flows from financing activities					
Grant-in-aid - resource		62,926	70,281	62,926	70,281
Grant-in-aid - capital		25,708	29,533	25,708	29,533
DCMS grant	29	212	22	212	22
Net cash inflow from financing activities		88,846	99,836	88,846	99,836
Net increase/(decrease) in cash and cash equivalents		745	(1,815)	744	(1,804)
Cash and cash equivalents at 1 April		526	2,341	516	2,320
Cash and cash equivalents at 31 March		1,271	526	1,260	516

2013 figures remain as reported in the prior year; however we have expanded the categories in cash flows from operating activities to provide additional disclosure.

The notes on pages 63 to 92 form part of these financial statements.

Statement of changes in taxpayers equity – Group

	Group					
	Note	Revaluation reserve	National centre reserve	Pension reserve	General reserve	Total reserves
		£'000	£'000	£'000 Restated	£'000	£'000 Restated
Balance at 1 April 2012		10,966	34	(17,454)	58,128	51,674
Net operating expenditure for the year		-	-	-	(93,599)	(93,599)
Surplus owing to revaluation of properties		705	-	-	-	705
Amortisation of revaluation reserve		350	-	-	-	350
Other movements in subsidiary reserves		-	-	-	(316)	(316)
Release of national centres reserve		-	(34)	-	-	(34)
Re-measurement of defined benefit liability		-	-	435	-	435
Transfer between reserves		-	-	685	(685)	-
Grant-in-aid received – resource		-	-	-	70,281	70,281
Grant-in-aid received – capital		-	-	-	29,533	29,533
DCMS grant received	29	-	-	-	22	22
Balance at 31 March 2013		12,021	-	(16,334)	63,364	59,051
Net operating expenditure for the year		-	-	-	(86,130)	(86,130)
Surplus owing to revaluation of properties		6,330	-	-	-	6,330
Amortisation of revaluation reserve		135	-	-	(135)	-
Re-measurement of defined benefit liability		-	-	(1,338)	-	(1,338)
Transfers between reserves		-	-	297	(297)	-
Grant-in-aid received – resource		-	-	-	62,926	62,926
Grant-in-aid received – capital		-	-	-	25,708	25,708
DCMS grant received	29	-	-	-	212	212
Balance at 31 March 2014		18,486	-	(17,375)	65,648	66,759
	Note	26	27	25	28	

The prior year figures relating to the re-measurement of the defined benefit liability have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 31).

The notes on pages 63 to 92 form part of these financial statements

Statement of changes in taxpayers equity – Council

Council					
	Note	National centre reserve £'000	Pension reserve £'000 Restated	General reserve £'000	Total £'000 Restated
Balance at 1 April 2012		34	(17,454)	2,039	(15,381)
Net operating expenditure for the year		-	-	(97,814)	(97,814)
Re-measurement of defined benefit liability		-	435	-	435
Transfer between reserves		-	685	(685)	-
Release of national centres reserve		(34)	-	-	(34)
Grant-in-aid received – resource		-	-	70,281	70,281
Grant-in-aid received – capital		-	-	29,533	29,533
DCMS grant received	29	-	-	22	22
Balance at 31 March 2013		-	(16,334)	3,376	(12,958)
Net operating expenditure for the year		-	-	(88,421)	(88,421)
Re-measurement of defined benefit liability		-	(1,338)	-	(1,338)
Transfer between reserves		-	297	(297)	-
Grant-in-aid received – resource		-	-	62,926	62,926
Grant-in-aid received - capital		-	-	25,708	25,708
DCMS grant received	29	-	-	212	212
Balance at 31 March 2014		-	(17,375)	3,504	(13,871)

The prior year figures relating to the re-measurement of the defined benefit liability have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 31).

The notes on pages 63 to 92 form part of these financial statements

Notes to the financial statements

1 Statement of accounting policies

These financial statements have been prepared in accordance with Article 14 of the Royal Charter of The English Sports Council (Sport England) and directions issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2013/14 Government Financial Reporting Manual (FReM) used by HM Treasury a copy of which can be obtained from Sport England at 21 Bloomsbury Street, London, WC1B 3HF. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as 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 financial statements.

1.1 Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention except for the following material items in the Statement of financial position.

Property, plant and equipment (note 15) are measured at fair value. In the case of land and buildings these are valued in accordance with the Depreciated Replacement Cost (DRC) basis, which is consistent with that of the prior year.

Financial assets, listed stocks and shares (note 17) are measured at fair market value.

Without limiting the information given, the financial statements of Sport England Grant-in-aid meet the requirements of the Companies Act 2006, the International Accounting Standards Board and the HM Treasury guidance on financial statements 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 Grant-in-aid (Exchequer) financial statements.

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.

As part of the last Comprehensive Spending Review which runs through to 31 March 2016 Sport England has an Exchequer settlement agreed with DCMS, subject to continuing Parliamentary approval.

1.3 Basis of consolidation

The Group financial statements consolidate the financial statements of Sport England, The Sports Council Trust Company (a Charity) and Caversham Lakes Trust

Limited (dormant since 29 March 2012). Details of the Group's investment in subsidiary undertakings are contained in note 17.

The financial statements of The Sports Council Trust Company and Caversham Lakes Trust Limited have been included in the consolidation for all periods presented in these financial statements, 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 financial statements consolidated are made up to 31 March 2014.

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 financial statements have been prepared for Sport England's Lottery activities (pages 93 to 122), in accordance with the directions issued by the Secretary of State for Culture, Media and Sport, which follow different accounting policies.

1.4 Reclassifications

Certain items within the Statement of cash flows have been reclassified in order to better present the financial information disclosed therein. Reclassifications include the format of the statements and the position of certain items within the statement. The reclassification of items has been undertaken in order to enhance the understanding of the operations of the

Group and Council by the reader of these financial statements.

1.5 Restatement

The comparative results for the Statement of comprehensive net expenditure have been restated in order to reflect the revised IAS 19 Employee Benefits International Accounting Standard. The revised IAS 19 is effective for all financial years beginning on or after 1 January 2013. The revised standard only affects the Statement of comprehensive net expenditure with no changes to the disclosures in the Statement of financial position.

Disclosure of the effect of this change and the impact on all primary statements is shown in note 31 to the financial statements.

1.6 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.

1.7 Grants

To further its objectives, Sport England gives grants to sport related organisations which are offered on the basis of entering into a financial obligation.

Grants payable are charged to the Statement of comprehensive net expenditure on an accruals basis.

1.8 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 National Lottery Distribution Fund (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 review by the Executive Team and the Finance Committee on an annual basis. These calculations are also subject to audit.

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.

1.9 Property operating leases

Payments made under operating leases (rental agreements) are recognised in the Statement of comprehensive net expenditure on a straight line basis over the

term of the lease. Lease incentives (e.g. rent free periods) are recognised as an integral part of the total lease expense, over the term of the lease. Included within inventory is one operating lease for a nominal consideration.

1.10 Assets gifted to subsidiaries

Assets gifted to subsidiaries are expensed in the year in which they are gifted as expenditure is incurred during the year in which the assets are gifted.

1.11 Property, plant and equipment

Property, plant and equipment, other than IT Equipment, are owned by The Sports Council Trust Company (SCTC). These assets are funded by a Lottery grant from the Sport England Lottery Fund and capital works paid for by Sport England Grant-in-aid and gifted to the SCTC.

Land and Buildings

Full valuations of land and buildings are carried out by external experts, on a quinquennial basis, between full valuations annual desktop valuations are carried out. The latest full valuation of land and buildings was carried out as at 31 March 2014.

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

The artworks and antiques are valued by external experts. The latest valuation was carried out as at 31 March 2014. 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 historic 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 65 years
Bund	41 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.

1.12 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.

1.13 Financial assets

Subsequent to purchase, listed stocks and shares are recognised at fair value 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 these.

1.14 Cash and cash equivalents

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

1.15 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 to the original terms of the receivables.

1.16 Inventory

Inventory is valued at the lower of cost or net realisable value and includes relocatable pools (note 18).

Relocatable pools are accounted for as current assets within the category of inventory, as their ownership by Sport England is considered to be of a temporary nature.

1.17 Trade and other payables

Trade and other payables are recognised at fair value.

1.18 Dilapidations

Full provision for the probable cost of dilapidations at the date of the expected termination of the lease is made in the financial statements in the year in which it is decided not to renew the lease.

1.19 Taxation

VAT

Sport England is involved in business and non-business activity for VAT purposes. Sport England operates a partial recovery methodology for VAT. 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, no corporation tax is payable.

1.20 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. IAS 19 was revised in 2011 and is required to be applied for annual periods beginning on or after 1 January 2013. The revised IAS is referred to as IAS 19 (2011).

IAS 19 (2011) 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, and gains and losses on 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 1.8.

The implementation of IAS 19 (2011) requires restatement to the financial statements for the year ended 31 March 2013 as set out at note 31.

2 Grants received

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Department for Education ¹	950	1,300	950	1,300
Lottery grant ²	5,418	4,646	-	-
Other grants	-	543	-	-
Total	6,368	6,489	950	1,300

¹ The grant from the Department for Education is to support the delivery of competitive school sport and the school games. The grant included £0.7 million (2013: £1.0 million) to support volunteer coaches and leaders and £0.3 million (2013: £0.3 million) to support disability participation. All conditions of this grant have been met.

² The Lottery grant received from the Sport England Lottery Fund is financing capital improvements at Bisham Abbey and Lilleshall National Sports Centres.

3 Other income

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
External funding income	66	118	66	118
Active people survey recharges	260	216	260	216
Asset hire recharges	274	232	274	232
Bloomsbury Street recharges ¹	438	-	438	-
Other income	98	207	53	94
Total	1,136	773	1,091	660

¹ Recharges of costs relating to the lease and fit-out of 21 Bloomsbury Street.

4 Big Lottery Fund: Active England

The Active England programme was jointly funded by Big Lottery Fund and Sport England National Lottery Distribution Fund. These financial statements reflect the payment to Big Lottery Fund for their share of grant decommitments relating to the final closure of this programme.

5 Grants

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Resource grants				
NGB whole sport plans	25,533	25,178	25,533	25,178
National partners	7,942	8,073	7,942	8,073
Local investment	2,639	5,067	2,639	5,067
School sport and school games	11,713	12,690	11,713	12,690
Other	226	2,629	212	2,613
Total	48,053	53,637	48,039	53,621
Capital grants				
NGB whole sport plans	10,092	16,197	10,092	16,197
Football Foundation	10,000	10,000	10,000	10,000
EIS capital	2,134	929	2,134	929
School sport	-	59	-	59
Sport lighting	1,759	-	1,759	-
Total	23,985	27,185	23,985	27,185
Total	72,038	80,822	72,024	80,806
Grant recoveries	(73)	(325)	(73)	(325)
Total	71,965	80,497	71,951	80,481

6 Staff costs

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Permanent and fixed term staff				
Wages and salaries	3,744	4,108	3,744	4,108
Social security costs	389	426	389	426
Pension costs	599	682	599	682
Total permanent and fixed term staff	4,732	5,216	4,732	5,216
Agency staff	199	182	199	182
Total	4,931	5,398	4,931	5,398

Average number of equivalent full time staff				
	Group		Council	
	2014	2013	2014	2013
Permanent staff	82	91	82	91
Agency staff	5	4	5	4
Total	87	95	87	95

The exit packages disclosure is shown within the remuneration report on page 42.

7 National sports centres

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Income	5,494	5,454	5,494	5,454
Expenditure				
Centre management fees	7,706	7,951	7,706	7,951
Other expenditure	1,964	1,697	1,964	1,697
Total	9,670	9,648	9,670	9,648
Net expenditure	4,176	4,194	4,176	4,194

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 15 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.

8 Sports development costs

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Grant programme support costs				
NGB whole sport plans	112	262	112	262
Local investment	3	17	3	17
School and school games	83	90	83	90
Other facilities	187	162	187	162
Other programmes	454	715	454	715
Total	839	1,246	839	1,246
Other sports development costs				
Legal	64	75	64	75
Measurement surveys	995	1,309	995	1,309
Research	186	159	186	159
Facilities expertise and support	230	394	230	394
Planning data and guidance	423	519	423	519
Equality standards	2	4	2	4
Local government support	18	48	18	48
Other costs	(38)	-	(38)	-
Irrecoverable VAT	105	218	105	218
Total	1,985	2,726	1,985	2,726
Total	2,824	3,972	2,824	3,972

Sports development costs support the delivery of our award programmes as well as promoting the development of sport to create increased sporting opportunities in local communities.

9 Operating costs

	Group		Council	
	2014 £'000	2013 £'000 Restated	2014 £'000	2013 £'000 Restated
Auditor's remuneration ¹	79	81	60	60
Board expenses	3	5	3	5
Communications	59	55	59	55
Depreciation	3,793	2,518	420	340
Grant outsourcing costs	186	200	186	200
Internal audit and governance	71	88	71	88
Irrecoverable VAT	439	217	439	217
IT infrastructure and systems costs	537	554	537	554
Legal	102	103	102	103
Other costs	99	(66)	99	(66)
Other staff costs	63	49	63	49
Property operating leases ²	1,709	1,153	1,715	1,087
Bloomsbury street fit-out costs ³	443	-	443	-
Staff training	108	106	108	106
Travel and subsistence	306	323	305	321
Defined benefit scheme administration charge	46	45	46	45
Total	8,043	5,431	4,656	3,164

The prior year numbers have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 31).

¹ No other payment was made to the auditors for non-audit work.

² 2014 includes £0.5 million of provisions for dilapidations at three and onerous leases at two leased properties (note 22) (2013: £nil).

³ £0.4 million of these costs have been recharged to other organisations (note 3).

Losses and special payments

There were no individual losses or special payments during the year ended 31 March 2014 which exceeded £300,000 (2012: £nil), the aggregate did not exceed £300,000 (2013: £nil).

10 Commitments under operating leases

	Group		Council	
	2014 £'000	2013 £'000 Restated	2014 £'000	2013 £'000 Restated
Land and buildings				
Expiring within one year	779	29	779	29
Expiring between one and five years	331	2,357	331	2,357
Expiring after at least five years	5,716	259	5,716	259
Total	6,826	2,645	6,826	2,645

Land and buildings operating 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. The commitments reflect the earliest break clause within the lease.

The break clause at Victoria House was exercised during the year, thus reducing the commitments expiring between one and five years. The new lease for Bloomsbury Street commenced in September 2013 and is included in commitments expiring after at least five years.

11 Analysis of total expenditure by programme and administration – Group

	Group			Programme £'000 Restated	2013	
	Programme £'000	2014 Admin £'000	Total £'000		Admin £'000 Restated	Total £'000
Grants	71,965	-	71,965	80,497	-	80,497
Big Lottery Fund: Active England	-	-	-	(741)	-	(741)
Staff costs	1,215	3,716	4,931	1,502	3,896	5,398
National sport centres	4,176	-	4,176	4,194	-	4,194
Sports development	2,824	-	2,824	3,972	-	3,972
Operating costs	2,811	5,232	8,043	2,023	3,408	5,431
Loss on disposal of fixed assets	3	-	3	43	-	43
Total	82,994	8,948	91,942	91,490	7,304	98,794

11 Analysis of total expenditure by programme and administration – Council

	Council					
	Programme £'000	2014 Admin £'000	Total £'000	Programme £'000	2013 Admin £'000	Total £'000
Grants	71,951	-	71,951	80,481	-	80,481
Big Lottery Fund: Active England	-	-	-	(741)	-	(741)
Staff costs	1,215	3,716	4,931	1,502	3,896	5,398
National sport centres	4,176	-	4,176	4,194	-	4,194
Sports development	2,824	-	2,824	3,972	-	3,972
Operating costs	-	4,656	4,656	-	3,164	3,164
Gifted assets	1,297	-	1,297	1,909	-	1,909
Total	81,463	8,372	89,835	91,317	7,060	98,377

12 Interest receivable

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Funds held at bank	50	28	50	28

13 Financial asset income

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Listed stocks and securities	19	19	-	-

14 Taxation

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
UK corporation tax at 23% (2013: 24%) Current tax charge	15	7	15	7

Sport England pays corporation tax on its interest receivable after deducting bank charges.

15 Property, plant and equipment – Group

	Land	Buildings and Bund	Leasehold Improv'm't	Equipm't	IT Equipm't	Artworks and Antiques	Under Constr-uction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2012	8,624	66,032	1,816	2,750	1,235	960	624	82,041
Reclassification	-	(370)	-	-	-	-	-	(370)
Additions	-	7,012	36	214	90	-	204	7,556
Disposals	-	-	(115)	(401)	-	-	-	(516)
Revaluation	710	(694)	-	-	-	-	-	16
Transfers	-	614	-	-	-	-	(614)	-
At 31 March 2013	9,334	72,594	1,737	2,563	1,325	960	214	88,727
Reclassification	-	(168)	-	-	14	-	-	(154)
Additions	-	3,113	-	122	145	-	3,517	6,897
Disposals	(3)	-	(93)	(52)	(353)	-	-	(501)
Revaluation	2,085	3,294	-	-	-	(133)	-	5,246
At 31 March 2014	11,416	78,833	1,644	2,633	1,131	827	3,731	100,215
Depreciation								
At 1 April 2012	-	12,175	916	1,446	816	-	-	15,353
Reclassification	-	(370)	-	-	-	-	-	(370)
Charge for year	-	1,826	143	222	121	-	-	2,312
Disposals	-	-	(78)	(45)	-	-	-	(123)
At 31 March 2013	-	13,631	981	1,623	937	-	-	17,172
Reclassification	-	(168)	-	-	-	-	-	(168)
Charge for year	-	2,542	569	276	173	-	-	3,560
Disposals	-	-	(93)	(52)	(353)	-	-	(498)
At 31 March 2014	-	16,005	1,457	1,847	757	-	-	20,066
Net Book Value								
At 31 March 2013	9,334	58,963	756	940	388	960	214	71,555
At 31 March 2014	11,416	62,828	187	786	374	827	3,731	80,149

Land, buildings and bund were valued at 31 March 2014 by Wilks Head and Eve LLP, a quality assured partnership which provides expert specialist advice in asset valuations and surveying. The valuation is in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards ('The Red Book').

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

The historical cost of land, buildings and bund at 31 March 2014 was £79.2 million (2013: £78.4 million).

Bisham Abbey hostel block accommodation was demolished in June 2013; as a result it was fully depreciated.

As a result of the decision in 2013 to terminate the lease at Victoria House in September 2014 the remaining useful life of leasehold improvements as at 1 April 2013 was reduced from 6 to 1.5 years.

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 by Sotheby's as at 31 March 2014.

15 Property, plant and equipment – Council

	Buildings £'000	Equipment £'000	IT Equipment £'000	Total £'000
Cost				
At 1 April 2012	-	144	1,235	1,379
Additions	2,259	17	90	2,366
Gifted assets	(2,259)	350	-	(1,909)
Disposals	-	(350)	-	(350)
At 31 March 2013	-	161	1,325	1,486
Reclassification	-	-	14	14
Additions	1,297	37	145	1,479
Gifted assets	(1,297)	-	-	(1,297)
Disposals	-	(15)	(353)	(368)
At 31 March 2014	-	183	1,131	1,314
Depreciation				
At 1 April 2012	-	110	815	925
Charge for year	-	12	121	133
Disposals	-	-	-	-
At 31 March 2013	-	122	936	1,058
Charge for year	-	14	173	187
Disposals	-	(15)	(353)	(368)
At 31 March 2014	-	121	756	877
Net Book Value				
At 31 March 2013	-	39	389	428
At 31 March 2014	-	62	375	437

Sport England has gifted assets to its subsidiary, The Sports Council Trust Company, which 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.

16 Intangible assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2012	2,852	2,823
Additions	282	282
Disposals	(29)	-
At 31 March 2013	3,105	3,105
Reclassification	(14)	(14)
Additions	151	151
Disposals	(32)	(32)
At 31 March 2014	3,210	3,210
Depreciation		
At 1 April 2012	2,383	2,354
Charge for year	208	208
Disposals	(29)	-
At 31 March 2013	2,562	2,562
Charge for year	233	233
Disposals	(32)	(32)
At 31 March 2014	2,763	2,763
Net Book Value		
At 31 March 2013	543	543
At 31 March 2014	447	447

Intangible assets comprise computer software costs providing on-going economic benefits.

17 Financial assets

Listed stocks and securities

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Market value at 1 April	637	598	-	-
Revaluation of financial asset	(1)	39	-	-
Market value at 31 March	636	637	-	-

Listed stocks and securities relate to a managed investment fund held by Sport England's subsidiary The Sports Council Trust Company.

The historical cost of the asset at 31 March 2014 was £0.6million (2013: £0.6 million).

Group investments in subsidiary undertakings

Company and Country of Incorporation	Financial Activity	Proportion held	Status of Subsidiary	Total reserves at 31 March	Net income
The Sports Council Trust Company (England and Wales)	Charitable trust dedicated to the promotion of sport	Sole member 100% guarantor	Active	2014: £80.6m 2013: £72.0m	2014: £2.3m 2013: £4.2m
Caversham Lakes Trust Limited (England and Wales)	Dormant	Sole member 100% guarantor	Dormant	2014: Nil 2013: Nil	2014: Nil 2013: Nil

Caversham Lakes Trust Limited (CLTL)

Following a review of Sport England's subsidiaries in 2011, it was agreed to transfer the assets of CLTL to The Sports Council Trust Company, which has accountability for the management of the National Sports Centres. Following this transfer on 29 March 2012 the Company ceased trading and became dormant with

no assets or liabilities from the transfer date.

The company is likely to be required within the next twelve months for a special project, to be funded with a Lottery grant from the Sport England Lottery Fund, to support behaviour change in women within sport.

18 Inventory

Prior to 31 March 2013 Sport England took ownership of the temporary swimming pools from the Olympic Development Authority (ODA), as part of the relocatable legacy pool project following the London 2012 Olympic Games.

The accounting treatment applied is to treat these relocatable pools as current assets as the intention is to dispose of them as soon as possible. There are nine pools, one of which has been leased out for a two year

period from August 2013 for a nominal consideration. It is the intention to transfer all of the other eight pools to permanent sites by 31 March 2015.

The assets were transferred to Sport England for nil consideration from the ODA and the intention is to dispose of them for nil consideration. Therefore the assets are recorded at nil value in the financial statements.

19 Trade and other receivables

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade receivables	833	550	752	449
Grant receivable – Sport England NLDF	837	129	-	-
Grant receivable – The Royal British Legion	26	229	-	-
Other receivables	557	889	557	889
Staff travel loans	61	62	61	62
The Sports Council Trust Company	-	-	-	548
Prepayments and accrued income	2,069	1,947	1,528	971
Sport England NLDF	9,222	5,800	9,222	5,800
Total	13,605	9,606	12,120	8,719
Intra-government balances:				
Other central government bodies	10,638	5,944	9,800	6,363
Local authorities	74	30	74	30
NHS bodies	-	334	-	334
Bodies external to government	2,893	3,298	2,246	1,992
Total	13,605	9,606	12,120	8,719

20 Grants outstanding

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Grants outstanding	3,198	1,627	3,198	1,627
Intra-government balances:				
Other central government bodies	75	-	75	-
Local authorities	623	272	623	272
Bodies external to government	2,500	1,355	2,500	1,355
Total	3,198	1,627	3,198	1,627

21 Trade and other payables

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade payables	935	360	898	358
Corporation tax	12	7	12	7
Accruals	6,107	5,111	5,182	4,461
Other payables	443	377	443	377
The Sports Council Trust Company	-	-	993	-
Total	7,497	5,855	7,528	5,203
Intra-government balances:				
Other central government bodies	1,050	222	1,050	222
Local authorities	-	8	-	8
Bodies external to government	6,447	5,625	6,478	4,973
Total	7,497	5,855	7,528	5,203

22 Provisions

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Amounts falling due within one year:				
Balance at 1 April	-	-	-	-
Provided during the year:				
Dilapidations	563	-	34	-
Onerous lease	561	-	-	-
Balance at 31 March	1,124	-	34	-

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Amounts falling due after one year:				
Balance at 1 April	-	-	-	-
Provided during the year:				
Onerous lease	155	-	-	-
Balance at 31 March	155	-	-	-

Provisions have been made during the year for dilapidations and onerous leases on three leased properties.

Victoria House

The break clause on the lease at Victoria House was exercised during the year and the lease expires on 28 September 2014. The dilapidations estimate of £0.5 million to return the premises to its pre-occupation condition has been provided by the landlord but is still subject to negotiation. Victoria House will be vacated by the end of April 2014 and so in order to reflect that no economic benefit is being derived from the lease an onerous lease provision of £0.5 million has been included in the financial statements.

Cardigan Road

The previous tenant exercised the break clause in April 2013; however there is currently no likelihood of letting the premises to a new tenant. Thus, an onerous lease provision of £0.2 million for rent payable until the lease expires in April 2018 has been included in the financial statements. A £50k dilapidation provision has also been included reflecting the expected costs.

Harrison Rocks

The lease for the operation of the campsite facilities ends in November 2014 and the expected cost of dilapidations is £34k.

23 Contingent liabilities

Contributions towards property, plant and equipment

In 1979, the Football Association (FA) contributed £0.5 million towards the construction of a hostel at Lilleshall National Sports Centres. 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 £0.5 million 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.

Lease commitments

Commitments under operating leases held by The Sports Council Trust Company are shown in note 10. Common to the leases is the requirement to hand-back the premises at the end of the lease period in a good condition and dilapidation provisions have been made as stated in note 22.

24 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements at 31 March 2014 amount to £1.9 million (2013: £7.3million).

These commitments relate to building works to be carried out at the National Sports Centres which are being funded by a Lottery grant from Sport England.

25 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, and a Group Personal Pension Plan (GPPP) defined contribution scheme with Aviva which is available to employees who commenced service from 1 October 2005 onwards.

Defined benefit LPFA plan

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. Sport England's pension liabilities cover two defined benefit pension schemes, being the 460 and 440 schemes.

The 460 scheme is funded by employee and employer contributions at actuarially determined rates based on current members.

The 440 multi-employer scheme was closed after an earlier restructure of The Sports Council in 1997. Sport England has included its share of the amounts brought to account in relation to this closed scheme in its financial statements.

Additional employer contributions are paid into both schemes to reduce the scheme's deficit as advised by the scheme's actuaries based on triennial valuations, the most recent valuation being 31 March 2013.

Sport England will also make additional voluntary contributions to both schemes if the funding is available to do so.

Under Sport England's management agreement with its sponsoring department DCMS all assets and liabilities on these defined benefit schemes 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.

During 2013 the LPFA merged their two Funds, namely the active sub fund and the pensioner sub fund. Sport England was previously part of the active sub fund which was more heavily invested in equities than the pensioner sub fund. The merger of the two funds has had the result of reducing the total assets invested in equities.

The tables below show employee contribution rates and employer contributions for 2013 and 2014 and those that are expected to be made in 2015 for the Exchequer portion of the scheme:

Employee contribution rates		
2014 salary range	2013 salary range	Contribution rate
Less than £13,700	Less than £13,500	5.5%
£13,701 - £16,100	£13,501 - £15,800	5.8%
£16,101 - £20,800	£15,801 - £20,400	5.9%
£20,801 - £34,700	£20,401 - £34,000	6.5%
£34,701 - £46,500	£34,001 - £45,500	6.8%
£46,501 - £87,100	£45,501 - £85,300	7.2%
More than £87,100	More than £85,300	7.5%

Employer contributions to schemes						
All figures in £'000s	2015		2014		2013	
	440	460	440	460	440	460
% Employer contributions	n/a	12%	n/a	16%	n/a	16%
Employer contributions	-	140	-	194	-	221
Required additional contributions	258	221	205	940	294	574
Voluntary additional contributions	-	-	-	-	455	202
Total	258	361	205	1,134	749	997

International Accounting Standard IAS19 Employees Benefits requires the disclosure of additional information, in respect of the Sport England's superannuation scheme. The information has been provided by the LPFA's consulting actuaries. Following the adoption of the revised IAS 19 (2011) accounting standard some of the prior year

information contained in the tables has been restated.

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.

The following information relates to the scheme as a whole:

Employer membership statistics as at 31 March 2013 - 460 scheme			
	Number	Salaries/Pensions £'000	Average age
Actives	68	3,143	46
Deferred pensioners	404	1,827	46
Pensioners	158	1,794	65
Unfunded pensioners	82	311	67

Employer membership statistics as at 31 March 2013 - 440 scheme			
	Number	Salaries/Pensions £'000	Average age
Actives	-	-	-
Deferred pensioners	200	379	53
Pensioners	239	1,187	73
Unfunded pensioners	69	132	77

Financial assumptions (expressed as weighted average)			
	2014 % per annum	2013 % per annum	2012 % per annum
Price increases – RPI	3.6%	3.4%	3.3%
Price increases – CPI	2.8%	2.6%	2.5%
Salary increase	4.6%	4.3%	4.2%
Pension increase	2.8%	2.6%	2.5%
Discount rate	4.4%	4.5%	4.6%

Life expectancy assumptions from age 65			
		2014 Years	2013 Years
Retiring today	Males	22.6	22.3
	Females	25.2	24.2
Retiring in 20 years	Males	24.9	24.3
	Females	27.4	26.0

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

Statement of financial position disclosure			
	2014 £'000	2013 £'000	2012 £'000
Present value of funded liabilities	(47,113)	(44,665)	(41,733)
Fair value of employer assets	32,796	31,409	27,083
Present value of unfunded liabilities	(3,058)	(3,078)	(2,804)
Net liability in the Statement of financial position	(17,375)	(16,334)	(17,454)
Liabilities	(50,171)	(47,743)	(44,537)
Assets	32,796	31,409	27,083
Net liability in the Statement of financial position	(17,375)	(16,334)	(17,454)

The major categories of plan assets as a percentage of total plan assets				
	2014		2013	
	£'000	%	£'000	%
Equities	17,381	53%	22,929	73%
LDI/Cash flow matching	1,968	6%	-	0%
Target return portfolio	9,839	30%	3,141	10%
Alternative assets	-	0%	4,711	15%
Infrastructure	1,312	4%	-	0%
Commodities	328	1%	-	0%
Property	984	3%	-	0%
Cash	984	3%	628	2%
Total	32,796	100%	31,409	100%

Amounts recognised in the Statement of comprehensive net expenditure		
	2014 £'000	2013 £'000 Restated
Service cost	334	339
Net interest on the net defined benefit liability	662	677
Administration expenses	46	45
Total	1,042	1,061
Actual return on scheme assets	1,123	3,928

Re-measurements in Other comprehensive income		
	2014 £'000	2013 £'000 Restated
Return on plan assets in excess of interest	(289)	2,686
Other actuarial gains on assets	337	-
Change in financial assumptions	(2,533)	(2,002)
Change in demographic assumptions	48	-
Experience gain/(loss) on defined benefit obligation	1,099	(249)
Total	(1,338)	435

Changes in the present value of the defined benefit obligation		
	2014 £'000	2013 £'000 Restated
Opening defined benefit obligation	47,743	44,537
Service cost	334	339
Interest cost	2,118	1,950
Change in financial assumptions	2,533	2,002
Change in demographic assumptions	(48)	-
Experience (gain)/loss on defined benefit obligation	(1,099)	249
Contributions by members	90	96
Estimated unfunded benefits paid	(171)	(163)
Estimated benefits paid	(1,329)	(1,267)
Closing defined benefit obligation	50,171	47,743

Changes in the fair value of the plan assets are as follows:		
	2014 £'000	2013 £'000 Restated
Opening fair value of employer assets	31,409	27,083
Interest on assets	1,456	1,273
Return on assets less interest	(289)	2,686
Other actuarial gains	337	-
Administration expenses	(46)	(45)
Contributions by members	90	96
Contributions by employer	1,339	1,746
Estimated benefits paid	(1,500)	(1,430)
Closing fair value of employer assets	32,796	31,409

Sensitivity Analysis			
	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	49,291	50,171	51,068
Projected service cost	260	266	273

Sensitivity Analysis			
	£'000	£'000	£'000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	50,230	50,171	50,113
Projected service cost	266	266	266
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	51,023	50,171	49,335
Projected service cost	273	266	260

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2014 were £0.2 million (2013: £0.2 million). There were no amounts outstanding or pre-paid at 31 March 2014 (2013: £nil).

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

26 Revaluation reserve

	Group	
	2014 £'000	2013 £'000
Land and buildings		
Balance at 1 April	12,021	10,966
Surplus owing to revaluation of properties	6,330	705
Amortisation of revaluation reserve	135	350
Balance at 31 March	18,486	12,021

27 National centre reserve

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Balance at 1 April	-	34	-	34
Transfer to reserve (from deferred income)	-	(34)	-	(34)
Balance at 31 March	-	-	-	-

28 General reserve

	Group		Council	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
General reserve	65,648	63,329	3,504	3,341
Greater Manchester fund	-	35	-	35
Balance at 31 March	65,648	63,364	3,504	3,376

29 DCMS grant

A grant was received in the year from DCMS amounting to £0.2 million (2013: £22k) to fund the relocatable legacy pools project (note 18). The grant funding covers project management,

maintenance, insurance and storage costs. All the conditions of the grant agreement have been met.

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

	Group		Council	
	2014 £'000	2013 £'000 Restated	2014 £'000	2013 £'000 Restated
Net operating expenditure	(86,184)	(93,639)	(88,456)	(97,835)
Depreciation	3,793	2,520	420	341
Loss on revaluation	1,084	689	-	-
Loss on disposal of asset	3	392	-	350
Net interest on net defined benefit liability and administration costs	708	722	708	722
Decrease in national centre reserve	-	(34)	-	(34)
Increase in receivables	(3,999)	(1,509)	(3,401)	(2,564)
Increase/(decrease) in payables	1,138	(422)	2,325	(297)
Increase/(decrease) in grants outstanding	1,571	(158)	1,571	(158)
Increase/(decrease) in provisions	1,279	(40)	34	(40)
LPFA service costs	334	339	334	339
LPFA employer contributions	(1,339)	(1,746)	(1,339)	(1,746)
Repayment of restricted fund	-	(6)	-	-
Assets gifted to subsidiaries	-	-	1,297	1,909
Taxation	(15)	(7)	(15)	(7)
Interest received	50	28	50	28
Net cash outflow from operating activities	(81,577)	(92,871)	(86,472)	(98,992)

The prior year numbers have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 31).

31 Prior year restatement

The implementation of the revised International Accounting Standard, IAS 19 (2011) Employee Benefits, requires the following restatements to the prior year disclosures in the financial statements for the Group and the Council as set out below:

Statement of comprehensive net expenditure (SOCNE)		
	Group 2013 £'000	Council 2013 £'000
Previously reported net operating expenditure for the year	(93,215)	(97,430)
Effect of changes in accounting treatment	(384)	(384)
Restated net operating expenditure for the year	93,599	97,814

Other finance income		
	Group 2013 £'000	Council 2013 £'000
Previously reported in net operating expenditure for the year	338	338
Effect of changes in accounting treatment	339	339
Restated as net interest on the net defined benefit liability	677	677

Operating costs		
	Group 2013 £'000	Council 2013 £'000
Previously reported in net operating expenditure for the year	5,386	3,119
Effect of changes in accounting treatment	45	45
Restated operating costs	5,431	3,164

Other comprehensive income		
	Group 2013 £'000	Council 2013 £'000
Previously reported in other comprehensive income	51	51
Effect of changes in accounting treatment	384	384
Restated as re-measurement of the defined benefit liability	435	435

Statement of cash flows - Note to the financial statements
Reconciliation of net operating expenditure to net cash outflow from operating activities

	Group 2013 £'000	Council 2013 £'000
Previously reported net operating expenditure for the year	(93,255)	(97,451)
Effect of changes in accounting treatment	(384)	(384)
Restated net operating expenditure for the year	93,639	97,835

32 Related party transactions

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 year, but not with Caversham Lakes Trust Limited, which has remained dormant since 29 March 2012.

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

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

The following table details where Board Members, Executive Directors and key managerial staff declared a current or past interest relating to Sport England's Exchequer funding. The related party transactions are in relation to:

- Awards expensed during the year
- Awards committed during the year but not yet accepted by applicants
- Awards unpaid at 31 March 2014, which includes unpaid expensed awards and committed awards
- Supplier transactions completed between 1 April 2013 and 31 March 2014. There were no unpaid amounts on these transactions at 31 March 2014.

Relationship	Awards expensed 2014 £	Awards committed 2014 £	Awards unpaid £	Supplier transactions £
Department for Culture, Media and Sport				
Grant-in-aid funding				88,634,000
Relocatable pools grant	212,252			
The Sports Council Trust Company				
Payable by Sport England				3,977,020

Relationship	Awards expended 2014 £	Awards committed 2014 £	Awards unpaid £	Supplier transactions £
Nick Bitel				
Consultant to advisors of England and Wales Cricket Board	324,999	4,676,000		
Consultant to advisors of Rugby Football Union	1,625,000	1,625,000	174,234	
Imm. Family: Member, Lawn Tennis Association	1,000,000	3,000,000	150,242	
Charles Reed				
Board Member, Active Gloucestershire	13,000			
Board Member, English Federation of Disability Sport	994,088			
Ian Drake				
Director and Member, British Cycling	3,223,274	7,308,694	120,949	
Member, Royal Yachting Association	1,641,816		25,650	
Imm. Family: Employment, Northamptonshire CSP	13,000			
Board Member, The Velodrome Trust				74
Sally Gunnell OBE DL				
Partner: Advisor, England Athletics	16,596	2,540,983	17,000	
Clare Connor OBE				
Employment, England and Wales Cricket Board	324,999	4,676,000		
Peter Rowley				
Member, England Athletics	16,596	2,540,983	17,000	
Director, SkillsActive UK	350,000			
Audit Committee Member, UK Sport				6,181
Director, British Weight Lifting	174,940	589,852	10,250	
Board Member, Tees Valley Sport	13,000			
Sadie Mason				
Employment, Active Sussex	13,000			
Trustee, County Sports Partnership Network				216
Team Manager, England Basketball	370,000		59,375	
James Stewart				
Employment, KPMG				7,831
Peter Stybelski				
Employment, Cumbria County Council	13,000			
Martin Thomas				
Board Member, Commonwealth Games England	93,000		9,300	218
Jennie Price				
Partner: Board Member, British Fencing Association	279,518	1,305,000	21,600	
Partner: Consultant, The Leisure Database Company				242,227
Rona Chester				
Member, Lawn Tennis Association	1,000,000	3,000,000	150,242	
Partner: Member, Lawn Tennis Association				
Member, English Golf Union	170,000	510,000		
Partner: Member, English Golf Union				
Board Member, The Velodrome Trust				74
Member, England Squash & Racketball	1,832,000	1,591,200	33,000	
Partner: Member, England Squash & Racketball				

Relationship	Awards expensed 2014 £	Awards committed 2014 £	Awards unpaid £	Supplier transactions £
Lisa O'Keefe				
Member, British Cycling	3,223,274	7,308,694	120,949	
Member, British Mountaineering Council	117,000	466,500		
Member, Rugby Football Union	1,625,000	1,625,000	174,234	
Phil Smith				
Board Member, Football Foundation	10,000,000	30,000,000		
Board Member, sports coach UK	2,500,000	2,500,000		
Alison Selfe				
Imm. Family: Member, British Cycling	3,223,274	7,308,694	120,949	

33 Derivatives and other financial instruments

Sport England 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 performs all transactions in Sterling and therefore has no currency exchange risk and 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 (2014: £19k; 2013: £19k) and therefore 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 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 does not enter into any interest rate swaps or similar financial instruments.

34 Post financial year-end events

The Annual Report and Financial statements were authorised for issue on the date of certification by the Comptroller and Auditor General.

The English Sports Council
National Lottery Distribution Fund

Financial Statements
for the year ended 31 March 2014

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 the suitable accounting policies on a consistent basis
- Make judgments and estimates on a reasonable basis
- State whether the applicable accounting standards have been

Jennie Price

Chief Executive and Accounting Officer of
The English Sports Council

26 June 2014

followed, and disclose and explain any material departures in the financial statements and

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

The Accounting Officer for the Department for Culture, Media and Sport, has designated the Chief Executive of The English Sports Council as the Accounting Officer for The Council. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of public finances for which she 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 she ought to have taken to make herself aware of any relevant audit information and to establish that The English Sport Council's auditors are aware of that information.

Nick Bitel

Chair of The English Sports Council

26 June 2014

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

I certify that I have audited the financial statements of the English Sports Council National Lottery Distribution Fund for the year ended 31 March 2014 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Council's and Chief Executive's Responsibilities, the Chief Executive and Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are

free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the English Sports Council National Lottery Distribution Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by English Sports Council Lottery Distribution Fund; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

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 2014 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
Date 2 July 2014

Matters on which I report by exception

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

- adequate accounting records have not been kept by the English Sports Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Index to the National Lottery Distribution Fund Financial Statements

Abbreviation	Financial statements	
SOCNE	Statement of comprehensive net expenditure	98
SOFP	Statement of financial position	99
Cash flow	Statement of cash flows	100
Equity	Statement of changes in equity	101
Note number	Notes to the financial statements	
1	Statement of accounting policies	102
2	National Lottery Distribution Fund	106
3	Grant recoveries	107
4	Other income	107
5	Grant hard commitments (SOCNE)	107
6	Non-cash grants	108
7	Staff costs	108
8	Sports development costs	109
9	Operating costs	110
10	Taxation	110
11	Capital commitments	111
12	Trade receivables	111
13	Trade and other payables	111
14	Grant hard commitments (SOFP)	112
15	Grant soft commitments	113
16	Pension liabilities	113
17	Reconciliation of (decrease)/increase in Lottery funds	118
18	Prior year restatement	119
19	Related party transactions	120
20	Derivatives and other financial instruments	122
21	Post financial year-end events	122

Statement of comprehensive net expenditure

	Note	2014 £'000	2013 £'000 Restated
Income			
National Lottery share of proceeds	2	205,863	227,505
National Lottery investment returns	2	962	1,284
Grant recoveries	3	446	317
Interest receivable		4	4
Other income	4	1,772	537
Total		209,047	229,647
Expenditure			
Grant hard commitments	5	344,646	117,148
Grant de-commitments	5	(5,820)	(1,104)
Non-cash grants	6	750	-
Staff costs	7	9,000	8,134
Sports development costs	8	6,867	10,657
Operating costs	9	7,810	5,155
Total		363,253	139,990
Net interest on the net defined benefit liability		959	1,082
Net (expenditure)/income before taxation		(155,165)	88,575
Taxation	10	(1)	(1)
Net (expenditure)/income for the year		(155,166)	88,574
Other comprehensive income			
Re-measurement of the defined benefit liability	16	(1,956)	710
Total comprehensive (expenditure)/income for the year		(157,122)	89,284

The prior year numbers have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 18).

All income and expenditure relates to continuing activities

The notes on pages 102 to 122 form part of these financial statements.

Statement of financial position

	Note	2014 £'000	2013 £'000
Current assets			
National Lottery Distribution Fund	2	177,056	194,971
Trade receivables	12	272	64
Cash and cash equivalents		111	385
Total		177,439	195,420
Non current assets			
Trade receivables	12	226	309
Total assets		177,665	195,729
Current liabilities			
Trade and other payables	13	(9,222)	(5,800)
Grant hard commitments	14	(161,107)	(119,289)
Total		(170,329)	(125,089)
Total assets less current liabilities		7,336	70,640
Non current liabilities			
Grant hard commitments	14	(132,427)	(40,190)
Pension liabilities	16	(22,812)	(21,231)
Total		(155,239)	(61,421)
Net (liabilities)/assets		(147,903)	9,219
Equity			
General reserve		(125,091)	30,450
Pension reserve		(22,812)	(21,231)
Total		(147,903)	9,219

The notes on pages 102 to 122 form part of these financial statements

Jennie Price

Nick Bitel

Chief Executive and Accounting Officer of
The English Sports Council

Chair of The English Sports Council

26 June 2014

26 June 2014

Statement of cash flows

	Note	2014 £'000	2013 £'000 Restated
Cash flows from operating activities			
Funds drawn down from NLDF	2	224,740	173,900
Other income		2,093	901
Hard commitments paid	14	(204,771)	(151,352)
Non-cash grants		(750)	-
Staff costs	7	(10,407)	(10,229)
Sports development costs	8	(6,867)	(10,657)
Operating costs		(4,315)	(3,716)
Interest received		4	4
Taxation paid	10	(1)	(1)
Net cash outflow from operating activities		(274)	(1,150)
Net decrease in cash and cash equivalents		(274)	(1,150)
Cash and cash equivalents at 1 April		385	1,535
Cash and cash equivalents at 31 March		111	385

The prior year numbers have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 18).

Staff costs for both years include employer contributions to the defined benefit pension scheme.

The notes on pages 102 to 122 form part of these financial statements

Statement of changes in equity

		Pension Reserve £'000 Restated	General Reserve £'000	Total £'000 Restated
Balance at 1 April 2012		(22,885)	(57,180)	(80,065)
Net income for the year		-	88,574	88,574
Re-measurement of defined benefit liability	16	710	-	710
Transfer between reserves		944	(944)	-
Balance at 31 March 2013		(21,231)	30,450	9,219
Net expenditure for the year		-	(155,166)	(155,166)
Re-measurement of defined benefit liability	16	(1,956)	-	(1,956)
Transfer between reserves		375	(375)	-
Balance at 31 March 2014		(22,812)	(125,091)	(147,903)

The prior year figures relating to the re-measurement of defined benefit liability have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 18).

The notes on pages 102 to 122 form part of these financial statements.

Notes to the financial statements

1 Statement of accounting policies

These financial statements have been prepared in accordance with the National Lottery etc. Act 1993 (as amended) and directions issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2013/14 Government Financial Reporting Manual (FReM) issued by HM Treasury a copy of which can be obtained from Sport England at 21 Bloomsbury Street, London, WC1B 3HF. The accounting policies contained in the FReM apply the requirements of the Companies Act 2006, and International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate for the particular circumstances of the Sport England National Lottery Distribution Fund (NLDF) and which gives a true and fair view has been selected.

The particular policies adopted by the Sport England NLDF as set out and described below have been applied consistently to all periods presented in the financial statements.

1.1 Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention and only reflect the activities associated with the Sport England NLDF.

Without limiting the information given, the financial statements of the Sport England NLDF 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 financial statements 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 NLDF.

The financial statements have been prepared under the accruals basis and all income and expenditure are taken into account in the financial period to which it relates. Awards are accounted for on a commitment basis (note 1.6).

In compliance with Section 35 of the National Lottery etc. Act 1993 (as amended), the financial statements cover the year to 31 March 2014. Comparative figures are shown for the year ended 31 March 2013.

A separate set of financial statements 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 NLDF financial statements.

Grant commitments for future years (note 15) 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 provided by the Department for Culture, Media and Sport (DCMS). In taking this view of future income the Board assumes as a matter of public policy the continued operation of the Lottery. The Board has taken into consideration the impact of the changes to

the income share agreed by Parliament and has considered the impact on existing commitments recorded in these financial statements.

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 Restatement

The comparative results for the Statement of comprehensive net expenditure have been restated in order to reflect the revised IAS 19 Employee Benefits international accounting standard. The revised IAS 19 is effective for all financial years beginning on or after 1 January 2013. The revised standard only affects the Statement of comprehensive net expenditure with no changes to the disclosures in the Statement of financial position.

Disclosure of the effect of this change and the impact on all primary statements is shown in note 18 to the financial statements.

1.4 National Lottery Distribution Funds

Funds with the 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 financial statements.

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

1.5 Grant recoveries

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.

1.6 Hard and soft commitments

As required by the Secretary of State for Culture, Media and Sport, commitments are defined as hard and soft.

A 'hard commitment' occurs when a firm offer of award has been made to the third party by Sport England and this offer has been accepted, together with any conditions upon which the award has been made.

A 'soft commitment' occurs where there is agreement in principle by Sport England to fund a scheme, but the offer and associated conditions have not yet been accepted by the third party to whom the award is being offered.

De-commitments occur when previously awarded funds are either not required by the awardee, or the awardee has not met the relevant conditions for the funds to be paid out.

Only hard commitments are recognised in the Statement of comprehensive net expenditure and are shown in note 14. Soft commitments are detailed in note 15.

1.7 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 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 outcomes
- The goods and or services do not fall within any of Sport England's statutory 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.

1.8 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.

All 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

review by the Executive Team and the Finance Committee on an annual basis. These calculations are also subject to audit.

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 the Sport England Lottery activities is reimbursed to the Exchequer account.

1.9 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 to the original terms of the receivables.

1.10 Cash and cash equivalents

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

1.11 Trade and other payables

Trade and other payables are recognised at fair value.

1.12 Taxation

The Sport England NLDF is registered for VAT as part of Sport England's VAT registration, however does not undertake any business activities for VAT purposes. VAT is not recoverable on any of its operational expenditure.

Corporation tax is payable on bank interest received net of bank charges.

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

1.13 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. IAS 19 was revised in 2011 and is required to be applied for annual periods beginning on or after 1 January 2013. The revised IAS is referred to as IAS 19 (2011).

IAS 19 (2011) 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, and gains and losses on 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 1.8.

The implementation of IAS 19 (2011) requires restatement to the financial statements for the year ended 31 March 2013 as set out at note 18.

2 National Lottery Distribution Fund

	2014 £'000	2013 £'000
Balance at 1 April	194,971	140,082
Share of proceeds	205,863	240,034
Olympic contribution	-	(12,529)
National Lottery share of proceeds	205,863	227,505
Investment returns	962	1,284
Total share of proceeds and investment returns	206,825	228,789
Funds drawn down	(224,740)	(173,900)
Balance at 31 March	177,056	194,971

Funds held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Media and Sport and are managed by the Commissioners for the Reduction of National Debt. The NLDF has been certified by the Secretary of State for Culture, Media and Sport, as being available for distribution by the Sport England NLDF 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.

The accounts for 2012/13 were prepared using an interim certificate issued by DCMS. Subsequent information was made available by DCMS, after the date of signature of the accounts, which would have revised this estimate of the balance to £191.4 million. The difference between the estimated valuations as at 31 March 2013 is shown as a reduction in the share of proceeds in 2013/14. Net proceeds would be £209.5 million without this adjustment.

3 Grant recoveries

	2014 £'000	2013 £'000
Grant recoveries	446	317

4 Other income

	2014 £'000	2013 £'000
External funding income	46	58
Active people survey recharges	490	335
Primary facilities contribution	187	-
Bloomsbury Street recharges ¹	827	-
Other recharges	222	144
Total	1,772	537

¹ Recharges of costs relating to the lease and fit-out of 21 Bloomsbury Street.

5 Grant hard commitments

	2014 £'000	2013 £'000
Grant hard commitments	344,646	117,148
Grant de-commitments	(5,820)	(1,104)
Net grant hard commitments	338,826	116,044
Net grant hard commitments		
NGB whole sport plans	237,659	13,167
Facilities	42,924	47,649
Local investment	48,381	47,013
School games	11,229	9,319
Other programmes	(1,367)	(1,104)
Total	338,826	116,044

The aggregate amount in 2013 is unchanged from last year at £116.0 million; however the categories of grants have been revised in order to provide consistent comparative information.

6 Non-cash grants

	2014 £'000	2013 £'000
Club leaders programme	750	-

7 Staff costs

	2014 £'000	2013 £'000
Permanent and fixed term staff		
Wages and salaries	6,754	6,161
Social security costs	704	633
Pension costs	1,112	1,019
Total	8,570	7,813
Agency staff	430	321
Total staff costs	9,000	8,134

Average number of equivalent full time staff		
	2014	2013
Permanent staff	154	141
Fixed term temporary staff	1	1
Agency staff	9	6
Average	164	148

The exit packages disclosure is shown within the remuneration report on page 42.

8 Sports development costs

	2014 £'000	2013 £'000
Grant programme support costs		
NGB whole sport plans	201	90
Places people play	849	3,876
Local investment	475	284
School games	115	107
Other facilities	112	205
Other programmes	708	486
Total	2,460	5,048
Other sports development costs		
Legal	119	126
Measurement surveys	1,880	2,034
Research	351	254
Facilities expertise and support	182	291
Planning data and guidance	677	691
Communications	35	-
Equality standards	3	5
Local government support	110	146
Other costs	(72)	-
Irrecoverable VAT	1,122	2,062
Total	4,407	5,609
Total	6,867	10,657

Sports development costs include expenditure which aims to promote the development of sport, thereby creating increased sporting opportunities for the local community.

9 Operating costs

	2014 £'000	2013 £'000 Restated
Auditor's remuneration ¹	59	60
Board expenses	8	7
Communications	195	195
Grant outsourcing costs	251	233
Internal audit and governance	134	132
Irrecoverable VAT	961	954
IT infrastructure and systems costs	1,008	848
Legal	175	146
Other costs	(66)	(106)
Other staff costs	131	75
Property operating leases ²	3,038	1,699
Bloomsbury Street fit-out costs ³	837	-
Staff training	204	165
Travel and subsistence	528	446
Asset hire	274	232
Defined benefit scheme administration charge	73	69
Total	7,810	5,155

The prior year numbers have been restated following the implementation of the revised International Accounting Standard, IAS 19 (2011) (note 18).

¹ No other payment was made to the auditors for non-audit work.

² 2014 includes £0.8 million of provisions for dilapidations and onerous leases at two leased properties (2013: £nil).

³ £0.8 million of these costs have been recharged to other organisations (note 4).

Losses and special payments

There were no individual losses, or special payments during the year ended 31 March 2014 which exceeded £300,000 (2013: £nil), the aggregate did not exceed £300,000 (2013: £nil).

10 Taxation

	2014 £'000	2013 £'000
UK corporation tax at 23% (2013: 24%)		
Current tax charge	(1)	(1)
Total	(1)	(1)

11 Capital Commitments

There are no capital commitments as at 31 March 2014 (2013: £nil).

12 Trade receivables

	2014 £'000	2013 £'000
Trade receivables		
Amounts falling due within one year	272	64
Amounts falling due after more than one year	226	309
Total	498	373
Intra government balances		
Local authorities	-	7
Bodies external to government	498	366
Total	498	373

13 Trade and other payables

	2014 £'000	2013 £'000
Sport England Grant-in-aid	9,222	5,800
Intra-government balances:		
Other central government bodies	9,222	5,800

14 Grant hard commitments

	2014 £'000	2013 £'000
Hard commitments at 1 April	159,479	194,787
Hard commitments paid	(204,771)	(151,352)
Hard de-commitments	(5,820)	(1,104)
Hard commitments entered into	344,646	117,148
Hard commitments at 31 March	293,534	159,479
Amounts due during 2014 Financial Year	-	119,289
Amounts due during 2015 Financial Year	161,107	34,161
Amounts due during 2016 Financial Year	96,502	5,811
Amounts due during 2017 Financial Year	35,622	218
Amounts due during 2018 Financial Year	303	-
Hard commitments at 31 March	293,534	159,479
Intra-government balances:		
Other central government bodies	5,632	13,756
NHS bodies	-	147
Local authorities	37,370	41,892
Bodies external to government	250,532	103,684
Total intra-government balances	293,534	159,479

Hard commitments payable in more than one year amount to £132.4 million (2013: £40.2 million).

The allocation of hard 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.

15 Grant soft commitments

	2014 £'000	2013 £'000
Soft commitments at 1 April	370,055	56,058
Soft commitments transferred to hard commitments	(344,369)	(117,148)
Soft commitments entered into	176,314	431,145
Soft commitments at 31 March	202,000	370,055

Soft commitments are the aggregate of:

- Award offers made which have not yet been accepted by the award recipient
- Award decisions approved by the relevant authority where no formal award offer has been sent at 31 March 2014.

The amount of soft commitments at 31 March 2013 of £370 million includes £233 million of awards for the NGB Whole Sport

Plans as part of the NGB 2013-17 funding cycle which were transferred to hard commitments in 2014.

The amounts of hard and soft commitments exceed the available resources by £349.9 million (2013: £360.8 million). It is the policy of Sport England to make forward commitments against future income streams to speed up the outflow of Lottery cash, and is in line with DCMS policy.

16 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, and a Group Personal Pension Plan (GPPP) defined contribution scheme with Aviva which is available to employees who commenced service from 1 October 2005 onwards.

Defined benefit LPFA plan

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. Sport England's pension liabilities cover two defined benefit pension schemes, being the 460 and 440 schemes.

The 460 scheme is funded by employee and employer contributions at actuarially

determined rates based on current members.

The 440 multi-employer scheme was closed after an earlier restructure of The Sports Council in 1997. Sport England has included its share of the amounts brought to account in relation to this closed scheme in its financial statements.

Additional employer contributions are paid into both schemes to reduce the scheme's deficit as advised by the scheme's actuaries based on triennial valuations, the most recent valuation being 31 March 2013.

Sport England will also make additional voluntary contributions to both schemes if the funding is available to do so.

Under Sport England's framework agreement with its sponsoring department

DCMS all assets and liabilities on these defined benefit schemes 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.

During 2013 the LPFA merged their two

Funds, namely the active sub fund and the pensioner sub fund. Sport England was previously part of the active sub fund which was more heavily invested in equities than the pensioner sub fund. The merger of the two funds has had the result of reducing the total assets invested in equities.

The tables below show employee contribution rates and employer contributions for 2013 and 2014 and those that are expected to be made in 2015 for the Lottery portion of the scheme:

Employee contribution rates		
2014 salary range	2013 salary range	Contribution rate
Less than £13,700	Less than £13,500	5.5%
£13,701 - £16,100	£13,501 - £15,800	5.8%
£16,101 - £20,800	£15,801 - £20,400	5.9%
£20,801 - £34,700	£20,401 - £34,000	6.5%
£34,701 - £46,500	£34,001 - £45,500	6.8%
£46,501 - £87,100	£45,501 - £85,300	7.2%
More than £87,100	More than £85,300	7.5%

Employer contributions to schemes						
All figures in £'000s	2015		2014		2013	
	440	460	440	460	440	460
% Employer contributions	n/a	12%	n/a	16%	n/a	16%
Employer contributions	-	260	-	311	-	333
Required additional contributions	480	412	329	1,299	438	857
Voluntary additional contributions	-	-	-	-	679	299
Total	480	672	329	1,610	1,117	1,489

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. Following the adoption of the revised IAS 19 (2011) accounting

standard some of the prior year information contained in the tables has been restated.

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 1.13).

The following information relates to the scheme as a whole:

Employer membership statistics as at 31 March 2013 - 460 scheme			
	Number	Salaries/Pensions £'000	Average age
Actives	68	3,143	46
Deferred pensioners	404	1,827	46
Pensioners	158	1,794	65
Unfunded pensioners	82	311	67

Employer membership statistics as at 31 March 2013 - 440 scheme			
	Number	Salaries/Pensions £'000	Average age
Actives	-	-	-
Deferred pensioners	200	379	53
Pensioners	239	1,187	73
Unfunded pensioners	69	132	77

Financial assumptions (expressed as weighted average)			
	2014 % per annum	2013 % per annum	2012 % per annum
Price increases – RPI	3.6%	3.4%	3.3%
Price increases – CPI	2.8%	2.6%	2.5%
Salary increase	4.6%	4.3%	4.2%
Pension increase	2.8%	2.6%	2.5%
Discount rate	4.4%	4.5%	4.6%

Life expectancy assumptions from age 65			
		2014 Years	2013 Years
Retiring today	Males	22.6	22.3
	Females	25.2	24.2
Retiring in 20 years	Males	24.9	24.3
	Females	27.4	26.0

The following information relates to the **Lottery portion** of the scheme only:

Statement of financial position disclosure			
	2014 £'000	2013 £'000	2012 £'000
Present value of funded liabilities	(68,084)	(64,493)	(60,087)
Fair value of employer assets	49,860	47,878	41,408
Present value of unfunded liabilities	(4,588)	(4,616)	(4,206)
Net liability in the Statement of financial position	(22,812)	(21,231)	(22,885)
Liabilities	(72,672)	(69,109)	(64,293)
Assets	49,860	47,878	41,408
Net liability in the Statement of financial position	(22,812)	(21,231)	(22,885)

The major categories of plan assets as a percentage of total plan assets				
	2014		2013	
	£'000	%	£'000	%
Equities	26,426	53%	34,950	73%
LDI/Cash flow matching	2,991	6%	-	0%
Target return portfolio	14,958	30%	4,788	10%
Alternative assets	-	0%	7,182	15%
Infrastructure	1,994	4%	-	0%
Commodities	499	1%	-	0%
Property	1,496	3%	-	0%
Cash	1,496	3%	958	2%
Total	49,860	100%	47,878	100%

Amounts recognised in the Statement of comprehensive net expenditure		
	2014 £'000	2013 £'000 Restated
Service cost	532	511
Net Interest on the net defined benefit obligation	959	1,082
Administration expenses	73	69
Total	1,564	1,662
Actual return on scheme assets	1,712	6,005

Re-measurements in Other comprehensive income		
	2014 £'000	2013 £'000 Restated
Return on plan assets in excess of interest	(440)	4,074
Other actuarial gains on assets	488	-
Change in financial assumptions	(3,667)	(2,992)
Change in demographic assumptions	70	-
Experience gain/(loss) on defined benefit obligation	1,593	(372)
Total	(1,956)	710

Changes in the present value of the defined benefit obligation		
	2014 £'000	2013 £'000 Restated
Opening defined benefit obligation	69,109	64,293
Service cost	532	511
Interest cost	3,067	2,982
Change in financial assumptions	3,667	2,992
Change in demographic assumptions	(70)	-
Experience (gain)/loss on defined benefit obligation	(1,593)	372
Contribution by members	131	146
Estimated unfunded benefits paid	(248)	(250)
Estimated benefits paid	(1,923)	(1,937)
Closing defined benefit obligation	72,672	69,109

Changes in the fair value of the plan assets		
	2014 £'000	2013 £'000 Restated
Opening fair value of employer assets	47,878	41,408
Interest on assets	2,108	1,900
Return on assets less interest	(440)	4,074
Other actuarial gains	488	-
Administration expenses	(73)	(69)
Contributions by members	131	146
Contributions by employer	1,939	2,606
Estimated benefits paid	(2,171)	(2,187)
Closing fair value of employer assets	49,860	47,878

Sensitivity Analysis			
	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	71,396	72,672	73,971
Projected service cost	417	428	439
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	72,757	72,672	72,587
Projected service cost	428	428	428
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	73,905	72,672	71,460
Projected service cost	439	428	417

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2014 were £0.4 million (2013: £0.3million). There were no amounts outstanding or pre-paid at 31 March 2014 (2013: £nil).

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

17 Reconciliation of (decrease)/increase in Lottery funds before taxation to net cash outflow from operating activities

	2014 £'000	2013 £'000
Net expenditure/(income) before taxation	(155,165)	88,575
(Increase)/decrease in trade and other receivables	(125)	47
Increase in trade and other payables	3,422	1,370
Increase/(decrease) in grant commitments	134,055	(35,308)
Corporation tax	(1)	(1)
Movement in pension liabilities	(375)	(944)
Decrease/(increase) in NLDF	17,915	(54,889)
Net cash outflow from operating activities	(274)	(1,150)

18 Prior year restatement

The implementation of the revised International Accounting Standard, IAS 19 (2011) Employee Benefits, requires the

following restatements to the prior year disclosures in the financial statements for the as set out below:

Statement of comprehensive net expenditure (SOCNE)	
	2013 £'000
Previously reported net income for the year	89,208
Effect of changes in accounting treatment	(634)
Restated net income for the year	88,574

Other finance income	
	2013 £'000
Previously reported in net income for the year	517
Effect of changes in accounting treatment	565
Restated as net interest on the net defined benefit liability	1,082

Operating costs	
	2013 £'000
Previously reported in net income for the year	5,086
Effect of changes in accounting treatment	69
Restated operating costs	5,155

Other comprehensive income	
	2013 £'000
Previously reported in other comprehensive income	76
Effect of changes in accounting treatment	634
Restated as re-measurement of the defined benefit liability	710

Statement of cash flows – Note to the financial statements	
Reconciliation of net operating expenditure to net cash outflow from operating expenses	
	2013 £'000
Previously reported net income before taxation	89,209
Effect of changes in accounting treatment	(634)
Restated net income before taxation	88,575

19 Related party transactions

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, but not with Caversham Lakes Trust Limited, which has remained dormant since 29 March 2012.

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

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

The following table details where Board Members, Executive Directors and key managerial staff declared a current or past interest relating to Sport England's National Lottery funding. The related party transactions are in relation to:

- Awards expensed during the year
- Awards committed during the year but not yet accepted by applicants
- Awards unpaid at 31 March 2014, which includes unpaid expensed awards and committed awards
- Supplier transactions completed between 1 April 2013 and 31 March 2014. There were no unpaid amounts on these transactions at 31 March 2014

Relationship	Awards expensed 2014 £	Awards committed 2014 £	Awards unpaid £	Supplier transactions £
The Sports Council Trust Company				
Payable by Sport England			2,718,536	
Nick Bitel				
Consultant to advisors of England and Wales Cricket Board	15,078,859		12,241,498	
Consultant to advisors of Rugby Football Union Board Member, London Legacy Development Corporation	16,631,457 496,678		12,515,363 496,678	
Imm. Family: Member, Lawn Tennis Association	6,100,000	3,062,625	5,862,625	
Charles Reed				
Board Member, Active Gloucestershire	(12,443)	446,890	446,890	
Board Member, English Federation of Disability Sport	893,005		821,785	
Ian Drake				
Director and Member, British Cycling	22,075,346		15,723,025	
Member, Royal Yachting Association	4,707,788		3,507,213	
Imm. Family: Employment, Northamptonshire CSP	31,870	405,930	450,930	
Board Member, The Velodrome Trust	10,000		10,000	439
Sally Gunnell OBE DL				
Partner: Advisor, England Athletics	175,000		103,000	
Clare Connor OBE				
Employment, England and Wales Cricket Board	15,078,859		12,241,498	

Relationship	Awards expensed 2014 £	Awards committed 2014 £	Awards unpaid £	Supplier transactions £
Peter Rowley				
Member, England Athletics	175,000		103,000	
Director, British Weight Lifting	356,950		229,564	
Board Member, Tees Valley Sport	7,599		45,000	
Director, MFC Foundation	9,500			
Audit Committee Member, UK Sport				11,678
Sadie Mason				
Employment, Active Sussex	6,782	703,430	754,631	
Trustee, County Sports Partnership Network	772,288	518,987	665,264	1,284
Team Manager, England Basketball	3,238,139	220,214	2,301,783	
James Stewart				
Employment, KPMG				14,795
Kate Bosomworth				
Board Member, Disability Sports Coach		508,530	508,530	
Peter Stybelski				
Employment, Cumbria County Council	27,173	474,816	519,816	
Imm. Family: Employment, Bolton Lads and Girls Club	9,573			
Board Member, Carlisle Youth Zone	12,602		8,950	
Martin Thomas				
Board Member, Commonwealth Games England	520,500	701,000	701,000	1,292
Jennie Price				
Partner: Board Member, British Fencing Association	172,082	805,000	805,000	
Partner: Consultant, The Leisure Database Company				376,173
Rona Chester				
Member, Lawn Tennis Association	6,100,000	3,062,625	5,862,625	
Partner: Member, Lawn Tennis Association				
Board Member, The Velodrome Trust	10,000		10,000	439
Member, England Squash & Racketball	5,647,000	530,400	4,268,400	
Partner: Member, England Squash & Racketball				
Member, National Trust		1,200,000	1,457,500	
Partner: Member, National Trust				
Lisa O'Keefe				
Member, British Cycling	22,075,346		15,723,025	
Member, British Mountaineering Council	2,312,792	30,000	1,652,392	
Member, Rugby Football Union	16,631,457		12,515,363	
Phil Smith				
Board Member, Football Foundation			7,650,000	
Alison Selfe				
Imm. Family: Member, British Cycling	22,075,346		15,723,025	
Imm. Family: Member, Lee Valley Youth Cycling Club	10,000			
Partner: Employment, London Borough of Havering		2,074,000	2,074,000	

20 Derivatives and other financial instruments

The Sport England NLDF relies mainly 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 and cash resources. Sport England does not enter into derivative transactions.

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

The Sport England NLDF does not borrow money and therefore has no exposure to interest rate risk 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 The Sport England NLDF are held by the NLDF. During 2013/14 the NLDF invested in government gilts and call notice deposits.

The Board recognises that their hard and soft 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 grants budgets to compensate for the decline.

21 Post financial year-end events

The Annual Report and Financial statements were authorised for issue on the date of certification by the Comptroller and Auditor General.

