

Annual Report & Accounts

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

Annual Report and Accounts for the year ended 31 March 2023

The English Sports Council

Grant-in-Aid and National Lottery Distribution Fund

Annual Report and Accounts for the year ended 31 March 2023.

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Contents

01

Introduction **6**

Welcome from our Chair	8
------------------------	---

02

Performance report **10**

Performance overview **11**

CEO's introduction	12
--------------------	----

Uniting the movement	16
----------------------	----

Key focus areas of this report	20
--------------------------------	----

Building the movement	22
-----------------------	----

Whyte Review	44
--------------	----

How we work	46
-------------	----

Performance analysis **50**

Principal risks	51
-----------------	----

Going concern	51
---------------	----

NAO report on Grassroots participation in sport	58
---	----

Consolidated activities	60
-------------------------	----

03

Sustainability Report 2022-23 **64**

04

Accountability Report **70**

Corporate Governance Report **71**

Directors' Report	72
-------------------	----

Governance statement	74
----------------------	----

Remuneration and staff report	90
-------------------------------	----

05

The English Sports Council Grant-in-Aid Consolidated Accounts for the year ended 31 March 2023 **100**

Statement of the Council's and Accounting Officer's Responsibilities	102
--	-----

The Audit report of the Comptroller and Auditor General to the English Sports Council	103
---	-----

The English Sports Council Grant-in-Aid Financial statements for the year ended 31 March 2023	108
---	-----

06

The English Sports Council National Lottery Distribution Fund Accounts for the year ended 31 March 2023 **144**

Statement of the Council's and Accounting Officer's Responsibilities	146
--	-----

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament	147
---	-----

The English Sports Council National Lottery Distribution Fund Financial Statements for the year ended 31 March 2023	152
---	-----

Notes to the accounts	155
-----------------------	-----

Introduction





Welcome from our Chair



“ In the current climate people face three major challenges: the increasing cost of living, the immense pressure on the NHS and, of course, climate change. Sport England has a critical role to play in combatting all three. ”

It has been another extremely busy year for Sport England, with the most recent research and survey results revealing the progress we and our partners are making with our mission to improve activity levels across England.

Whilst the visible successes are encouraging, we know that there’s still much work to be done. Inactivity is estimated to cause one in six deaths in England and cost society £7.4 billion per year, including £1 billion to the NHS alone. Physical activity should be put at the heart of the prevention agenda and Government and NHS efforts to support public health, with particular support for the people who face the biggest barriers to being active.

The positive results we’ve seen this year, many of which are highlighted in this report, have helped reinforce that the path we have chosen through our Uniting the Movement strategy is the right one and they therefore help to underline the validity of the priorities we’re pursuing.

Seeking to change the country’s relationship with physical activity is a challenge not to be underestimated, but the findings of the last 12 months show we’ve clearly taken more major steps forward on this important journey. As part of making this happen, we put in place a plan to transform this organisation, and I’m very pleased with how this has been progressing.

We’re now in the final stages of these changes, and in recent months we’ve completed our new-look executive team. It’s been great to welcome the new faces who are helping to reinvigorate the workforce for the challenges that lie ahead. I’d like to take this opportunity to welcome everyone who has joined Sport England this year and thank them for further strengthening the team.

As well as the restructure, this year we’ve also seen a lot of new faces on the Sport England Board to replace some amazing outgoing members – Andy Long, Karen Pickering, Ian Cumming, Natalie Ceeney and Chris Grant – who completed their terms with us at the end of December 2022. I want to put on record my thanks to them for their years of sterling work and for helping me as incoming Chair.



Our four new Board members, appointed by the Secretary of State for Culture, Media and Sport, have joined us for a three-year term. Mel Bound, Michelle Cracknell, Jason Fergus and Helene Raynsford bring fresh knowledge and skills to add to those of our existing Board members, who are providing valuable continuity during this period of change.

In the current climate people face three major challenges: the increasing cost of living, the immense pressure on the NHS and, of course, climate change. Sport England has a critical role to play in combatting all three. We are unique in our ability to connect several different sectors including education, health and transport and we'll continue to provide this vital link.

Of all the challenges the nation is facing, health is the one we are closest to and can help with most. Community sport and physical activity are estimated to prevent 150,000 cases of heart disease, 900,000 cases of diabetes and 30 million GP visits a year. So, everything we are doing to encourage and enable people to move more will help ease the burden on the NHS.

A key focus for us is to ensure that those who have the least, have access to cost-effective

ways to be active, no matter where they live or what their circumstances may be. We know that as well as the health benefits they bring, sport and physical activity often also provide people with an essential break from the challenges they face in life. We must continue to ensure that this is the case and work even harder to ensure that everyone enjoys all the activities they participate in. We'll also continue leading the sector in providing safe places and spaces to be active and helping people to incorporate activity into their daily lives. This includes embracing active travel options which not only help improve health but also help tackle climate change.

Looking forward, collaboration will continue to be crucial during the next 12 months as we connect as many people and organisations as possible to our work. We'll continue to encourage everyone to support the movement that we're leading, so that by working together we can create a more active, happier and healthier nation.

Chris Boardman MBE | **Chair**

Performance report

This report gives information on how Sport England has performed in the period 1 April 2022 to 31 March 2023 and is divided into two sections, the performance overview and performance analysis.





Performance overview

This section provides an overview of our purpose and activities, business model and environment under our new strategy in Uniting the Movement, a summary of our performance in Building the movement and lastly our organisational structure in How we work.

CEO's introduction



“ Witnessing activity levels in England return to pre-pandemic norms makes us more determined than ever to work with our many partners to maintain and further increase participation levels in the years ahead. ”

In covering the financial year from April 2022 to March 2023, this Annual Report tells the story of a significant period not only for Sport England but also for the country's entire sports and activity landscape.

For this was not just the year when our new Uniting the Movement strategy properly hit the ground running. It was also the moment when activity levels among adults and children returned to the levels last seen in 2019, before the devastating impact of the COVID-19 pandemic.

This is particularly important. It not only demonstrates the positive impact of the protective restrictions on people's activity being removed after two years. It also equals the highest level of participation in sport and physical activity ever recorded in England. And that we've recorded these activity levels since the 2012 London Olympics shows these measures are sustainable.

Having this proof is good news, because we know that physical activity boosts our ability to tackle this country's biggest challenges.

It eases pressure on the NHS and shrinks our carbon footprint by diminishing our reliance on fossil fuel-powered transport. Just as importantly, it supports economic growth and productivity through reduced workplace inactivity. In fact, community sport and physical activity generate more than £85 billion a year in social and economic benefits in England, generating a return of almost £4 for every £1 invested.

Witnessing activity levels in England return to pre-pandemic norms makes us more determined than ever to work with our many partners to maintain and further increase participation levels in the years ahead. But it's far from the only high point of the year, when once again our amazing people at Sport England showed all the commitment, integrity and energy that the importance of their role demands.

I wanted to say a heartfelt thank you, as their hard work has been behind all the achievements and more that you can read about in this report. The range is broad and far-reaching. On one hand, working with UK Sport to identify 19 safeguarding-related policy areas following the publication of Anna Whyte KC's review of British Gymnastics.

On another, running the Local Delivery Pilot (LDP) network, through which we work with local groups to identify and test new ways of helping people get active.

Of course, Sport England is far from alone in delivering this essential work, and I want to acknowledge the excellent contribution of our partners from across the country. These range from the smallest local community organisations to national governing bodies of sport and those 'system partners' identified as the most influential in delivering our new strategy.

I am also delighted to have received positive feedback from our system partners relating to Uniting the Movement's overall direction of travel, particularly on our approach to ensuring sustainable partnerships throughout the strategy's implementation period. Thank you, one and all.

These partnerships are central to our collective efforts to eradicate the stubborn inequalities that Uniting the Movement exists to eradicate. Close collaboration is the only way to succeed in addressing the undeniable challenges that we continue to face together.

These challenges are many and significant. In this post-pandemic era, multiple barriers remain that we must work together to overcome. This was a time when the ongoing fragility of society was there for all to see. The continuing overhang of the pandemic and fast-evolving cost-of-living challenges combined to further accentuate the many social inequalities and issues associated with sport and physical activity.

We know, for example, that 57% of people with a long-term health condition look to the NHS for trusted advice on how to be active. Yet nearly three quarters of GPs don't routinely speak about the benefits to their patients due to a lack of knowledge, skills or confidence.

While highly aware of the stubborn nature of many of these issues, I am again proud of some of the progress made during the year. These include achievements such as the creation and, more recently, the launch of the £60m Swimming Pool Support Fund.

For Sport England to remain relevant and effective in such an environment, we must be prepared to change. I am confident that the major restructuring we delivered in FY 2022-2023 is already making us an easier organisation to work with – more approachable, more flexible, more collaborative and more innovative. Time will tell, but the early signs are good, particularly in the open-minded and positive way that our colleagues have responded to their evolving roles and focus areas.

I would also like to welcome the new members of our executive team whose energy, fresh ideas and enthusiasm are already having a positive impact. And finally, I would like to thank those experienced and talented executive team members who left us during the year, having contributed so much to laying strong foundations for Uniting the Movement.

The act of writing this message has brought home to me once again just how proud I am to lead an organisation in which everybody is so passionate about achieving our vital aims. And I hope very much that you share some of my enthusiasm when reading this brief report, which can only touch lightly upon some of the year's achievements.



Tim Hollingsworth OBE | **Chief Executive**





Partner testimonial

George Wood, Swim England

"I have enjoyed attending the system partner online events convened by Sport England, which bring together an array of organisations. I have found it valuable to work with colleagues from across the sector to look at how we can further strengthen these connections and create new ways of working which will be essential to Uniting the Movement and making the difference we all want to see."

Uniting the movement

Our strategic approach to transforming lives and communities

It was in late January 2021 that we first announced the creation and forthcoming launch of our new strategy, Uniting the Movement, our 10-year vision for grassroots sport and physical activity across England.

Now, looking back at the financial year ending 31 March 2023, we have a clear perspective over a 12-month period when for the first time in several years everybody was able to operate with no – or very few – restrictions resulting from the COVID-19 pandemic.

Following a one-year transition, during which we focused on navigating the pandemic, 2022-23 marked the first year of our three-year strategy implementation plan.

We can therefore say this was the year when we truly started to deliver against our strategic plan. It was also a key element of our roadmap to 2025, where we're putting in place the essential building blocks that will help us and our partners transform lives and communities across England through sport and physical activity.

The next section of this report looks at the three roles that we set out to play within our three-year implementation plan and our progress on the commitments we made within them. We also describe some of our most important activities under the four Aims we're committed to achieving with Uniting the Movement: increasing participation, decreasing inactivity, tackling inequality, and improving the experience of children and young people.

Collaboration is at the heart of this work. Under Uniting the Movement, we have to be an open, equal and collaborative partner to our growing network of sports organisations and social, professional and community bodies. It's only by working as equals that we can collectively address the five Big Issues that are central to achieving our shared aims:

- **Recover and reinvent**
- **Active environments**
- **Connecting communities**
- **Connecting health and wellbeing**
- **Children and young people.**

So, we have to be continuously outward-focused, consulting with others to determine together what our most important focus areas are now and up to 2025, and why they matter so much.

The understanding we're collectively gaining in this way does, of course, enable us together to feed the strong appetite for change and improvement that exists at every level of the sector we serve. More than that, it also empowers us to fulfil our contractual obligations as an arm's-length government body, a sports council under

Royal Charter and a distributor of National Lottery funding to support sporting good causes.

It's only by gaining deep understanding of the issues at play that affect all our stakeholders that we can most effectively align these obligations with our strategy. This has informed all our activities during the year, and will continue to do so in the years ahead.

One element of our work during the year expressed particularly well the strategic importance of our role around workforce governance, integrity and safeguarding the welfare of participants. This was our commissioning and publication in partnership with UK Sport of the Whyte Review on British Gymnastics. This, and our subsequent publication of 19 recommendations for change across the sporting landscape, expresses the commitment to driving positive systemic change across sport that's at the heart of our strategy. See more about the Whyte Review and our response to it on page 44.

As a public body with clear accountability to Parliament and the public, we welcome scrutiny at all times. During the year, we were subject to reviews by the National Audit Office (NAO) and the Public Accounts Committee (PAC), both of which are helpful in enabling us to clarify the parameters of our work and be more granular than ever in understanding where, when and how we invest public money.

The NAO report (Grassroots Participation in Sport and Physical Activity; A Critical Review) tells the story of how the sector as a whole has performed since the 2012 London Olympics, and welcomes Uniting the Movement as a positive step forward. The PAC report scrutinises the impact of Government spending on participation levels, recognising the effect of our strategic focus on targeting the least active members of society.

The clarity enabled by such reports continues to be key to our role as guardians of the Code for Sports Governance, as we pursue our aim to be recognised as leading the world in this increasingly important area (see Catalysts for Change, below). The work we have done to date aims to help our partners and the sector as a whole embrace good governance as part of the culture in which we all operate, and then to deliver against the highest standards. We believe this is helping to make a permanent positive difference to the wellbeing and welfare of participants, employees and communities across the country.

It's just one way in which we are leading improvement across the sports landscape. Now, for a more detailed view of our activities during the last financial year, please read on.

Catalysts for change

Ongoing sustainable change is essential for us to meet our Aims and for the sector as a whole to successfully address and resolve the five Big Issues. We have identified the key catalysts that will drive this change. And we're actively integrating them into the way we work while helping our partners and the sector to do the same. The five Catalysts for Change, which crop up in various sections and stories throughout this report, are:

- **Effective investment models:** we target our investments at those locations, communities and groups in ways that will do most to reduce inequalities, tackle inactivity, encourage participation and benefit children and young people.
- **Realising the power of people and leadership:** empowering people to help others be active is the key to Uniting the Movement's success. Starting with our people at Sport England, we're changing our organisation to promote collaboration and help others do the same in sports, communities and organisations everywhere.
- **Applying innovation and digital:** we aim always to meet people's expectations by applying innovation alongside the sector as a whole to tackle the Big Issues that do most to stop people being active. It's about having the right mindset and balance to ensure we cater for multiple different personal preferences.
- **High-quality data, insight and learning:** we aim to learn with and alongside our partners about the hopes and fears, ambitions and concerns that do most to influence people's participation in sport and activity.
- **Good governance:** a cultural issue that goes far beyond just having the right paperwork and structures in place. Good governance is an essential property that we're working hard to ensure our people, our partners and the sector as a whole own understand, live, breathe and put into practice.



Partner testimonial

Katherine Knight, Intelligent Health

"The move to 'system and delivery partner' has been quite seismic for us at Intelligent Health. In the past 12 months we've launched a five year strategy, refocused the team to work deeper in places and convey advocacy at a national level. We have also pivoted from pure delivery of Beat the Street to a much more collaborative model. There are still three big internal challenges:

- **Time** – to work better with partners.
- **Impact** – keeping simple as standard.
- **Communication** – explaining how we are providing a lever for change and understanding how we can support more.

"Overall, I feel energised and proud to be part of a movement. But I know there is a long way to go before the sport and physical activity sector is recognised as a key component in supporting the good health of the nation."

Key focus areas of this report

Our primary focus during 2022–23 was on two closely linked overriding principles: doing it better – and doing it together.

That meant several factors were particularly important during the year. Creating the organisational structure required to make us as easy as possible to work with. Setting a positive example as an approachable, intuitive and innovative organisation. Consistently proving our commitment to good governance and integrity. And driving positive systemic change over the sporting landscape as a whole.

Above all, this focus highlighted the importance of collaboration: collaboration internally, with our system partners, across other Government departments and bodies, with sports governing bodies, with all the communities we touch, and the clubs, schools and charities we interact with.

And, of course, with the individuals we aim to inspire and support in becoming active.

So we were delighted to establish in our Active Lives survey, conducted among 166,551 respondents between November 2021 and November 2022, that activity levels during the year returned to the pre-COVID levels. These findings, last seen in 2019, matched the record for the numbers of people participating in sport and being active across England in any given year.

This is an outstanding achievement for all concerned – most particularly, of course, those people who took advantage of the removal of restrictions on their movement to be more active, more often.

But we mustn't be complacent in the belief that the end of the pandemic means the end of the financial pressures on resources and facilities that the Tackling Inequalities Fund (now the Together Fund, see more on page 28) was set up to address at the height of the pandemic in 2020.

The threat still exists. During the last year, for example, we became central to the Government's response to the particular challenges facing public leisure facilities with swimming pools, which are becoming increasingly vulnerable to closure or service reduction by pressures including soaring energy costs.

Now, as announced in March's Spring Budget, Sport England is responsible for managing the new £63.3m Swimming Pool Support Fund. This is to make more than £20m available to sports centres with pools that are vulnerable to closure or service reduction, with £40m allocated to capital investment in making facilities more energy efficient.

Below are the three key strategic roles we set out to play in our 2022–25 Implementation Plan and a summary of the progress we made in our first year.





Building the movement

What we said we'd do	What we did
<p>Big issue advocacy (use our influence to understand and help unlock people's barriers to physical activity)</p>	<ul style="list-style-type: none"> • Launched a digital PE resource for children and young people • Launched This Girl Can With You to increase women's enjoyment of physical activity • Promoted Play Their Way – a child-first approach to coaching alongside 16 sector partners
<p>Support and develop publicly owned leisure centres</p> <p>COVID-19 recovery and reinvention support</p> <p>Targeted investment into community football, tennis and multi-sport facilities</p> <p>Simplified access to our open funding</p>	<ul style="list-style-type: none"> • Agreed to manage a £60m Swimming Pool Support Fund to help pools facing increased running costs • Began managing a £218m loan book on behalf of Department of Culture, Media and Sport • Invested in football and multi-sport pitches in areas experiencing greater inequality, exceeding our target • Increased our maximum Small Grants Programme award, investing £23m+ to support community organisations during the cost-of-living crisis

This role is very much in line with one of Sport England's three core strategic roles at the heart of the nation's sporting infrastructure. These are the essential roles that enable us to deliver against our aims of increasing participation, decreasing inactivity, tackling inequality and improving the experience of children and young people.

Building the movement is all about working with partners to create the right infrastructure for a truly active nation – and the last year was highly significant in achieving this.

It was the first full year of delivery under our new investment model, which is based on building close, long-term funding relationships with those key 'system partners' identified as having the greatest potential to break down the barriers to being active and participating in sport.

This is a major change of emphasis, which now sees us making 124 partners (with four more to be appointed later in 2023) eligible for more than £550m in funding over the next five years. This gives them the long-term financial security they need to recover and reinvent themselves following the pandemic, and then to help everyone in England access the proven physical, mental and community benefits of being active.

We understand the importance of continuously tracking our system partners' progress, and we commissioned a major research study to gauge their performance under the new strategy during the first six months following receipt of funding. Results were highly satisfactory, showing that our partners had updated 94% of their steps and goals and that 90% had made good progress.

System partners receive multiple benefits from the relationship, including access to support from the Sports Governance Academy. We set this up along with the Chartered Governance Institute in 2020 to provide free training, networking and other resources to create a community of governance professionals across the sector. And during 2022 we secured nearly £2m in additional funding to ensure its future for the next five years.

Our determination to build the movement also extended to many other areas of activity, from continuing to run major communications campaigns like This Girl Can (see page 28) and Play Their Way to delivering positive outcomes from the Commonwealth Games. Birmingham 2022 was a clear highlight of the year, delivering a platform on which we're now building a powerful legacy in the form of community empowerment and digital innovation among sports' National Governing Bodies (NGBs).

See the following pages for detail on these and many more activities designed to deliver against our four Aims:

- **increasing participation;**
- **decreasing inactivity;**
- **tackling inequality; and**
- **improving the experience of children and young people.**

Being the change

What we said we'd do	What we did
Revolutionise our long-term partnership approach	<ul style="list-style-type: none"> Improved our investment model through committing £600m to an extensive collection of System Partners, to collaboratively bring about systemic change
Step up on environmental sustainability	<ul style="list-style-type: none"> Launched a consultation to hear perspectives from local and national organisations, clubs and services on what positive climate action they're taking Added an environmental sustainability criterion to our Small Grants Programme
Build a more diverse and inclusive organisation	<ul style="list-style-type: none"> Moved our Head Office to Loughborough and relocated the London office from central London to Canary Wharf
Redesign our structure and develop our people	<ul style="list-style-type: none"> Began transforming the way we work towards service design to put user needs first, by launching our first 'service team'
Governance, safeguarding and integrity	<ul style="list-style-type: none"> Started building a national network of welfare officers and piloting a national coaching register in response to the Whyte Review on allegations of mistreatment in gymnastics Launched the Sports Governance Academy to connect working across the home nations sports councils Awarded the Safeguarding Code in Martial Arts to our 1,000th club in recognition of its good safeguarding standards

Our second essential role under Uniting the Movement, **Being the change**, is about adapting how we are structured and how we work to ensure our partnerships are true relationships of equals.

Our work during the year was quite unprecedented in our 27-year history, including a root-and-branch reorganisation in which we've embedded a new, more agile and responsive structure based on a service-driven model for better internal delivery.

As a result, we have successfully rationalised what we do into a smaller number of service

areas designed first and last to meet the needs of our users. This has involved building a more streamlined structure of directorates and the appointment of four new executive directors replacing the five who left during the year.

We have also moved head office from our old home in London's Bloomsbury district to Loughborough, right at the centre of England. And we have introduced a highly efficient hybrid-working based model for many of our people, again enabling a closer focus on partner and stakeholder needs.





Meeting people where they're at

What we said we'd do	What we did
Expand our place partnerships	<ul style="list-style-type: none"> Expanded work with partners to integrate movement into people's lives across 12 local delivery pilots Reached agreement on a new approach to place expansion Developed our relationships with locally trusted organisations crucial to delivering Uniting the Movement Successfully delivered Birmingham 2022 Commonwealth Games, including projects aimed at creating lasting impact Worked with local councils to support facilities offering physical activity, such as the Sands Centre in Carlisle and New Marina Centre in Great Yarmouth
Data and research on inequalities	<ul style="list-style-type: none"> Extended offer of matched funding for Crowdfunder campaigns through Places and Spaces – generating £2.05 for every £1 of Sport England investment Undertook consultation to help us ensure regular formal and informal physical activity is available in places people live, work and enjoy

This more fluid and partner-focused structure is already enabling us to work via and with partners to address needs in places it was previously hard for us to reach. That's why our third essential role is **meeting people where they're at**.

One of the most important developments during the year in this area was the decision to expand our established network of 12 representative communities that are home to our Local Delivery Pilots (LDPs) to reach up to 120 locations during the years ahead.

This is a large-scale programme with a budget of £250m, described in a policy paper that was signed off by the Sport England Board at the end of the financial year. By expanding the scope of our nationwide concept-testing network, we will now be better placed than ever to help people in their communities and advise them from afar.

That really matters. It's already helping us to improve as an organisation, making us capable of changing systems to have a better community impact. See pages 28-43 for examples of community-based projects that are proving to have tangible benefits on the ground in towns and cities across the country.

Overall, we see this as the year when our new strategy gained the traction it needs to become central to the essential sector we serve. Uniting the Movement is also in close alignment with the Government's new sports strategy for the UK. And we believe it gives us the balance we need to help the sports sector not only to survive the challenges it faces but also to evolve into an even more valuable part of England's social fabric.

With Uniting the Movement, Sport England is more than just a route to funding. We are now a key partner for every organisation in the sector, working hard to help all concerned do it better and do it together.

Partner testimonial

Mark Winder, Goalball UK

"I feel it appropriate to applaud the processes you have introduced as relationship manager with Goalball UK and the other sports you work with.

"The opportunity for regular, planned one to one catch ups triangulated, if this is the right word, with peer support groups has been incredibly positive. It has had the unintended consequence of sparking more work outside of the group with the other CEOs and providing opportunities for new learning.

"Like the colleagues in our group, I think the wider system should be following your model as it is without doubt, for me, Uniting the Movement."

Aim 1

Increasing participation

The Together Fund

Originally created as the Tackling Inequalities Fund in April 2020, the Together Fund was a central foundation stone of our efforts to help increase participation in sport and physical activity. When the Tackling Inequalities Fund ended in December 2022, the Together Fund kicked in with an award of £20m to those groups our research identified as still being disproportionately affected by the pandemic.

This allocation is intended to help the further growth and recovery of community organisations working with the priority audiences of lower socio-economic groups, culturally diverse communities, disabled people and those with long-term health conditions. To achieve this, we worked with our network of 43 Active Partnerships and more than 30 national partners who can connect funding to where it's most needed.

And the projects have been incredibly diverse, from enabling better mental health through football sessions for refugees and wild swimming in Hull to supporting people with fibromyalgia through hydrotherapy sessions in rural Dorset.

This Girl Can

Our research with ukactive indicates that two-thirds of women who have attended a public gym or leisure centre have taken some measure to protect themselves from sexual harassment. That's why fear relating to safety and harassment, particularly at public facilities, is one of the strongest barriers preventing women from participating in sport and getting active.

It's also why in the summer of 2022 we made an investment through our long-standing This Girl Can campaign of nearly £500,000 in National Lottery funding to help make leisure spaces safer and more inclusive for women. In addition, later in the year we launched the campaign's next phase, This Girl Can With You, which aims to help close the so-called 'enjoyment gap' that can deter women from getting active.

Working with ukactive and CIMSPA (the Chartered Institute for the Management of Sport and Physical Activity), we aim to continue closing the persistent gender gap in activity levels that for decades have seen men significantly more likely to participate. The money is now being used to enable leisure facilities to partner with safeguarding organisations and to help develop tools, training and best-practice guidance to upskill the workforce around the issues involved.

Working with National Governing Bodies

In the wake of the 2022 Commonwealth Games in Birmingham, we engaged closely with many National Governing Bodies to seek opportunities to increase participation through collaboration. We worked with them to identify barriers to engagement and how they would use funding to address the issues involved.

One of these governing bodies was British Wrestling, who told us they wished to reach more women and girls from culturally diverse communities and strengthen the sport's engagement with

that audience. With our support, they have now appointed a development lead from an ethnically divergent background, who is championing the participation of women from South Asian communities.

That in turn is leading to an increase in the number of female coaches from within that community, which continues to trigger participation.

UEFA Women's EURO 2022

Of course, Birmingham 2022 was not the only high-profile sporting event to have been hosted by England during the year. England's victory in the home-based UEFA Women's Euro 2022 (WEURO 22) tournament also had a very important impact, maximised by our award of £1m in National Lottery funding to help increase the numbers of adult women playing football in England.

In a closely associated initiative, we have also worked on behalf of the England Lionesses to help attract more investment in school sport with the aim of achieving equal participation by boys and girls. The Government has now pledged to provide equal access to all sports in PE for boys and girls as part of its commitment to ensuring every child receives a weekly minimum of two hours of PE. The investment involves more than £600m to be spent on improving PE facilities in primary schools over the next two years, as well as £57m to fund the opening of more school sports facilities outside normal school hours.

Local Delivery Pilots

One of the most important tools used by Sport England in recent years has been the national network of 12 communities that are home to our Local Delivery Pilots (LDPs). These towns and cities across England have been carefully selected to reflect the wide range of social challenges experienced in different places that prevent certain groups of people from participating in sport and exercise.

We can then use them alongside our partners and local community groups as test-beds for new solutions designed to overcome these barriers, continuously learning and gaining insights that can be applied more widely in communities across the country.

During the year, we worked with many such projects, from promoting better inclusivity in Exeter to supporting Doncaster's PE and Active Schools Network and the You've Got This programme in South Tees (see case studies).

And now, with the decision having been taken to expand the network to a minimum of 80 and maximum of 120 places, we are collectively on the verge of transforming our capabilities in this key area.

The Queen's Platinum Jubilee Activity Fund

A highlight of summer 2022 was the late Queen's Platinum Jubilee, which was widely celebrated across England and the UK. To help celebrate, we allocated more than £4.2m in National Lottery Funding to over 650 community sport and activity organisations across England.

The fund's focus was on those people working in areas of disadvantage who do most to add value to their communities and collaborate with other groups to maximise their impact.

One fantastic example from among many was the Lancashire Youth Challenge, which aims to give vulnerable people in the country access to learning important new life skills as well as a physical purpose. To this end, the organisation supported more than 30 young people in training for and participating in the Morecambe Bay Triathlon: an 81-mile bike ride, an eight-mile hike and an 11-mile swim held across three July weekends.

The training involved included fitness, aerobics and core-strength workshops, swimming sessions and healthy-eating guidance as well as workshops on cycle maintenance and road safety. Along with multiple other benefits, the programme was designed to give the young people involved an increased level of confidence, self-esteem and self-efficacy.



Case study

Creating a new mindset to deliver improvement and change

You've Got This (YGT) is a Sport England-funded movement comprising a variety of dedicated local public bodies, health professionals, private companies, charities, community-based organisations and individuals. They have a shared commitment to using insight and learning to create innovative ways of helping people in the South Tees region get active. With a shared belief that you cannot change a system with the mindset that created it, YGT is now enabling 90 representatives from local organisations to explore new ways of making active lives a way of life. And this thinking is enabling multiple small organisations from across the region to open doors to funding for the first time. Activities include football for refugees, boxing to combat depression, fitness tuition for pre-operative patients, and breaking down taboos affecting women from minority ethnic groups.

Partner testimonial

Paul Coups, England Lacrosse

"The System Partner Connect network has enabled England Lacrosse to develop and enhance its partnerships. The network has enabled our ability to highlight interventions which are impacting on Uniting the Movement and tackling inequalities. The exposure of our activities alongside other sports has positively impacted the sporting eco system by improving connectivity and the sharing of best practice."

Aim 2

Decreasing inactivity

Birmingham 2022 Commonwealth Games

During 2022, a major event took place in England that focused the nation's eyes and minds on sport in ways that transcended the impact of the usual sporting calendar. This was, of course, the Birmingham 2022 Commonwealth Games, in whose delivery Sport England had an essential part to play.

We were closely involved in helping Team England prepare for the Games, investing in the talent pathway that enabled so many elite sportspeople to achieve their goals. This was reflected in Team England's success in coming second in the final medals table.

We were yet more engaged in ensuring a positive legacy for the Games. The pledge behind Birmingham 2022 was to deliver an inclusive, accessible and sustainable Games that would play an important role in helping everyone in England to get active, regardless of their age, background or ability. An essential element in this was to ensure the Games left a powerful legacy, mainly focused on and around the West Midlands region.

A significant proportion of this effort was targeted at sports clubs. Much was also focused on community infrastructure to encourage and enable previously inactive people to gain the physical and mental-health benefits that may be gained through exercise.

An important feature of our work in this area was to hear communities tell us about their priorities and where investment is most needed. One overriding theme was the need to encourage more walking and cycling, including through the better use of open spaces and parks for exercise.

A key element of this work was our collaboration with the Canal and Rivers Trust and other local partners to encourage the use of tow-paths and initiate water-based activities. And we've provided a £500,000 grant from the British Cycling-DCMS Places to Ride programme to help Forestry England develop a safe off-road cycling space at Cannock Chase Forest Centre near Rugeley in Staffordshire. This involved the development of new trails to be used during the Games, as well as a new bike play facility to promote safe off-road cycling for families.

In another major initiative following the Games, we worked alongside DCMS and the Games Organising Committee to provide community organisations from around the West Midlands region with free sporting equipment following the completion of the competitive programme.

These include an array of items from across the sports represented at the Games, such as basketballs and netballs, boxing gloves and rugby equipment. Also on offer were essential consumables such as mops, buckets, ice machines and vacuum cleaners, all of which help sporting organisations present an attractive face to new participants.

Active Ageing

Away from the Games, we continued our focus on helping older adults be active, combatting the social narrative that can tell us we will and should slow down as we get older. We have now worked with 25 Active Ageing partners in recent years to help them provide the positive experience that encourages older people to build some form of physical activity into their lives.

To date, this has helped more than 30,000 people, 80% of whom report improved life satisfaction as a result. The benefits they describe include better strength, stamina, fitness, mobility and balance, improved health conditions and reduced pain, reduced reliance on medication and mobility aids, and a greater ability to carry out daily tasks.

Moving Healthcare Professionals

A closely associated initiative is our Moving Healthcare Professionals programme. In this, we work alongside the Office for Health Improvement and Disparities (OHID) to help healthcare professionals include physical activity within routine care to support better patient outcomes.

To date, around 157,000 professionals have either received training or accessed a training tool under the programme. In late November 2022, we held an event to mark the evaluation of Phase 2. This included reports from participating professionals describing patient outcomes such as improved mental health and mood, better fatigue management and greater enjoyment of physical activity.

The Richmond Group

As a key aspect of our continuing commitment to helping people with long-term health conditions get active, we award National Lottery Funding to 10 leading health charities dealing with chronic conditions such as stroke, diabetes, cancer, mental-health issues, asthma, arthritis and Alzheimer's.

One of these is the Richmond Group of Charities, a partnership of 14 health and social-care charities helping more than 15 million affected people who could potentially benefit from sport and physical activity.

Our investment is helping the Richmond Group fulfil its mission of improving health and care resources across the country by sharing its unique information on how those with long-term conditions go about their lives and experience their care.



Active Travel

We have a very close relationship with Active Travel England (ATE), not least because our Chair Chris Boardman is also the National Active Travel Commissioner. So we were particularly delighted when our Active Lives survey showed that 33% of adults in England took part in active travel (i.e. on foot or by bicycle) at least twice in November 2022.

In total, the survey showed that 3.2m more people used active travel in England than 12 months earlier, meaning walking and cycling now account for around 20% of all minutes of activity undertaken by adults in England.

In addition, our smaller-scale Activity Check-In survey (see page 38) published in February 2023 found that one in five adults now either walk or cycle rather than use the car due to the increasing cost of living.

Active Environments

Promoting and enabling active travel is also an essential element of our focus on Active Environments. This is based on the proven fact that the good design of streets and estates in cities, towns and villages everywhere can encourage people to be physically active. That's why we've produced a framework, fully compliant with Public Contract Regulations for use by contracting authorities, that provides them with direct access to specialist consultants with strong records of enabling Active Environments.

We also published the third iteration of our Active Design guidance, supported by Active Travel England (ATE) and the Office for Health Improvement and Disparities (OHID). Designed to help planners, designers and all those involved in managing shared community spaces, the guidance helps create and maintain environments that encourage and enable people to move more.

Such actions are part of our contribution to helping create places and spaces for people to be more active and build healthier, more active communities.

Case studies

Dancing On to get active

When we first funded the Yorkshire-based Dance On initiative, it was with the clear intention of enabling the creation of 30 regular dance classes to help people aged 55+ try something new, get active, meet new people – and, above all, to have fun. Delivered by One Dance UK, a national organisation committed to building a stronger, more vibrant and diverse dance sector, Yorkshire Dance and Doncaster Community Arts, there are now regular Dance On classes across Leeds, Bradford and Doncaster. Research by the University of Leeds shows the classes' positive impact on participants' health is significant, with important increases measured in the proportion of participants classed as physically active and in their self-rated health status.

Getting active with Essex Pedal Power

When our Local Delivery Pilot (LDP) in Essex saw how the Big Birmingham Bikes project was promoting activity and mobility around the city by giving bikes to people without the resources to buy their own, we saw how it could similarly benefit the county. So we brought together a range of stakeholders with a shared interest in promoting active travel to create Essex Pedal Power (EPP), a community project funded by the South East Local Enterprise Partnership, Essex County Council Levelling Up funds and the London Marathon Foundation. EPP has already given away more than 600 bikes, with a further 2,525 set for distribution. And it's making a massive difference to people's lives, freeing recipients up to exercise, socialise and participate fully in their local communities.

Partner testimonial

David Gent, Active Humber

"Getting the nation physically active is an immense challenge. For me, it's made so much easier by the Sport England system partner connect work, where you can learn, share, listen and be motivated to just keep going. Amazing how when colleagues talk to each other in an open and honest way how much good stuff happens and the challenge doesn't seem quite so daunting! Sport England is very much a part of the system in helping all to tackle the challenge of inactivity."

Aim 3

Tackling inequality

A primary aim at Sport England is to help ensure that people do not miss out on participating in sport and activity due to their income, their postcode, their physical capabilities or their background.

That's why we are committed to reducing inequality of opportunity in accessing sport, physical activity and all the health and social benefits they bring. And our experience during the year was that our new Uniting the Movement strategy, arising from the COVID-19 pandemic, is already enabling us to increase our positive impact in this area.

That's because we have prioritised and accelerated our investments in those diverse communities and organisations representing people with long-term health issues that were disproportionately impacted by the pandemic.

This work in turn has helped us to identify organisations who would benefit most from long-term funding relationships with us, which is leading directly to the creation of many new partnerships with deserving organisations.

For example, in the disability space alone we are now partnering for the first time with Activity Alliance, Sense, Mencap, Special Olympics GB, Disability Rights UK, Sport for Confidence and National Disability Sport Organisations (NDSOs).

We worked closely with partners during the year to identify and help those people in their communities and areas of responsibility in most need of support. Our focus was also on sharpening and strengthening those parts of our organisation with primary responsibility for tackling inequalities in sport.

TRARIIS

Tackling inequalities begins at home, and for the third successive year we worked with Tackling Racism and Racial Inequalities in Sport (TRARIIS) to develop a positioning statement that's agreed with the other home nations' sports councils.

Committing us to anti-racist approaches in everything we do, this covers our workforce, our representation in society through our partnerships and communications, our investments, our insight and our internal structures and systems.

We also commissioned an in-depth consultation exercise to help ensure that we treat members of every section of society with the respect, consideration and understanding that they deserve. Called Better Decisions Together, this was delivered by the Traverse social-purpose consultancy. It contained bespoke best-practice guidance on communicating and engaging with a number of specific audiences, including transgender and non-binary people, women, those with disabilities and culturally diverse communities.

Both these exercises were featured at our Closing the Gap: Inequality in Sport and Physical Activity event, which we hosted in June at Manchester's People's History Museum in partnership with Greater Manchester Moving. This built on 2020's Sport for All? conference, and there are plans for a further event to follow in 2026.

With speakers including cricketer and anti-racism campaigner Azeem Rafiq and former Olympic sprinter Jeanette Kwakye, the event was attended by more than 100 people and followed online via a live-stream by many others.

Andy Burnham, the Mayor of Greater Manchester, who participated in one of the panel discussions, said: "The question we've got to ask ourselves now is why participation is lower among some of our minority communities and what we are doing to change it. We'll be working with Sport England to think about how we can engage underrepresented people at every level."

Streamlining processes

To help us be more effective in addressing the issues discussed at the event we worked hard during the year to simplify and streamline our own internal structure and processes. For example, we have restructured our Equality, Diversity & Inclusion resources to have fewer barriers between teams, ensuring a far more integrated approach that is making us significantly more efficient and effective.

And, by collaborating more closely on elements like our work-development plans, we are becoming more effective by focusing more clearly on the needs of the people we exist to help.

Another major area of focus has been on ensuring we are easy to work with, no matter the individual requirements and preferences of the people who want to be in touch with us. So, for example, we now offer several routes to funding, enabling applications to be made by video as well as in writing. Success rates have risen as a result.



Identifying priority areas

We have also focused much attention on identifying the areas of research that are of greatest priority in delivering the insight and data we and our partners need to tackle inequalities effectively.

In one major development, we built on the initial impact of our new quarterly Activity Check-In, which was first launched close to the end of the 2020-21 financial year. Designed to gain more immediate data than the annual publication cycle of our Active Lives survey allows, this enables us to capture views on a specific topic of current relevance. It also enables us to identify trends and specific challenges related to participants' background, ethnicity, gender, age and state of health.

Other major research projects we conducted during the year included work with CIMSPA on the impact of inequalities in the workforce. This has the aim of enabling people from every background to work in a positive environment that supports them in their sport and activity goals.

And we collaborated closely with the CAST charity, which has the aim of creating a more responsive, resilient and digitally-enabled social sector. Our work in this area involved the development and application of the Innovation and Digital Accelerator (IDA). This powerful new tool is designed to enable NGBs across England to help more people from more communities access and enjoy sport by harnessing the power and flexibility of digital and design.



Case study

Making Exeter's communities more inclusive

In 2020, local Active Lives data from Exeter revealed a previously non-existent gap in activity levels between Asian and British Asian communities and other cultural groups. This was subsequently revealed to be caused by fears over contracting COVID-19. The findings led our Local Delivery Pilot in the city to co-create with Inclusive Exeter CIC a partnership called Inclusive Communities, set up to gain insight into the issues at play and help those affected become more physically active. Critically, the partnership worked with people who were willing to be facilitators rather than leaders, creating a platform for partnership work within communities, charities, informal groups, statutory bodies and sports clubs. As a result, more and more people have joined the activities, including newly arrived refugees and asylum seekers as well as those from existing communities in Exeter.

Partner testimonial

Clare Fitzboydon, Be Active (Active Partnership for Bedford, Bedfordshire and Luton)

"Being part of the system partner connect work has been really valuable for me as the Director of Be Active. Not only have I felt it has benefited our work as an Active Partnership locally, but you can really see how it is positively supporting the wider network. It has built on the already developing partnership work that has been happening across the system, and as a result it really feels that we are able to strengthen the collective voice of our ambitions.

"Bringing out key themes and identifying where we can tangibly share best practice and support each other moving forwards with our ambitions to tackle inequalities."

Aim 4

Improving the experience of children and young people

Investing in 'fun' to increase children's participation

We were delighted that our most recent Active Lives Children and Young People survey, published in December 2022, contained the news we'd all been hoping for – that the activity levels of children and young people across England had returned to those recorded just before the pandemic.

These dated from the 2018-19 academic year – the last year before the widespread closure of schools and sporting facilities in the face of COVID-19.

The survey showed a 2.6% rise in overall activity levels during the 2021-22 academic year, meaning 219,000 more children were active than during the previous period. This showed us that 47% of England's children met the Chief Medical Officer's guidelines around participating in an average of 60 minutes or more of sport and physical activity every day.

Clearly, while this is an encouraging step in the right direction, it also shows that 53% of children are not reaching that recommended level. In addition, the same report showed 47% of children strongly agreeing that they enjoy taking part in sport and physical activity – down from 51% the previous year.

This is a serious issue, as Sport England research shows that 'fun' is the primary reason for children to take part in sport and physical activity.

It was with the need to put enjoyment at the front and centre of participation that during the year we worked with our partner the Children's Coaching Collaborative to develop a truly 'child first' coaching movement. Called 'Play their Way', this is an integrated campaign that will work with England's 2.6 million coaching professionals to increase and improve fun-based, child-first coaching across the nation by respecting the way that children want to play.

Leveraging the legacy of Birmingham 2022

Last year's Commonwealth Games was about far more than two weeks of sporting excellence in the sunshine. We and our partners worked hard to ensure they left a positive legacy for many – with children and young people being particularly important targets for the Games' long-term benefits.

In a major initiative to promote the fun of physical activity, we helped to enable schools from Birmingham and other towns and cities across the wider region to participate in a 'Beat the Street' jamboree. Turning urban landscapes into giant games meant participants could compete to see who could walk, run, skate and cycle the furthest over six weeks – and some of the results were amazing.

In Dudley, for example, 25,534 players from 89 primary schools covered more than 100,000 miles. In Shrewsbury, 6,764 players from just 20 schools covered close to 70,000 miles. And participation was highly inclusive, with 18% of registrations coming from Black, Asian or other minority ethnic groups.

Volunteering

In another programme, we worked with partners to target young East Midlands-based people aged between 16 and 24 who had not yet had the opportunity to volunteer in or around a major event. We gave them the offer of participating in 30 hours of community-based social action centred on promoting physical activity.

Incentives to join the scheme, which runs through until 2024, included the offer of tickets and training – and at the time of writing 170 volunteers had been successfully recruited.

School Games

In other events following the Games, we worked with Sports Governing Bodies and our partners to target disadvantaged and inactive young people via school games activities. Drawing on Birmingham 2022 as inspiration, we helped 1,900 School Games activities attract the interest of 211,411 children and young people, many of whom represented their schools for the first time.



And, under the Daily Mile Commonwealth Challenge, we worked with the Daily Mile Foundation to encourage primary-school children to earn a badge for each of the Games' 23 athletics and para-athletics disciplines by completing The Daily Mile and learning cross-curricular facts. Close to 540 schools signed up to The Daily Mile for the first time during the period between late May and December 2022 when the Commonwealth Challenge was live.

Away from the Commonwealth Games, we invested £22m to fund the School Games Organiser network for two additional years, helping it extend its work of supporting 28,000 competitive school sports events that give children around 2.2 million opportunities to participate. We also provided more than £600m to the PE and Sport Premium, enabling it to continue improving the quality of PE and sports in England's primary schools.

Capturing the youth voice

Moving forward, we are determined to ensure that our approach to improving the experience of children and young people is highly collaborative. Above all, we believe it must include the direct input of those we are working to help. This is why we are actively seeking the views and opinions of young people as we move forward. In particular, we have deliberately involved young people directly in designing much of the research we carried out, helping to build a movement that directly involves the people we aim most to support in the years ahead.



Case study

Helping children be active throughout the school day

By embracing different children's personal learning styles and acknowledging their individual needs, the national Creating Active Schools (CAS) framework aims to embed physical activity throughout the school day – beyond PE provision alone. This approach is at the heart of a project supported by our Local Development Pilot (LDP) in Doncaster. Across two 12-month phases, this project has involved 10 schools and nearly 4,000 pupils in creating a programme of activities to help schools identify areas where they can focus on embedding physical activity. With one further phase under consideration, this approach is now empowering educational professionals to question their schools' policy frameworks and identify unintended barriers to physical activity. Where appropriate, it's also helping them challenge leadership and review any policies that might restrict pupils' ability to be active during the school day.

Partner testimonial

Henry Poultney, UK

"Systems Partner Connect sessions provide a useful space to collaborate alongside other system partners to showcase best practice, share knowledge, reflections and learning. These sessions are an important opportunity to shape next steps together – surfacing solutions to challenges, growing our capacity and developing connections simultaneously."

Whyte Review

Over the year we continued, together with UK Sport as the other commissioning body, to closely monitor the progress of British Gymnastics in implementing the recommendations of the Whyte Review as per their funding agreement conditions.

Additionally, in January 2023 we, with UK Sport, published a policy response based on learnings and insight from the Whyte Review.

The response includes 19 commitments spanning the areas of coaching and workforce support, performance athlete support, good governance, dispute resolution and creating safer environments for participants.

Included in the commitments include:

- the continued development of the Safeguarding Case Management Programme to help organisations access expert support in relation to safeguarding
- Sport Integrity, the independent disclosure and investigations service, becoming mandatory for all UK Sport funded sports
- the funding of a national network of welfare officers to promote good practice and safe sport at a local level.
- A full list of the commitments and more information about them can be found on [our website](#).



Racism in cricket

We continue to focus our investment on tackling inequalities and bringing sport and activity to underrepresented groups.

This year we committed £11.6m of funding to the England and Wales Cricket Board (ECB) as part of our System Partner programme.

Confirmation of the investment, which had been delayed last year as we sought greater assurance of progress on tackling racism and racial inequality in cricket, followed a review to understand progress made by the ECB against their 12-point action plan.

Our funding agreement contains specific conditions to help and ensure progress is made and includes a requirement for six-monthly updates to be submitted and review meetings conducted.

The ECB also set up the **Independent Commission for Equity in Cricket**, whose report was published in June 2023. It detailed structural inequalities across race, gender and class in cricket in England and Wales.

One of the key recommendations in the report was the creation of a new independent body responsible for monitoring compliance with the game's regulations and enforcing adherence to

those regulations, as well as providing relevant information and education.

In December 2023, the ECB formed the Cricket Regulator to fulfil this function.

We will continue to monitor closely the actions of the ECB and others across cricket in the year ahead to further the opportunities for positive change in the sport.

Swim England report

In March 2023 we published the **report from an independent review** we commissioned the previous year, examining how three complaints were handled by Swim England.

We commissioned Sport Resolutions to conduct the review, which was carried out by barrister Louis Weston.

It looked at safeguarding processes and the culture around the **governing body's complaints process** – the review did not re-investigate or rehear any matter.

The report made **nine recommendations** and years two-four of our long-term funding award to the NGB are subject to satisfactory progress being made against seven further conditions.

How we work

This year saw considerable change for employees at Sport England as we launched our new directorate structure to support the Uniting the Movement strategy. We also welcomed four new Executive Directors into our Executive Leadership team, who are now leading our Place, Policy and Integrity, Digital, Marketing and Communications, and Finance and Corporate Services teams.

Change was a key theme for the year as we introduced our new Leadership Behaviours model and moved towards arranging our work around a new service model. We saw significant changes to our premises which accelerated our adoption of new SMARTER ways of working. Our Bloomsbury office closed, our Loughborough office became our headquarters, and in line with government guidance we opened new but much smaller premises within the government hub in Canary Wharf.

The year was not without challenge, and like many other organisations that have been affected by external economic forces, we have seen a higher-than-normal turnover. While 62 new starters joined Sport England and 40 employees progressed internally, 66 employees chose to leave for new opportunities.

Employee engagement, however, remains high. Although we did not run a full employee-engagement survey, a pulse survey indicated some very positive scores around wellbeing and line management. The latter is particularly welcome given the focus on this in the past two years, not least with the 'Line Manager as Coach' training and development programme. The scores around wellbeing were particularly welcomed as this was a real priority following the pandemic.

Our Diversity and Inclusion Action Plan entered its second year, and promoting equality, diversity and inclusion across Sport England remains a key priority. Our plan, which has recently been refreshed, can be found on our website.

Leadership

Leadership was an important focus for us throughout the year as we developed and launched our new Leadership Behaviours Model. This new model is an important step on our journey to adopt a contemporary, flexible approach to leadership that better suits the work we do and how we want to do it.

We've achieved some of this change already, for example with the support we have provided to line managers in developing a culture of coaching. Now, our new model goes further to set out the behaviours we expect from our employees. It also shifts our style of leadership to be more empowering and more collaborative, focusing on creating the conditions for everyone to feel included and be successful. Crucially, the model is rooted in our four organisational values:

- **We are ambitious**
- **We are collaborative**
- **We are inclusive**
- **We are innovative.**

It also draws on what we've heard from colleagues about working at Sport England, the work we've done through the Tackling Racism and Racial Inequality in Sport (TRARIIS) programme, and what we have learned in the early stages of our transformation work. Already embedded into our Valuing Performance annual review process, these new behaviours will be supported by a full development programme.

Transformation – adoption of a service model

This year, in response to colleague and partner feedback, we have started to organise our work by the services we provide, not by the teams we are in or the projects we run. This puts the focus of what we're trying to achieve on the service users, meaning that we're designing services to meet their needs, not our own structures.

In short, we are supporting Uniting the Movement by bringing colleagues together from across Sport England to focus on challenges and achieve the ambitions set out in our strategy.

To do this we need to be clearer on the unique value that we can offer – we must identify precisely what is it that we can do that no one else in the movement can. Ultimately, this will allow us to not only focus on fewer priorities, but also deliver them more effectively by fully utilising the expertise and experience from across the organisation.

Our first multi-disciplinary service team went live in the final quarter of this year, and over the next 12 months we will continue to roll out new service teams to provide focus and maximise our impact.



We are ambitious



We are collaborative



We are inclusive



We are innovative

SMARTER working and Canary Wharf

Driven by the changing expectations of our workforce, the closure of our central London office and our move to Canary Wharf, our hybrid-working trial concluded in 2023. The trial built upon strong levels of trust and empowerment, creating the opportunity for our employees to work flexibly and better balance their home and working lives. Crucially, it also ensured that we continued to be effective and able to deliver our new strategy.

More than 100 employees chose to change their contractual working arrangements and adopt either a fully home-based or a hybrid approach to working.

Progressing equality, diversity and inclusivity initiatives

Our equality, diversity and inclusion work is intrinsically linked to our strategy, and we launched a refreshed Diversity and Inclusion Action Plan in 2023. This sets out our internal equality, diversity and inclusion ambitions for the period up until 2025. We have three equality ambitions:

- **Leadership creating and sponsoring a climate for change.**
- **Attracting, progressing and retaining diverse talent.**
- **Wider change through employee engagement and learning.**

Some of the key activities within our plan included continuing our Leading Inclusively programme. Aimed at helping our senior managers gain a better appreciation of the fundamentals of fair decision making, such as selection, appraisal and promotion, this looks at how they can impact and drive inclusivity across Sport England and our wider strategy. The programme helps managers understand their own strengths around inclusivity, and we've received excellent feedback on the programme so far.

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

We ran positive action programmes to encourage the internal progression and retention of under-represented groups. For example, our Activate programme, now in its fourth year, was developed to help bridge the gap from lower grades to more senior roles in the organisation. Feedback is positive and many participants have progressed to more senior roles.

We've reviewed our memberships, awards and commitments – we are a signatory to the Race at Work Charter and a member of Business in the Community's (BITC) Race Programme. We are also a Disability Confident Employer (level 2), a Stonewall Diversity Champion and a Mindful Employer.

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

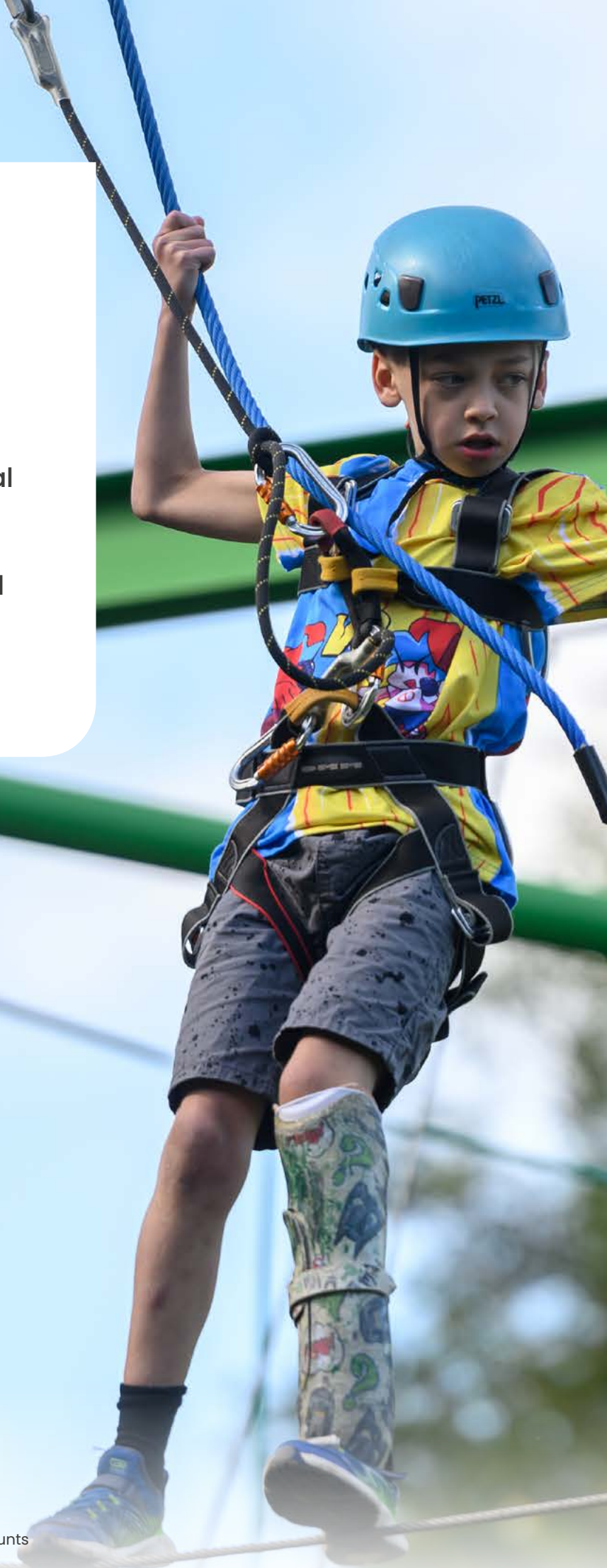
Looking forward to the year ahead

We'll continue to do everything we can to ensure our organisation is collaborative, ambitious, inclusive and innovative, and to help ensure we embed these values in everything that we do. We're currently developing our new 'People and Culture' strategy, which builds upon our People and Culture Commitment to setting out our people strategies for the future.



Performance analysis

This section provides a more detailed analysis of our principal risks, assessment of going concern, measuring success against our objectives, financial review and performance and lastly our future plans.



Principal risks

As an arms-length body (ALB) Sport England must comply with the requirements set out in the Framework Agreement with DCMS, comply with the requirements in Managing Public Money, and follow the Government's Functional Standards and the Corporate Governance Code of Good Practice (where applicable to an ALB). There is an internal control, governance, assurance and risk management framework in place for the financial year 2022-23 to support these requirements and maintain a Corporate risk register which is updated quarterly and reviewed by the Audit Risk and Governance Committee which meets at least four times a year. Further information on Risk management and Internal controls, including independent assurance on risk management are include in the Governance Statement.

Going concern

Sport England continues to adopt the going concern concept in the preparation of Sport England's Grant-in Aid and Lottery accounts.

For the Grant-in Aid accounts this is dependent on 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. However, Sport England has an Exchequer settlement agreed with DCMS to 31 March 2024. As disclosed in the **Responsibilities of the Council and the Chief Executive for the financial statements**, in the Grant-in Aid accounts, the Chief Executive is responsible for assessing the ability to continue as a going concern and using the going concern basis of accounting unless the Council and the Chief Executive anticipates that the services provided by English Sports Council Grant-in-Aid will not continue to be provided in the future. There is expected to be no change to the continued provision of services by Sport England.

For the Lottery accounts future financial provision has been made for Sport England's Lottery distribution activities through section 23 of the National Lottery etc. Act 1993. There is expected to be no change to the continued provision of services by Sport England. As disclosed in the Statement of the Council's and the Chief Executive's responsibilities in the Lottery accounts, the Council is required to prepare the Accounts on the going concern basis.

Measuring success

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

To track performance, we have set up a programme of quarterly reporting that addresses our performance across the full range of our key performance indicators (KPIs – see below). In the new year, we will be working with DCMS to develop a new set of KPIs to better measure the impact of our work.

Changes in public attitudes to the value of sport, the latest participation trends by age, gender, socio-economic group, ethnicity and more, and our own performance in implementing our plans.

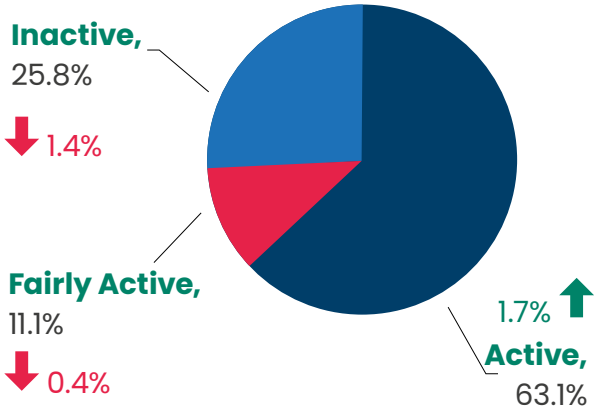
In this way, we aim to ensure that we are continuously familiar and up-to-date with all aspects of our work, enabling us to continuously

check which actions we take are most successful, where we can learn lessons for improvement, and where there are issues we need to address.

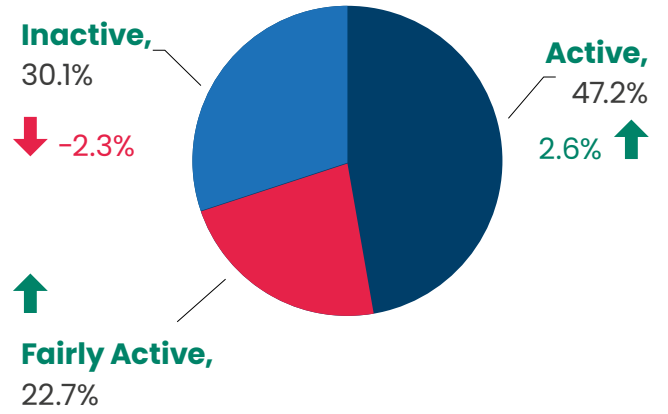
We monitor overall physical activity levels and measure the success of our strategy, our work and that of our partners in these four areas: Increasing activity; Narrowing inequalities; Decreasing inactivity; Improving children's experience. We also track awards by region, the value and number of awards by Index of Multiple Deprivation (IMD), and compliance with the Code for Sports Governance (which sets out the levels of transparency, diversity and inclusion, accountability and integrity for those seeking or receiving government or lottery funds).

Overall Physical Activity Levels

Adult Physical Activity Levels
Nov 2021 – Nov 2022



C&YP Physical Activity Levels
2021-22 Academic Year



*Next annual adult data due April 2024





Key Performance Metrics

Driving these activity levels and the success of our strategy, our work and that of our partners are changes in these four areas:

Increasing activity

The % of the population active in latest Active Lives adult and children release and the change since baseline.

Narrowing inequalities

The % of certain sections of the population active in latest Active Lives adult and children release and the change since baseline.

Decreasing inactivity

The % of the population inactive in latest Active Lives adult and children release and the change since baseline.

Improving children’s experience

The % of children aged 7-16 reporting 3+ positive attitudes and the change since baseline.

Increasing activity

Adults doing at least 150 minutes sport and physical activity a week

Latest: November 2021-22	12 month change	Since Nov 2015-16
63.1% (29,062,000 adults)	1.7% (+1,023,000) ↑	+1.0% (+1,512,600) ↑

Children in years 1-11 doing an average of at least 60 minutes sport and physical activity a day

Latest: 2021-22 academic year	12 month change	Since Nov 2017-18
47.2% (3,445,100 children)	+2.6% (+218,600) ↑	+3.9% (+404,400) ↑

Narrowing inequalities

Adults doing at least 150 minutes sport and physical activity a week

Latest: November 2021-22	Size of Gap Against Population	12 month change	Since Nov 2015-16
NSSEC 6-8	10.4%	+1.3%	+3.1%
Disability & LTHC	15.6%	-0.5%	-2.8%
75 years+	21.9%	-0.1%	-6.8%

Children in years 1-11 doing an average of at least 60 minutes sport and physical activity a day

Latest: 2021-22 academic year	Size of Gap	12 month change	Since Nov 2017-18
Girls	2.3%	+3.0%	-1.2%
Low Affluence	5.2%	0.0%	+1.1%
Asian	6.4%	+0.5%	+2.7%
Black	6.7%	-2.2%	+1.0%

Decreasing inactivity

Adults doing less than 30 minutes sport and physical activity a week

Latest: November 2021-22	12 month change	Since Nov 2015-16
25.8% (11,874,800 adults)	-1.4% (-535,500)↓	+0.2% (+525,500)↔

Children in years 1-11 doing an average of less than 30 minutes sport and physical activity a day

Latest: 2021-22 academic year	12 month change	Since Nov 2017-18
30.1% (2,196,000)	-2.3% (-142,600)↓	-2.8% (-113,000)↓

Improving children's experience

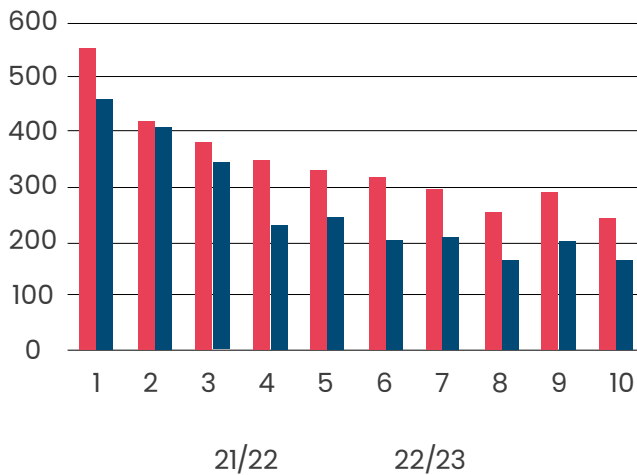
Children in years 3-11 reporting 3 or more positive attitudes to sport and physical activity

Latest: 2021-22 academic year	12 month change	Since Nov 2017-18
Years 3-6: 35.7%	+1.4%↑	-6.8%↓
Years 7-11: 38.2%	+0.5%↔	-1.9%↓

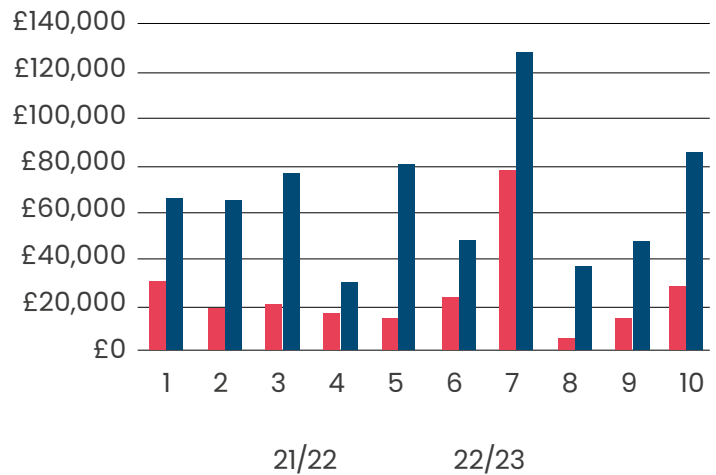
Management Agreement KPIs (2022/23)

'National' awards have been removed to give a clearer picture, as the Football Foundation and National Governing Body investments radically shift the stats towards their Head Offices.

IMD Decile by no. of awards



IMD Decile by value of awards



Investments classified by the Index of Multiple Deprivation (IMD), where 1 is the most deprived and 10 the least deprived.

Code Compliance

The table below shows the number of organisations assessed as compliant against Tier 2 or 3 of the Governance Code, or in assessment or action plan phase, as of 4 May 23.

No. of organisations assessed as compliant since the introduction of the Code	261
Change since last Q3 Report to DCMS (February 2023)	+2
Number of organisations in assessment/action plan phase	17

Assessment of Tier 1 organisations is managed through the Investment/Grants Management process and covered alongside due diligence. It is not recorded in the same way as Tier 2 and 3 but the last report estimated the figure to be just over 4,000 organisations assessed at Tier 1 since the introduction of the Code.

Investment by region				
	2022-23		2021-22	
Region	No. of Awards	Value of Awards	No. of Awards	Value of Awards
EAST	206	£21.0m	332	£6.7m
EAST MIDLANDS	196	£22.6m	299	£4.2m
LONDON	365	£24.6m	357	£13.2m
NATIONAL	332	£470.1m	271	£186.7m
NORTH EAST	150	£18.2m	205	£5.2m
NORTH WEST	418	£23.8m	537	£12.1m
SOUTH EAST	256	£26.4m	351	£5.1m
SOUTH WEST	170	£13.9m	312	£3.9m
WEST MIDLANDS	290	£25.5m	358	£9.7m
YORKSHIRE	264	£19.6m	426	£7.9m
Total	2,647	£665.7m	3,448	£254.7m

Investments by region and IMD Decile are reported on the basis agreed with DCMS for monitoring purposes and are therefore different from the amounts reported in the Grant-in-Aid and Lottery Accounts which are accounted for as per note 1.5 on pages 115 and 155. Prior year has not been restated for decommitments and clawbacks.

Investments by IMD Decile				
	2022-23		2021-22	
	No. of Awards	Value of Awards	No. of Awards	Value of Awards
1	427	£36.6m	332	£11.3m
2	373	£10.2m	299	£6.1m
3	319	£32.5m	357	£10.7m
4	212	£6.2m	271	£8.5m
5	201	£26.8m	205	£4.8m
6	173	£13.6m	537	£5.8m
7	167	£14.8m	351	£10.2m
8	160	£32.3m	312	£4.0m
9	173	£13.7m	358	£3.4m
10	110	£9.1m	426	£3.2m
National	332	£470.0m	271	£186.7m
Total	2,647	£665.7m	3,448	£254.7m

Investments classified by the Index of Multiple Deprivation (IMD), where 1 is the most deprived and 10 the least deprived. All national projects have been removed for the IMD breakdown.

NAO report on Grassroots participation in sport

As part of the Internal Audit Plan for 2023/24, as agreed by our Audit, Risk and Governance Committee (ARGC), our internal auditors BDO undertook a review of our response to the NAO report into Grassroots Participation in Sport.

The report was published in July 2022 and, overall, we received three recommendations from the NAO.

Following publication of the NAO report, the Public Accounts Committee (PAC) raised a further three recommendations and an additional recommendation to be addressed by DCMS in collaboration with Sport England.

The review aimed to assess the processes that have been established by us to manage the implementation of actions to address the recommendations raised by both the NAO and PAC and ensure the recommendations are addressed fully and within any externally set timescales.

The findings of the report indicate there are substantial levels of assurance in both the design and the effectiveness of the work in place and that Sport England have set up adequate and effective controls to address the NAO and PAC recommendations.

The actions are still in progress, with clear plans to be delivered within the requested timeframe and an update was provided to our Board in late 2023.



Consolidated activities

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

However, to give a better understanding of our activities, we've prepared the following summary results for the two accounts combined for the 2022-23 and 2021-22 financial years.

	Sport England Group ¹		Sport England	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Income				
Grant-in-Aid income	113,571	163,761	113,571	163,761
National Lottery income	223,643	224,478	223,643	224,478
Grants received	-	-	-	-
Other income	6,533	7,440	6,524	7,455
Total	343,747	395,679	343,738	395,694
Expenditure				
Net Grant-in-Aid grant commitments	131,756	115,811	131,726	115,759
Net Lottery grant commitments	113,115	549,734	113,115	549,734
Non-cash grants	2,604	1,312	2,604	1,312
Operating and sports development costs	36,929	40,661	36,954	40,722
National sports centres	6,158	4,998	6,158	4,998
Media buying and planning	-	925	-	-
Depreciation	4,535	4,724	1,252	1,440
Assets gifted to subsidiaries ²	-	-	1,459	-
Impairment of fixed assets ³	1,356	1	1,356	1,110
Total	295,453	718,166	294,624	715,075
Net Income/ (expenditure) for the year	47,294	(322,487)	49,114	(319,381)
Net gain on revaluation of properties	8,790	7,538	-	-
Net gain/(loss) on investments	(52)	18	-	-
Decrease in defined benefit pension liability	37,613	20,813	37,613	20,813
Total Income/ (expenditure) for the year	93,645	(294,118)	86,727	(298,568)

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

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

³ The impairment of fixed assets relates to Investment Management System project. The decision to not proceed was made in July 2023.

Parliamentary Accountability and Audit Report

Policy on additionality

Sport England and the organisations that distribute Lottery funds on its behalf recognise and respect the additionality principles of Lottery funding. Lottery funding enables us to extend the reach and increase the impact of the activity that we could undertake if only Exchequer funds were available. Together with the other Lottery distributors who make up the Lottery Forum, we have agreed to share the following common definition of additionality:

- Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies and funding.

We and our delegates will have regard to the principles of additionality and this policy when we set the strategic objectives of our Lottery-funded programmes and when we decide how each programme will operate. We have used, and will continue to use, Lottery funding to fund specific time-limited activity that would not take place without the support of the Lottery.

Operational expenditure

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

Sports development costs support the delivery of our award programmes as well as promoting the development of sport and physical activity in local communities. The costs for the year were £9.0m (2021-22: £9.8m). The small decrease is mainly due to the £0.9m media buying costs for the This Girl Can and Join the Movement campaigns which ceased in 2021-22, partially offset by general inflationary increases.

Administration costs are incurred to operate the business. During the year, operating costs were £9.2m (2021-22: £10.4m). The decrease is mainly due to a reduction in the costs of provided support for the administration of the Sports Survival Package (SSP).

The **costs of staff** who deliver and support both sports development and administrative functions was £19.0m (2021-22: £20.5m). The decrease is primarily due to restructuring costs of £0.7m in 2021-22, reduction in the holiday pay accrual of £0.3m. The remaining £0.5m is mainly due to a small reduction in staff numbers, partially offset by the annual pay review.

COVID-19 government support schemes

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

Working efficiently

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

Exchequer: We are set an absolute administration cost target as part of our spending review settlement, which has been achieved. We were also within the ringfenced administration budget for SSP.

In addition, we are required to operate within the overall budget limits set by DCMS. Resource and capital Grant-in-Aid (GIA), (excluding SSP), were underspent by £1.0m for the year (2021-22: £0.9m), which is 0.7% (2021-22: 0.8%) of total GIA funding of £152.1m (2021-22: £124.5m).

Lottery: The **benchmark 7.75%** gross costs target uses a three-year rolling average Lottery income as its base to reflect fluctuations in Lottery income over a longer period, and excludes irrecoverable VAT.

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

The achievement against targets for 2022-23 is 6.9% (2021-22: 7.1%). The three-year rolling average income for the 2022-23 target calculation is £224.4m and for 2021-22 was £223.6m. Income for the past two years has been higher than the income for 2019-20, resulting in an increase to the rolling average income, whilst our costs have remained relatively flat during the same period.

Cash management

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

Our Exchequer cash balance at 31 March 2023 was £6.0m, which is £20.4m lower than last year of which £18.7m related to NLR/SSP, (2021-22: £26.4m).

The management of our **Lottery cash resources** is by a rolling investment and cash flow plan which is regularly reviewed by the Executive and Board. The plan was updated in the 2020-21 financial year to cover the 10-year period of the new strategy to 2031. The investment and cash plan ensure that the right balance is maintained between having award programmes in place to achieve our strategic priorities, while taking into account the uncertainty of Lottery income and ensuring that forecast cash balances are always greater than £50m.

The balance in the National Lottery Distribution Fund (NLDF) at 31 March 2023 was £196.0m (2021-22: £191.3m). The balance has increased mainly due to investment returns which increased by £4.1m due a higher NLDF balance and higher interest rates. The share of proceeds and funds draw-down were closely matched (£0.3m difference). The movement in the NLDF balance is detailed in note 2 of the Lottery accounts.

Equity

Exchequer: Taxpayers' equity is £45.2m (2021-22: £60.4m) and includes a decrease in the pension reserve deficit and an increase in the revaluation reserve, more than offsetting the decrease on the general reserve. (2021-22: increase in the pension reserve deficit netted against decreases in the revaluation and the general reserves).

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

The decrease in the general reserve of £38.0m (2021-22 increase of £26.8m) is mainly due to Grants exceeding the Grant-in-Aid received by £39.2m. The net cash received of £117.1m includes £32.8m deferred from 2021-22, with £67.8m

deferred to 2023-24 (2021-22: net cash deferred increase of £42.4m Grant-in-Aid from 2020-21 to 2021-22m which included £19.5m relating to SWSP to NLRf swap).

Lottery: The deficit in equity amounted to £353.4m (2021-22: deficit £462.2m).

The decrease in the deficit reflects that our grant commitments during the year were less than the annual income received by £108m due to 5-year commitments to System Partners made in 2021-22, there was also a decrease in the pension reserve deficit of £22.2m. How we manage our income and commitments is explained in the cash management section.

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

Defined benefit pension scheme

The IAS 19 valuation of the defined benefit and unfunded pension for accounting purposes is an asset of £0.9m (2021-22: liability of £36.7m). This includes the value of the unfunded liability at £6.2m (2021-22: £7.6m).

The reduction in the deficit of £37.6m was mainly due to the decrease in the pension liability of £51.4m. The change in financial assumptions of £57.9m, (the discount rate increased from 2.6% to 4.8%), was partially offset by interest and other movements in the liability of £6.5m.

The movement in the deficit relative to the assets created an overall pension asset. The amount of this asset that can be recognised has been assessed and an adjustment of £13m made to reduce the asset, due to the impact of the pension ceiling.

The pension assets decreased slightly by £0.8m to £132.7m.

The last triennial actuarial valuation as at 31 March 2022 indicated a surplus of £32m. Sport England contributions to pension schemes are detailed in note 21 to the Exchequer and note 15 to the Lottery accounts.

Audit

The Comptroller and Auditor General (C&AG) is the statutory auditor of the Lottery accounts and is appointed by agreement to audit the GIA accounts. The audit fee was £66,000 for the Exchequer accounts (2021-22: £63,000) and £55,000 for the Lottery account (2021-22: £53,000). Both subsidiary companies were also audited by C&AG and the audit fees for the year were £27,000 (2021-22: £22,100).

Losses and special payments (Subject to audit)

An intangible asset with an original cost of £1,620,000 (Net Book Value £1,356,000) was written off during the year. This is the result of the decision was taken to terminate the Investment Management System (IMS) project. This is reported in the Grant-in Aid Accounts in the Statement of comprehensive net expenditure and also in Note 12 and Note 27. (2021-22: Nil).

Supplier payment performance

During the year, the average period from date of receipt to payment of valid invoices was 9 days, 95% were paid within 30 days (2021-22: 9 days, 98% within 30 days).



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
– The English Sports Council

14 February 2024

Sustainability Report 2022-23

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



Overall performance

Total emissions have increased considerably compared to both 2020/21 and 2021/22. This is due to a combination of an increase in activity at our National Sports Centres following the easing of restrictions due to the COVID-19 pandemic and a change in how emissions data is collected. Methods for accounting for greenhouse gas emissions continue to develop and we are likely to see further significant changes to emissions in future years reflecting a desire to improve Sport England's environmental performance within a wider sphere of influence. The increased emissions largely reflect the increase in energy use at offices and national sport centres and travel, plus improved data collection for waste.

Sport England made a commitment to stepping up environmental sustainability in the Uniting the Movement strategy. Committed to delivering the 'Greening Government Commitments' and as a member of the Sport Environment and Climate Coalition, we are learning and sharing best practice across the sector. We have already made significant progress, taking steps to improve our performance on emissions, plastic, travel and waste. Our National Sports Centres have improved the energy efficiency of buildings, installed EV chargers and solar panels, reduced waste and improved water management. Working with partners and through the Code for Sports Governance and Club Matters, we have shared a range of practical

advice and guidance to improve environment sustainability including reducing energy costs, adapting to extreme weather and incorporating environmentally sustainable design principles.

Over the next year we will publish a plan setting out plans to reduce our internal carbon footprint and improve our environmental sustainability. It will include wide-ranging actions to reduce greenhouse gas emissions; improve water and waste management; reduce reliance on single use plastics; ensure we make the procurement of goods and services more sustainable; support the recovery of nature and biodiversity and ensure we build resilience to a changing climate.

In addition, following consultation, a strategy will be published with a vision, priorities and plans to support the sector enabling sports and communities to protect and adapt the environments in which sport and physical activity take place and to work together towards our collective net zero ambitions.

As part of the plans above, Sport England will be looking at environmental targets against which performance can be measured in coming years. This will include putting in processes to collect and analyse data required for such disclosures (for example, paper consumption and cost figures for the current year) and will engage with relevant partners and suppliers in order to achieve this.

Travel – scope 3

	2022-23	2021-22
Co2 (tonnes)	173	8
Cost (£)	373,363	62,693
Miles	847,769	131,753

Waste

	Total (tco2e)
Recycled	279
ICT waste recycled, reused and recovered (externally)	99
Incinerated with energy recovery	8
Composted	29
Landfill	

The disclosed data is for National Sport Centres only, the Head Office site is a shared facility.

		2022-23	2021-22
Non financial indicators (tonnes)	Reused/recycled	423	10
Financial Indicators (£)	Reused/recycled	4,113 ¹	8,226

¹ The financial indicators for waste is for the 7 tonnes from the leased office space only. The financial indicator for the remaining 416 tonnes of waste relates to the owned National Sports Centre sites has not been calculated due to internal use (e.g. energy generation, composting).

Greenhouse gas emissions

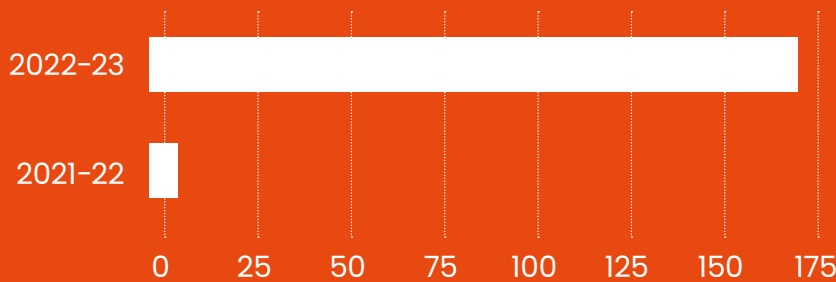
		2022-23	2021-22
CO2 (tonnes)	Gross Emissions Scope 1 (direct)	400	26
	Gross Emissions Scope 2 (indirect)	865	23
	Total Gross Emissions (CO2)	1265	49
Energy Consumption(kWh)	Electricity	4,473,254	109,634
	Gas	2,933,341	139,810
Financial Indicators (£)	Expenditure on Energy	1,998,715	23,043

Finite resource consumption (m3)

		2022-23	2021-22
Non financial indicators (m3)	Water supplied	80,373	1,021
Financial Indicators (£)	Water supply cost (office water)	136,521	1,454

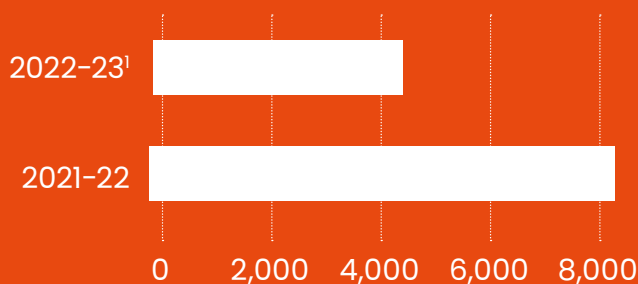
Single use plastics is part of Greening Government reporting but to the best of our knowledge is nil. We don't use single use plastics in our day to day operations e.g. mugs and glasses are provided at each office location.

Scope 3 - Travel (tonnes)



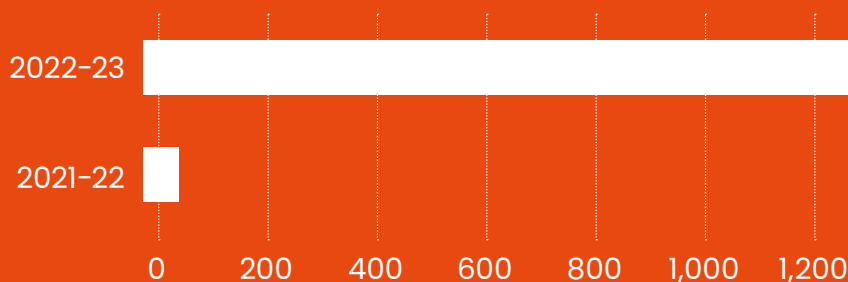
Financial indicators (£)

Scope 1 - Waste (£)



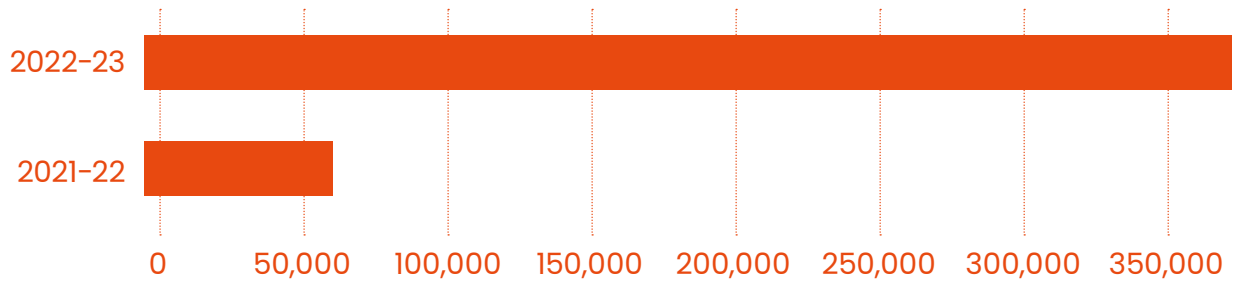
¹The financial indicators for waste is for the 7 tonnes from the leased office space only. The financial indicator for the remaining 416 tonnes of waste relates to the owned National Sports Centre sites has not been calculated due to internal use (eg energy generation, composting).

Scope 2 - Gas (£)



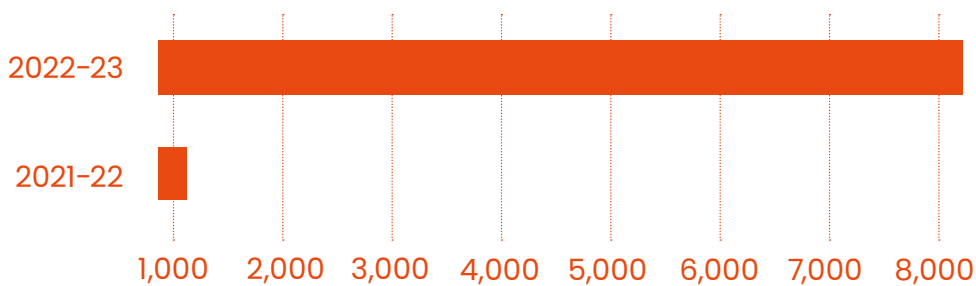


Scope 3 – Total Expenditure on Business Travel (£)



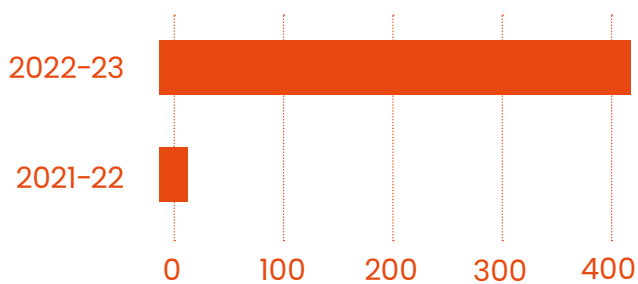
Water usage (m3)

Water (m3)



Waste (tonnes)

Recycled waste (tonnes)



Accountability Report





Corporate Governance Report

Directors' Report

The Board members' term of appointment and Executive team appointment date are given in the tables "below and opposite. The Directors are also required to report on related party transactions, complaints and whistleblowing complaints during the year. The Statement of the Council's and Chief Executive's Responsibilities is given on page 102 of the Grant-in-Aid accounts and on page 146 of the Lottery accounts.

Complaints

Sport England received 124 complaints in 2022-23 the vast majority of which were related to sporting organisations including those in which we invest. The Parliamentary and Health Service Ombudsman enquired about one complaint but did not carry out an investigation as the complainant had not yet exhausted our complaints process. We continue to monitor trends and themes to determine if action can be taken to address issues raised, and to reduce the number of complaints received.

Whistleblowing

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

Related party transactions

Details of all related party transactions of Board Members, Executive Directors and other key managerial staff are disclosed in note 24 of the Exchequer and note 16 of the Lottery accounts. Our conflict of interest policy requires all members of staff including Executive Directors and Board Members to declare any interests that pertain to themselves or their immediate families which could impact on their role at Sport England. Declarations are required when staff join the organisation and when circumstances change, as well as an annual confirmation that declarations are accurate and up to

date. Any conflicts declared are reviewed with support of Legal and HR where needed, to confirm what mitigating actions, if any, are required to manage the conflict. A register of interests is maintained and is available by submitting a freedom of information request to foi@sportengland.org.

Board Member	Term of appointment
Chris Boardman MBE(Actual)	July 21-June 25
Azeem Akhtar	Sept 19-Sept 22
Rashmi Becker MBE	July 18-July 24
Mel Bound	Jan 23-Dec 25
Michelle Cracknell	Jan 23-Dec 25
Professor Ian Cumming OBE	Oct 16-Jan 22
Jason Fergus	Jan 23-Dec 25
Christopher Grant	Sept 16-Sept 22
Andrew Long	Sept 16-Dec 22
David Mahoney	Oct 19-July 23
Tove Okunniwa	Sept 19-June 23
Karen Pickering MBE	Oct 16-Jan 23
Helene Raynsford	Jan 23-Dec 25

Our Executive team

Executive Directors' appointment date



Tim Hollingsworth OBE
Chief Executive

November 2018



Jeanette Bain Burnett
Executive Director of Policy and Integrity

August 2022



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

November 2009 – April 2022



Lisa Dodd-Mayne
Executive Director of Place

August 2022



Ali Donnelly
Executive Director of Digital, Marketing and Communications

November 2019 – March 2023



Lizzie Hanna
Chief Finance Officer

March 2023



Charles Johnston
Executive Director of Property

August 2008 – August 2022



Lisa O'Keefe
Executive Director of Insight

July 2008 – April 2022



Nick Pontefract
Chief Operating Officer

March 2018



Chris Perks
Executive Director of Local Delivery

November 2017 – October 2022



Phil Smith
Executive Director of Partnerships

September 2008



Ben Wilson
Executive Director of Digital, Marketing and Communications

May 2023

Governance statement

Our governance framework

Sport England is the trading name of the English Sports Council, which was created by Royal Charter in 1997 to foster, support and encourage the development of sport and sporting excellence. Sport England is an arm's-length body (ALB) of government. We carry out our objectives by granting awards to sporting bodies and by making representations on planning applications which affect playing fields.

We are answerable to Parliament through our sponsoring department, the Department for Culture, Media and Sport (DCMS). As an ALB we must comply with the requirements set out in our Framework Agreement with DCMS. This agreement sets out our strategic framework and establishes our working relationship with our sponsoring department. Further, we must comply with the requirements in Managing Public Money, and follow the Government's Functional Standards and the Corporate Governance Code of Good Practice (where applicable to an ALB). We have an internal control, governance, assurance and risk management framework in place for the financial year 2022-23 to support these requirements.

There are three sub-committees of the Board which report to the Board and provide assurance to it and to the Accounting Officer.

Board

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

Meets at least four times each year

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

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

Invites, via the Chair, Executive Leadership members, a DCMS nominee and other non-Board members to attend meetings as appropriate



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

Subsidiaries

Sport England also has two subsidiary companies. These are the Sports Council Trust Company (SCTC) which owns the three national sports centres, operates the leases for SE offices and a small investment fund, and the English Sports Development Trust Ltd (ESDT). ESDT focuses on paid media spending for Lottery funded campaigns. These subsidiary companies are both companies which are limited by guarantee with Sport England being the sole member.

SCTC is also a charity registered with the Charity Commission for England and Wales. SCTC's objective and activities are 'to preserve and safeguard the physical and mental health of communities across the UK. We do this by promoting physical recreation

(including sports) and offer education, as well as providing facilities that are available to members of the public. The national sports centres are used by members of their local communities and Olympic and Paralympic competitors. One of the key objectives is to ensure that the charity achieves its public benefit purpose.

ESDT's objective is to deliver any commercial contracts related to the media buying arrangements for the women's behaviour change marketing campaign (This Girl Can).

An effectiveness review of the subsidiaries was completed in the financial year 2021-22. Following this, a skills-based recruitment exercise was undertaken to strengthen the SCTC Board of Trustees.

Our Board

Sport England has an experienced, effective and diverse Board of eight members (at financial year end), led by the Chair, Chris Boardman. Our Board was openly recruited on a skills basis and appointed by the Secretary of State for Culture Media and Sport and is led by Chris Boardman who began his four-year term as the new Chair on 22 July 2021.

Mel Bound, Michelle Cracknell, Jason Fergus and Helene Raynsford were all appointed to the Board during the year, while Christopher Grant, Andrew Long, Karen Pickering, Azeem Akhtar and Ian Cumming all saw their terms end.

At April 2023, Sport England had five women on its Board representing 56% of total membership. This exceeds the requirement of a minimum of 30% of each gender on the Board as required by the Code for Sports Governance (the Code). We also have three members from a Black, Asian or other ethnically diverse backgrounds on our Board and one with a declared disability. All members of the Board are non-Executive members.

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

Board and Committee evaluations

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

Because of the turnover of Board membership during the year, no formal board effectiveness review was undertaken in 2022-23. However, the Chair has led Board and Ceo-only feedback discussions after each Board meeting and has engaged with members on a one-to-one basis, including annual performance meetings.

Our Audit, Risk and Governance Committee (ARGC) continued in 2022-23 to monitor Sport England's progress towards modelling the obligations and high standards set out in the Code for Sports Governance.

The ARGC and Investment Committee did not undertake separate formal evaluations in 2022-23, however both Committees have member-only sessions at the start/end of all meetings, where they can discuss the Committee's effectiveness and any challenges or queries with the Chair. The Chairs of both committees provide updates on their activity and performance to the Board.

Board activity

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

The Board met formally four times during 2022-23. Attendance records for Board and committee meetings are provided at the end of this statement.

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

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

Uniting the Movement

Strategic steer on the implementation of Sport England's strategy under the 2022-25 Uniting the Movement implementation plan.

Work with key 'system partners' in the sport and physical activity system

Oversight of investment into and work with 'system partners' that are delivering Uniting the Movement.

Place-based working

Formative discussion and decisions on approach and funding envelope for Sport England's work to expand place-based partnerships over the next five years, including principles for identifying those places.

Equality, Diversity and Inclusion

Review and monitoring of Equality, Diversity and Inclusion (EDI) work to ensure that EDI runs through everything that Sport England does as an employer and is a central feature of the organisation's and its partners' work. This included discussions on tackling racism and racial inequality in sport and physical activity.

Governance, Regulation and Dispute Resolution in Sport

Review and discussion on the role of Sport England and recognised partners in promoting good governance and ensuring safeguarding and integrity across the sport and physical activity sector, including monitoring the progress of the Whyte Review, and issues raised in respect of cricket and swimming.

Sporting Legacy

Monitoring Sport England's investment to support the legacy element of the Birmingham Commonwealth Games 2022 Games. This involves monitoring its contribution to supporting greater participation in sport and physical activity by under-represented groups and the people of Birmingham and beyond. It also looked at funding for Women's Rugby World Cup 2025 Legacy Programme.

Investment Oversight	Oversight of Sport England’s investment programmes, for example the Together Fund, and the Sport Survival Package.
Community Sport Facilities	Targeting investment into community football, tennis and multi-sport facilities and overseeing Sport England’s work on the Swimming Pools Support Fund.
Annual Report and Accounts	Approval of the 2021-22 Annual Report and Accounts.
Budget	Approval of the 2022-23 budget.
Transformation	Oversight of new ways of working, including arrangements for relocation of Sport England’s London office and a move towards more flexible working, a new investment processing system and changes to how we deliver our core services for our partners and the public.
Transparency	Sport England is committed to being transparent and open in how we operate. Our publication scheme sets out information about who we are and what we do, what and how we spend public and National Lottery money and how we make decisions. Our strategy and the agendas and minutes for main Board meetings are published on Sport England’s website.

Committee activity

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

Investment Committee	Audit, Risk and Governance Committee	Chairs and Remuneration Committee
<ul style="list-style-type: none"> • Strategic discussion and decision-making regarding the Uniting the Movement Implementation Plan 2022-2025. • Overall performance of the Sport England investment portfolio. • Strategic steer on investment programmes, approaches and relationships. • The Future of Local Leisure including short-term support and long-term change, building on Local Delivery Pilots and expansion of 'Place-based working'. • Discussion on the process and approval of investment in key 'System Partners'. • Approval of major capital and revenue awards. 	<ul style="list-style-type: none"> • Review and agreement of 2021-22 Annual Report and Accounts. • 2023-24 Budget. • Financial reporting including management accounts, financial forecasts, and National Lottery cash-flow. • Corporate risk register. • Funded partners' governance and assurance updates. • Internal audit plan, progress, reports and recommendation updates. • Review of revised Whistleblowing policy and Counter Fraud strategy. • Regular updates on procurement, counter-fraud and data protection. And Sport England's self-assessment against the Code for Sports Governance. • Updates on complaints information and requests under Freedom of Information legislation. • Regular updates on new Investment Management system (IT procurement). 	<ul style="list-style-type: none"> • Board, Committee and subsidiary co-ordination. • Deployment of Board members, including incoming appointees, to Committee and non-executive roles.



Other groups

Sport England has an Equality, Diversity & Inclusion Group which is responsible for overseeing activities that aim to improve equality, diversity and inclusion within Sport England. Much of this work has driven changes to recruitment, engagement and educational practices with the aim of supporting greater inclusion. Specific areas of focus have been the Tackling Racism and Racial Equality in Sport (TRARIIS) report, the Code for Sports Governance and Diversity and Inclusion Action Plans. The ED&I Group is chaired by the CEO, has representation from all parts of the organisation including the Chairs of five internal colleague network groups and the PCS Union, and is attended by the Board Champion for ED&I.

A Code for Sports Governance

Throughout the year we have worked hard to ensure our own governance practices continue to be robust and fit for purpose. In parallel, we have continued to work with the sector to encourage and support continuous improvement in sports governance, ensuring both we and our partners are better able to effectively fulfil our various roles and responsibilities.

Since April 2017, all organisations seeking funding from Sport England (and UK Sport) have had to meet the governance requirements in the Code. Developed by Sport England and UK Sport, the Code sets out the levels of transparency, accountability and financial integrity required from those seeking Government and National Lottery funding. In July 2020 Sport England and UK Sport announced a review of the Code. This focused on diversity and inclusion but also took a comprehensive look at every aspect of the Code, not only each individual requirement but also how the Code was presented, used and applied, drawing on experience from the previous four years

of operation, best practice developments and a range of evidence. After a period of extensive consultation key changes to the Code were announced in July 2021, with the full revised Code and a new booklet for Tier 1 published in December 2021. Tier 1 is the minimum standard in the Code, and we hope the new booklet provides a more accessible resource for partners improving governance at that level. Both Code documents are published on our website at: <https://www.sportengland.org/campaigns-and-our-work/code-sports-governance>.

Assessing compliance with the Code continues as we make new investments, and we engage closely with the sector to achieve this whilst supporting our partners to reach the high governance standards set by the Code. The process for assessing partner compliance with the revised Code commenced at the close of 2022/23 and continues into next year. The assessment process helps to protect the value for money the public receives from investment into sport and maximises the effectiveness of those investments. It also provides us with a more detailed level of assurance over the investments we make.

The Code adopts a proportionate approach, expecting the highest standards of governance from those organisations requesting the largest public investments. It has three tiers, with Tier 3 representing the top level of mandatory governance requirements. As noted above, Sport England is in the process of reassessing its own compliance against the revised Code but complies with continuing Tier 3 requirements including independence and diversity on the Board, term limits for appointments, primacy of the Board in decision making and transparency and accountability. We publish a wide range of information about our governance structure, strategy and financial position.

Risk management and internal control

The Board ensures there are effective arrangements for risk management and internal control at Sport England through ARGc. We have controls in place to support the management of risk across the organisation and risk management forms part of our internal governance processes. During the year we actively reviewed and amended Sport England's corporate risk register, reshaping some risks and adding others. This new and revised corporate risk register was provided to ARGc at its March 2023 meeting.

ARGc meets quarterly and reviews the corporate risk register at each meeting and provides input and feedback.

Throughout this financial year, we have been undergoing a business transformation which has impacted upon the whole organisation. We are working towards achieving a greater level of maturity in our risk management. This work is being led by our CEO. Several measures have been taken to achieve this goal including increasing dedicated resource by introducing a Chief Financial Officer and the role of Head of Compliance. This work is being supported by our ARGc and will continue to be a priority for 2023/24.

Internal controls

BDO continue as our internal auditors, and we work with them to shape and review our annual plan of internal audits. Each internal audit topic was chosen by reference to our key risks and following discussion with our Executive Leadership team. This plan is then approved by our ARGc. During the financial year 2022-23 key internal audits have been complaints, procurement fraud prevention, GDPR and post-event assurance.

We will continue to work with BDO during the next financial year to identify areas where internal audits and their recommendations will further improve the

organisation. This plan will be reviewed and approved by both our ELT and ARGc. This may change over time to ensure it helps us manage the risks we face.

Information security and data privacy

Sport England takes its responsibility for compliance with the General Data Protection Regulation (GDPR) seriously and has processes in place to safeguard the personal data it holds. Regular assurance is given to ARGc. Data protection impact assessments have been integrated into Sport England's decision-making processes and organisational compliance is supported by training.

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

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

Government functional standards

Sport England is currently conducting an internal review to benchmark the current status of our compliance with the Government Functional Standards framework. This follows a self-assessment conducted in April 2022. More information on the Functional Standard on Fraud is given in the Fraud risks section of this report.

Fraud risks

Sport England recognises that it is a target for people who may want to fraudulently claim grants or use grant money for purposes other than those intended and for internal fraud.

To minimise these risks, we take steps to deter, detect, prevent and investigate fraud, bribery and corruption in connection with our activities. Sport England strives to ensure compliance with the Government Functional Standard on Fraud (GovS013: Counter Fraud).

A central fraud register is maintained by our counter-fraud champions that monitors past and present allegations and ongoing investigations, their status and final outcomes. Four grant fraud allegations were added to the register during the year. Three investigations remained ongoing at the end of the financial year. In December 2020, we uncovered a fraud committed by a member of staff. A full internal investigation and police referral followed which led to a conviction for fraud by abuse of position. Several improvements were made following the internal investigation to improve the robustness of relevant controls. An internal audit was also conducted by BDO to assess whether these changes were sufficiently robust to minimise the risk of fraud in the future. ARGC are regularly updated and findings are being implemented.

Independent assurance

Internal audit services are provided by BDO who have fulfilled the role of Head of Internal Audit since 2019. Internal audit provides our Accounting Officer and our Board, through ARGC, with an independent evaluation of, and opinion on, the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control processes. It also provides an independent opinion on how effective these processes are in achieving our strategy of UTM.

Our annual internal audit plan is informed by our risks and adapted and updated accordingly throughout the year. The plan is discussed by our Executive Leadership team before being approved by ARGC. BDO attend each ARGC meeting to provide internal audit reports and progress reports which include the findings of follow-up reviews. These meetings are also used to update BDO on implementation of their recommendations following their reports. BDO also provide an annual report to the Committee on internal audit activity which contains their overall audit opinion.

BDO changed the way it 'rates' its internal audit reports during this financial year. The table opposite maps the previous ratings to the new. Descriptions are associated with the new levels and are explained below. These apply to both individual internal audits and the annual opinion.

The audit opinion takes together the assurance ratings and recommendations of individual assignments conducted during this financial year, management's responsiveness to internal audit recommendations and the direction of travel regarding internal control, governance and risk management.

BDO's opinion for this financial year is that: *"There is some risk that management's objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and / or effectiveness of governance, risk management and internal control."*

This is a 'level 2' or MODERATE rating, the second highest of four rating levels. This is consistent with the previous financial year.

BDO's opinion is based on the internal audits conducted during the financial year 2022-23. Overall, there were five assignments, plus a follow-up review. Internal audit assignments conducted in 2022-23 were all assurance assignments.

New Format (one grading for design and one for effectiveness)	Previous Format	
SUBSTANTIAL	GREEN	
MODERATE	GREEN	AMBER
LIMITED	AMBER	
NO	AMBER	RED
NO	RED	

Individual assignment recommendation ratings

High (1) ranking:	There is potential for financial loss, damage to the organisation's reputation or loss of information. This may have implications for the achievement of business objectives and the recommendation should be actioned immediately.
Medium (2) ranking:	There is a need to strengthen internal control or enhance business efficiency.
Low (3) ranking:	Internal control should be strengthened, but there is little risk of material loss or recommendation is of a housekeeping nature.

Assignment	Assurance rating
Post event assurance	MODERATE
SSP – Sports Survival Package	MODERATE
Complaints audit report	MODERATE
Investment Framework Model review	MODERATE
Procurement Fraud	LIMITED
Follow-up	LIMITED

Active Lives survey

The Active Lives Adult and Children and Young People survey data is prepared and quality checked by Ipsos and further assurance is then coordinated by Sport England's Quantitative Research team. As well as the direct checking carried out by the Quantitative Research team, Sport England has also engaged physical activity data experts at the University of Southampton to further support the assurance process. Adult survey data is also shared with analysts at DCMS, Public Health England and the Department for Transport 24 hours in advance of publication.

The Adult report published in April 2022 covered periods where restrictions relating to Covid-19 were still in place. The Children and Young People report is the first since the 2018-19 report that covers a period with no nationwide restrictions. However, individual and class-level disruption through self-isolation and sickness absence was still present.

We've now completed six full years of data collection for the Active Lives Adult Survey, with the latest survey report summarising activity levels in England from November 2020 to November 2021 published on 28 April 2022. This year, we also completed the fifth full year of data collection for the Active Lives Children and Young People Survey, with the academic year 2021-22. The year five child survey results were published on 8 December 2022. Both the Active Lives Children and Young People Survey results and the Active Lives Adult Survey results will continue to be reported every 12

months. **NAO Value for Money report and Public Accounts Committee report**

In 2021 the National Audit Office (the NAO) undertook a study into the efforts of Sport England and DCMS to increase grassroots participation in sport and physical activity. Following robust and positive engagement with Sport England the NAO published its report in July 2022. The NAO report made three recommendations.

Following the NAO's report the Public Accounts Committee (PAC) raised a further three recommendations for us in January 2023. To ensure that all recommendations made by the NAO and the PAC were fully addressed within externally set timeframes we developed a defined action plan. Regular monitoring of the action plan and reporting to both Board and DCMS on the implementation and progress of all actions is in place. We are confident that these arrangements will be effective in delivering all recommendations on time and look forward to reporting on our completed actions in more detail in next year's annual report.

External Audit

The National Audit Office is Sport England's external auditor, and they have been appointed our auditors as a result of being one of the larger ALBs of its parent department, DCMS.

Board and committee composition attendance

Board meetings	Total meetings attended
Member	
Chris Boardman (Chair)	4/4
Azeem Akhtar	1/1
Rashmi Becker	4/4
Mel Bound	1/1
Michelle Cracknell	1/1
Ian Cumming	2/3
Jason Fergus	1/1
Christopher Grant	1/1
Andrew Long	3/3
David Mahoney	4/4
Tove Okunniwa	3/4
Karen Pickering	2/3
Helene Raynsford	1/1

Chris Boardman

Appointment date 22 July 2021

Azeem Akhtar

Appointment end date 02 September 2022

Ian Cumming

Appointment end date 27 January 2023

Rashmi Becker

Appointment date 23 July 2018

Mel Bound

Appointment date 01 January 2023

Natalie Ceeney

Appointment end date 31 May 2022

Michelle Cracknell

Appointment date 01 January 2023

Jason Fergus

Appointment start date 01 January 2023

Christopher Grant

Appointment end date 08 September 2022

Andrew Long

Appointment end date 27 December 2022

Karen Pickering

Appointment end date 27 January 2023

Helene Raynsford

Appointment date 01 January 2023

Investment Committee meeting	Total meetings attended
Member	
Rashmi Becker	4/4
Natalie Ceeney (Chair until 24 May 2022)	1/1
Jason Fergus	0/0
Christopher Grant	1/2
Tim Hillingsworth (CEO: Member ex officio)	4/4
David Mahoney	3/4
Tove Okunniwa (Chair from 25 May 2022)	4/4
Araba Webber (Independent member)	4/4

Natalie Ceeney

Appointment end date 24 May 2022

Jason Fergus

Appointment date 13 March 2023

Christopher Grant

Appointment end date 08 September 2022

Araba Webber

Appointment date 14 February 2022

Audit Risk and Governance Committee meetings	Total meetings attended
Member	
Azeem Akhtar	1/1
Mel Bound	0/1
Andy Champness (Independent member)	0/0
Michelle Cracknell (Chair from 1 January 2023)	1/1
Ian Courts (Independent member)	4/4
Ian Cumming OBE	3/3
Andy Long (Chair until 27 December 2022)	3/3 ¹
Karen Pickering	2/3
Helene Raynsford	1/1
Susan Young (Independent member)	1/1

¹ Andy Long attended the meeting on 21 March 2023 as an observer only

Azeem Akhtar

Appointment end date 02 September 2022

Mel Bound

Appointment date 13 March 2023

Andy Champness

Appointment date 01 February 2023

Michelle Cracknell

Appointment date 01 January 2023

Ian Cumming

Appointment end date 27 January 2023

Andy Long

Appointment end date 27 December 2022

Karen Pickering

Appointment end date 27 January 2023

Helene Raynsford

Appointment date 13 March 2023

Susan Young

Appointment date 01 February 2023

Chairs and Remuneration Committee meeting	Total meetings attended
Member	
Chris Boardman (Chair)	1/1
Michelle Cracknell	1/1
David Mahoney	1/1
Tove Okunniwa	1/1
Andrew Long	0/0
Natalie Ceeney	0/0

Andrew Long

Appointment end date 27 December 2022

Natalie Ceeney

Appointment end date 24 May 2022

Chris Boardman

Appointment date 22 July 2021

Michelle Cracknell

Appointment date 01 January 2023
(on assumption of ARGC chair)

David Mahoney

Appointment date 13 March 2022

Tove Okunniwa

Appointment date 25 May 2022
(on assumption of IC chair)



Remuneration and staff report

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

Remuneration policy

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

The principles governing Sport England's remuneration policy are:

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

Appointments

All appointments including Executive Directors are made in accordance with Sport England's stated Recruitment Guidance. Sport England's recruitment and selection process ensures practices are compliant with legislation, are based on merit and are fair and transparent.

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

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

Fair pay disclosure (audited)

We are required to declare the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The relationship between the remuneration of the highest paid director in Sport England and the median remuneration of staff, and the range of remuneration paid, based on annualised full-time equivalent figures at 31 March 2023 disclose is shown on the next page.

	2022-23	2021-22
Band of the highest paid Director's total remuneration (£'000)	155-160	150-155
Percentage change from the previous financial year for the highest paid	1.9%	-
75th percentile of workforce total remuneration (£)	52,241	54,199
Pay ratio	3.0	2.8
50th percentile of workforce total remuneration (£)	43,233	43,216
Pay ratio	3.6	3.5
25th percentile of workforce total remuneration (£)	34,550	33,614
Pay ratio	4.5	4.5
Highest remuneration paid (£)	216,403	194,480
Lowest remuneration paid (£)	17,013	16,792
Average percentage change in remuneration from the previous financial year	(7.8)%	6.2%

No performance or bonus payments were made in the current or previous year. No employees received remuneration in excess of the highest paid Director in 2022-23 or 2021-22. However, 1 (2021-22: 3) agency staff received remuneration in excess of the highest paid Director, the highest of these is disclosed in the table above.

Total remuneration includes salary. No non-consolidated performance-related pay and benefits in kind were paid in the current or prior year. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pension. The decrease in the average remuneration of 7.8% is primarily due to a reduction in restructuring and holiday pay accrual costs of £1.1m and a small reduction in headcount. In line with the Civil Service Pay Remit guidance the average salary increase was 3.0% however this was not applied equally and was targeted at the lowest quartiles within our pay bands.

Board Members' remuneration

Board Members' remuneration includes travel and subsistence and an allowance for attendance at Board and subcommittee meetings of £218 per day (2021-22: £218). There were no bonuses or benefit in kind payments made to Board Members during 2022-23 or 2021-22.

Subject to audit

Board Member	2022-23 £'000	2021-22 £'000
Nick Bitel ¹ (Actual)	-	10-15
Nick Bitel (Full Year Equivalent)	-	40-45
Chris Boardman MBE (Actual)	40-45	25-30
Chris Boardman MBE (Full Year Equivalent)	40-45	40-45
Azeem Akhtar ³	0-5	0-5
Mel Bound ³	0-5	-
Rashmi Becker MBE	0-5	5-10
Natalie Ceeney ²	-	-
Michelle Cracknell ³	0-5	-
Professor Ian Cumming OBE ³	0-5	0-5
Jason Fergus ³	-	-
Christopher Grant ³	0-5	0-5
Sue James ³	-	0-5
Andrew Long ²	-	-
David Mahoney ²	-	-
Karen Pickering MBE ³	0-5	0-5
Helene Raynsford ³	-	-
Tove Okunniwa	0-5	0-5

Notes

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

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

3 Member joined or left during the year, but this had no impact on the above banding. Attendance allowance is paid for meetings attended plus expenses which are claimed during the financial year.

Executive Directors' remuneration

Salary

Salary includes gross salary, performance pay and any other allowances to the extent that they are subject to UK taxation. In 2022-23 the average salary increase was 2%. (In 2021-22, there was a temporary pause on pay awards and in line with the guidance only those employees earning a full-time equivalent salary of less than £24,000 received a consolidated pay increase of £250).

Bonus

No bonus payments were made in either 2022-23 or 2021-22. Executive Director contracts do not include a bonus clause (except in one legacy case).

Benefits in kind

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

Pension benefits

Pension benefits are provided through two schemes.

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

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

The **Aviva Group Personal Pension Plan (GPPP)** opened for staff on 1 April 2012.

Funds were transferred across to the GPPP from the previous AEGON fund which had commenced on 1 October 2005. Six Executive Directors are members of the scheme. The value of pension benefits accrued during the year is the total pension contributions made by the employer.

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

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

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

Single total figure of remuneration

Subject to audit				
Executive Director	Salary ^{1 and 3}	Pension benefits accrued	Employer Pension contributions to GPPP	Total
	£'000	£'000	£'000	£'000
2022-23				
Tim Hollingsworth OBE	155-160	-	19	170-175
Nick Pontefract	135-140	-	16	150-155
Charles Johnston (Actual) ⁴	60-65	-	7	70-75
Charles Johnston (FYE) ⁴	150-155	-	17	170-175
Lisa O'Keefe (Actual) ^{2, 4}	5-10	-	-	5-10
Lisa O'Keefe (FYE) ^{2, 4}	135-140	(61)	-	75-80
Phil Smith	125-130	-	15	140-145
Mike Diaper OBE (Actual) ⁴	0-5	-	1	5-10
Mike Diaper OBE (FYE) ⁴	115-120	-	14	130-135
Chris Perks (Actual) ^{2, 5}	60-65	-	-	60-65
Chris Perks (FYE) ^{2, 5}	100-105	-	-	100-105
Ali Donnelly (Actual) ⁴	120-125	-	14	135-140
Ali Donnelly (FYE) ⁴	125-130	-	15	140-145
Jeanette Bain-Burnett (Actual) ⁴	70-75	-	8	75-80
Jeanette Bain-Burnett (FYE) ⁴	120-125	-	14	135-140
Lisa Dodd-Mayne (Actual) ⁴	70-75	-	9	80-85
Lisa Dodd-Mayne (FYE) ⁴	120-125	-	15	135-140
Lizzie Hanna (Actual) ⁴	5-10	-	1	5-10
Lizzie Hanna (FYE) ⁴	145-150	-	18	165-170
2021-22				
Tim Hollingsworth OBE	150-155	-	18	170-175
Nick Pontefract	130-135	-	16	145-150
Charles Johnston ¹	140-145	-	17	155-160
Lisa O'Keefe ²	125-130	6	-	130-135
Phil Smith ¹	125-130	-	15	140-145
Mike Diaper OBE	105-110	-	13	120-125
Chris Perks ²	100-105	-3	-	100-105
Ali Donnelly	110-115	-	14	120-125

Notes

1 The number of senior Civil Service staff equivalent by band has not been disclosed as Sport England does not have Civil Service bands.

2 The pension benefits for Lisa O'Keefe and Chris Perks are calculated using the method described under 'pension benefits' on page 93.

3 No bonus payments were made in 2022-23 or 2021-22 and there were no benefits in kind in either year.

4 Full Year Equivalent (FYE) disclosed where a Director was appointed or left during the part way through the year.

5 Chris Perks began drawing his pension in 2022-23 so no longer has an entitlement to a Cash Equivalent Transfer Value (CETV).

The following Executive Directors are members of the LPFA pension scheme

Subject to audit	Accrued pension at age 65 as at 31/03/23	Real increase in pension at age 65	Real increase in lump sum at age 65	Lump sum at age 65	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lisa O'Keefe ¹	45-50	(3) - 0	(3) - 0	35-40	806	660	79
Chris Perks ²	-	-	-	-	-	829	-

Notes

¹ Lisa O'Keefe left on 15 April 2022.

² Chris Perks left on 31 October 2022 and began drawing his pension in the 2022-23 financial year so no longer has an entitlement to a Cash Equivalent Transfer Value (CETV).

Cash equivalent transfer value

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

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

Real increase in CETV

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

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Exit packages¹

Subject to audit

2022-23: None

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

Notes

1 Exit packages are paid under terms of employment. No ex-gratia payments were made.

2 Exit packages include legally required defined benefit pension scheme capital costs for members over age 55.

Staff costs, numbers and compositions

Costs	Subject to audit	2022-23	2021-22
		£'000	£'000
Wages and salaries		13,180	14,520
Social security costs		1,567	1,538
Pension costs		2,718	3,028
Total permanent staff and fixed staff		17,465	19,086
Agency staff		1,698	1,409
Total		19,163	20,495

The table above shows the consolidated position. The total permanent and fixed staff amount of £17.5m is made up of Exchequer £6.8m (39%) and Lottery £10.7m (61%).

We have a total of 293 full time equivalent (2021-22: 303) permanent and fixed-term temporary staff and a total of 17 full time equivalent (2021-22: 19) agency staff.

Within the above staff numbers there were 176 homeworkers (2021-22: 132) which represented 59.1% and 43.5% of the headcount in each of the respective years.

As at 31 March 2023, the senior Executive team comprised of 3 women and 3 men (2021-22: 2 women and 6 men). Women currently make up 56% of our workforce (2021-22: 56%).

Sickness absence during the year excluding long-term sick absence averaged 3.0 days per person (2021-22: 3.4 days). There were 9 colleagues who had long-term sickness of greater than 20 days (2021-22: 11 days).

There was no relevant consultancy expenditure during the year (2021-22: £nil).

Off-payroll tax engagements

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

No. of existing engagements as of 31 March 2023	12
---	----

Of which:

No. that have existed for less than one year at time of reporting	8
No. that have existed for between one and two years at time of reporting	3
No. that have existed for between two and three years at time of reporting	1
No. that have existed for between three and four years at time of reporting	-
No. that have existed for four or more years at time of reporting	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

No. of off-payroll workers engaged during the year ended 31 March 2023	24
--	----

Of which: no. of engagements that saw a change to IR35 status following review

Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	23
Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: no. of engagements that saw a change to IR35 status following review	-

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

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	1
--	---

Total no. of individuals on-payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	23
--	----

Trade Union Facility time

During 2022-23 Sport England had 1 employee who acted as a union official (full time equivalent: 1). This employee spent 25% of their time on facility time, at a total cost

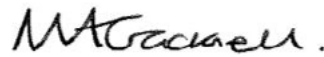
of 0.1% of the total pay bill, excluding agency staff, of £19.2 million, based on a notional hourly cost. A notional hourly cost has been used to protect the privacy of the individual, who is easily identifiable.



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
– The English Sports Council

14 February 2024



Michelle Cracknell

Audit, Risk and Governance Committee
Chair-The English Sports Council

14 February 2024



The English Sports Council Grant-in-Aid

Consolidated Accounts for
the year ended 31 March 2023





Statement of the Council's and Accounting Officer's Responsibilities

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

The Accounts 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 Accounts the Council is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the DCMS including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts; and
- Prepare the Accounts on the going concern basis, and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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

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

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



Tim Hollingsworth OBE

Chief Executive and Accounting Officer
The English Sports Council

14 February 2024

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

Opinion on financial statements

I have audited the financial statements of the English Sports Council Grant-in-Aid and its Group for the year ended 31 March 2023 under the Royal Charter of the English Sports Council.

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

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the English Sports Council and its Group's affairs as at 31 March 2023 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Royal Charter of the English Sports Council and Secretary of State directions issued thereunder.

Opinion on regularity

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

in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

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

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

Conclusions relating to going concern

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

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

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

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

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's report. The Accounting Officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the English Sports Council and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

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

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

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

As explained more fully in the Statement of Council and Accounting Officer's responsibilities, the Council and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the English Sports Council and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Royal Charter of the English Sports Council;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions directions made under the Royal Charter of the English Sports Council; and
- assessing the English Sports Council and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the English Sports Council and its Group's accounting policies.
- inquired of management, English Sports Council and its Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the English Sports Council and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the English Sports Council and its Group's controls relating to the English Sports Council's compliance with the Royal Charter of the English Sports Council and Managing Public Money.
- inquired of management, English Sports Council and its Group's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant external specialists, including pensions experts on areas where specialist expertise was engaged on the audit regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

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

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

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit, Risk & Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;

- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the 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.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

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

15 February 2024

The English Sports Council Grant-in-Aid Financial statements for the year ended 31 March 2023

Statement of comprehensive net expenditure for the year ended 31 March 2023

	Note	Group		Council	
		2022-23	2021-22	2022-23	2021-22
		£'000	£'000	£'000	£'000
Income					
Grants received	2	-	931	-	-
Other income	3	5,451	5,308	5,442	5,323
Total		5,451	6,239	5,442	5,323
Expenditure					
Grants	4	(131,756)	(115,811)	(131,726)	(115,759)
Staff Costs	5	(7,395)	(8,236)	(7,395)	(8,236)
National sport centres	6	(6,158)	(4,998)	(6,158)	(4,998)
Sports development costs	7	(3,290)	(4,661)	(3,290)	(3,736)
Operating costs	8	(8,629)	(10,862)	(5,344)	(7,643)
Assets gifted to subsidiaries	10	-	-	(1,459)	(1,110)
Impairment of fixed assets	12,10	(1,356)	(1)	(1,356)	-
Total		(158,584)	(144,569)	(156,728)	(141,482)
Other					
Net interest on net defined benefit liability	21	37	462	37	462
Impairment (reversal)	10	(124)	(310)	-	-
Total		(87)	152	37	462
Net operating expenditure before interest, financial asset income, finance costs and taxation		(153,046)	(138,482)	(151,323)	(136,621)
Interest receivable		295	12	291	12
Financial asset income	13	23	23	-	-
Finance costs		(4)	(10)	(4)	(10)
Taxation		(54)	(3)	(54)	(1)
Net operating expenditure for the year		(152,786)	(138,460)	(151,090)	(136,620)
Other comprehensive income					
Surplus owing to revaluation of properties	10	8,666	7,228	-	-
Net (loss)/gain on financial assets	13	(52)	19	-	-
Re-measurement of defined benefit liability	21	15,385	8,636	15,385	8,636
Total comprehensive net expenditure for the year		(128,787)	(122,577)	(135,705)	(127,984)

All income and expenditure relate to continuing activities.

The notes on pages 114 to 143 form part of these accounts.

**Statement of financial
position as at 31 March 2023**

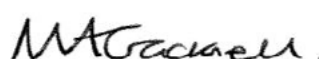
	Note	Group		Council	
		2022-23	2021-22	2022-23	2021-22
		£'000	£'000	£'000	£'000
Non current assets					
Property, plant and equipment	10	119,629	112,732	298	415
Right-of-use assets	11	78	919	78	919
Intangible assets	12	463	1,393	371	1,254
Financial assets	13	814	866	-	-
Total		120,984	115,910	747	2,588
Current assets					
Trade and other receivables	14	13,604	6,879	13,324	6,474
Cash and cash equivalents		6,565	26,997	5,985	26,420
Total		20,169	33,876	19,309	32,894
Total assets		141,153	149,786	20,056	35,482
Current liabilities					
Grants outstanding	15	(87,324)	(47,779)	(87,324)	(47,779)
Provisions	18	(554)	(554)	-	-
Trade and other payables	16	(7,137)	(23,704)	(7,519)	(23,961)
Lease liabilities	17	(55)	(374)	(55)	(374)
Total		(95,070)	(72,411)	(94,898)	(72,114)
Non current liabilities					
Lease liabilities	17	(37)	(732)	(37)	(732)
Pension liabilities	21	(822)	(16,203)	(822)	(16,203)
Total		(859)	(16,935)	(859)	(16,935)
Total liabilities		(95,929)	(89,346)	(95,757)	(89,049)
Assets less liabilities		45,224	60,440	(75,701)	(53,567)
Taxpayers equity					
Reserves		45,224	60,440	(75,701)	(53,567)
Total		45,224	60,440	(75,701)	(53,567)

The notes on pages 114 to 143 form part of these accounts.



Tim Hollingsworth OBE
Chief Executive and Accounting Officer
The English Sports Council

14 February 2024



Michelle Cracknell
Audit, Risk and Governance Committee
Chair-The English Sports Council

14 February 2024

Statement of cash flows for the year ended 31 March 2023

	Note	Group		Council	
		2022-23	2021-22	2022-23	2021-22
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	23				
Cash flows from investing activities					
Purchase of property, plant and equipment	10	(1,541)	(1,301)	(1,541)	(1,301)
Purchase of intangible assets	12	(685)	(836)	(685)	(836)
Dividends		23	23	-	-
Net cash outflow from investing activities		(2,203)	(2,114)	(2,226)	(2,137)
Cash flows from financing activities					
Grant-in-Aid - resource		80,302	84,067	80,302	84,067
Grant-in-Aid - capital		33,269	79,694	33,269	79,694
Net cash inflow from financing activities		113,571	163,761	113,571	163,761
Net increase in cash and cash equivalents		(20,432)	10,830	(20,435)	10,836
Cash and cash equivalents at 1 April		26,997	16,167	26,420	15,584
Cash and cash equivalents at 31 March		6,565	26,997	5,985	26,420

The notes on 114 to 143 form part of these accounts.

All cash and cash equivalents are held in commercial banks.

Statement of changes in taxpayers' equity – Group for the year ended 31 March 2023

		Revaluation reserve	Pension reserve	General reserve	Total reserves
		£'000	£'000	£'000	£'000
	Note				
Balance at 1 April 2021		42,484	(24,270)	1,237	19,451
Net operating expenditure for the year		-	-	(138,460)	(138,460)
Surplus owing to revaluation of properties		7,228	-	-	7,228
Amortisation of revaluation reserve		(1,099)	-	1,099	-
Re-measurement of defined benefit liability	21	-	8,636	-	8,636
Prior period adjustment		-	-	(194)	(194)
Transfer between reserves		-	(569)	569	-
Net gain on financial assets		-	-	19	19
Grant-in-Aid received – resource		-	-	84,067	84,067
Grant-in-Aid received – capital		-	-	79,694	79,694
Property, plant and equipment disposal		-	-	(1)	(1)
Balance at 31 March 2022		48,613	(16,203)	28,030	60,440
Net operating expenditure for the year		-	-	(152,786)	(152,786)
Surplus owing to revaluation of properties		8,666	-	-	8,666
Amortisation of revaluation reserve		(1,233)	-	1,233	-
Re-measurement of defined benefit liability	21	-	15,385	-	15,385
Transfer between reserves		(3)	(4)	7	-
Net loss on financial assets		-	-	(52)	(52)
Grant-in-Aid received – resource		-	-	80,302	80,302
Grant-in-Aid received – capital		-	-	33,269	33,269
Balance at 31 March 2023		56,043	(822)	(9,997)	45,224

The notes on pages 114 to 143 form part of these accounts.

**Statement of changes in taxpayers' equity –
Council for the year ended 31 March 2023**

	Pension reserve	General reserve	Total reserves
	£'000	£'000	£'000
Note			
Balance at 1 April 2021	(24,270)	(65,074)	(89,344)
Net operating expenditure for the year	-	(136,620)	(136,620)
Re-measurement of defined benefit liability	8,636	-	8,636
Transfer between reserves	(569)	569	-
Grant-in-Aid received - resource	-	84,067	84,067
Grant-in-Aid received - capital	-	79,694	79,694
Balance at 31 March 2022	(16,203)	(37,364)	(53,567)
Net operating expenditure for the year	-	(151,090)	(151,090)
Re-measurement of defined benefit liability	15,385	-	15,385
Transfer between reserves	(4)	4	-
Grant-in-Aid received - resource	-	80,302	80,302
Grant-in-Aid received - capital	-	33,269	33,269
Balance at 31 March 2023	(822)	(74,879)	(75,701)

The notes on pages 114 to 143 form part of these accounts.



Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with Article 14 of the Royal Charter of The English Sports Council (Sport England) account directions issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2022–23 Government Financial Reporting Manual (FRoM) issued by HM Treasury. A copy of the account directions can be obtained from Sport England at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by Sport England as set out and described below have been applied consistently to all periods presented in these accounts.

1.1 Accounting convention

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

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

1.2 Going concern

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

The Group and Council's Statement of financial position reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from Sport England's other sources of income, may only be met by future grants or Grant-in-Aid from Sport England's sponsoring department, the Department for Culture, Media and Sport (DCMS). Under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

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

1.3 Basis of consolidation

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

The accounts of The Sports Council Trust Company and English Sports Development Trust Limited have been included in the consolidation for all periods presented in these accounts, on the basis that Sport England holds controlling voting rights in these concerns and that it exercised significant management and financial control over their affairs. All the accounts consolidated are made up to 31 March 2023.

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

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

Separate accounts have been prepared for Sport England's National Lottery Distribution Fund (Lottery) activities (pages 144 to 175), in accordance with the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport, which follow different accounting policies.

1.4 Income recognition

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

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

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

1.5 Grants

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

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

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

1.6 Other expenditure

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

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

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

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

1.7 Assets gifted to subsidiaries

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

1.8 Property, plant and equipment

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

Land and buildings

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

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

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

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

Artworks and antiques

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

Equipment and leasehold improvements

Other property, plant and equipment have not been re-valued as fair value is considered not to be materially different to depreciated historical cost.

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

Depreciation

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

Buildings	Expected life, not normally exceeding 65 years
Bund	40 years
Leasehold improvement	Expected life of lease
Equipment	5 years
IT equipment	3 years

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

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

1.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease as defined by IFRS 16. A contract is considered to be, or contains, a lease under IFRS 16 if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

As mandated by the FReM the practical expedient that the Group has not reassessed whether a contract is, or contains, a lease at the date of initial application has been taken.

Payments made under leases assessed as IFRS 16 leases are recognised in the Statement of financial position, as a Lease liability equal to the net present value of future payments, discounted using a discount rate of 1.99% as provided by HM Treasury. This lease liability will be reduced as payments are incurred, with the associated interest being charged as Finance costs to the Statement of comprehensive net expenditure.

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

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

The Group currently has one current IFRS 16 assessed lease at Loughborough University which has a break clause in 2025. The lease for the former head office at 21 Bloomsbury Street, London expired in November 2022 and a provision has been made for dilapidations as detailed in note 18. The lease at 10 South Colonnade was assessed as not being an IFRS 16 lease as there is no right of use.

1.10 Intangible assets

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

Software is amortised on a straight-line basis over three years. The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are normally expensed in year with the exception of grouped assets. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

1.11 Financial assets

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

1.12 Cash and cash equivalents

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

1.13 Trade and other receivables

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

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

1.14 Trade and other payables

Trade and other payables are recognised at fair value.

1.15 Dilapidations

Provision for the probable cost of dilapidations at the date of the expected termination of the lease is made as detailed in note 1.9 for leases assessed as having a right of use asset.

1.16 Taxation

VAT

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

Corporation Tax

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

1.17 Pensions

Defined contribution scheme

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

Defined benefit scheme

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

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

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

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

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

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

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2023, the actuary has estimated CPI to be lower than RPI by 0.4%, over the term of the liability, which for Sport England is 14 years, compared to a difference of 0.4% applied at 31 March 2022. This change reflects the movement in market implied RPI inflation that has occurred following the UK Statistics Authority's proposal and the Chancellor's confirmation in November 2020 to align RPI with CPI from 2030.

1.18 Use of estimates and judgement

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

Estimates and assumptions are reviewed on an ongoing basis, to reflect significant events for example Covid-19. Revisions

to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to:

- Land, buildings and bund held by the National sports centres including the valuation and revaluation, dilapidation, impairment and depreciation of Land, buildings and bund, as well as the valuation of artwork and antiques.
- Useful life of tangible and intangible fixed assets in determining depreciation and amortisation.
- Pension scheme defined benefit plan assets and liabilities which determine the scheme's deficit position.

2 Grants received

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Lottery grant – This Girl Can ¹	-	931	-	-
Total	-	931	-	-

¹ The Lottery grant in 2021-22 for This Girl Can was in respect of paid media. There were no paid media expenditures in 2022-23.

1.19 Reporting standards issued but not yet effective

There is one reporting standard issued but not yet effective: IFRS 17 (Insurance Contracts). IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 (Insurance Contracts). The effective date of IFRS 17 in the public sector is 1 April 2025. IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts. Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts in Sport England and therefore this standard will have no impact on the English Sports Council's financial statements.

3 Other income

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
External funding income	195	139	195	139
Active Lives survey recharges	193	231	193	231
Asset hire recharges	823	943	823	943
Other income ¹	4,240	3,995	4,231	4,010
Total	5,451	5,308	5,442	5,323

Other income is shown net of income apportioned to the Sport England Lottery Fund. Note 9 details the gross income and the recharge to the Lottery accounts.

¹ Other income includes £3.4 million (2021-22 £3.9 million) for administering the loan element of the Sports Winter Survival Package recharged to DCMS and £0.9 million (2021-22 nil) of IMS Impairment recharged to Lottery (see also Notes 12 and 27).

4 Grants

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Grants				
Places	75,851	54,156	75,851	54,156
Partners	45,574	48,046	45,574	48,046
Open Funds	3,435	1,062	3,435	1,062
Decommitments	(2,639)	(1,590)	(2,639)	(1,590)
Other	10,255	14,776	10,255	14,724
Total	132,476	116,450	132,446	116,398
Grant Recoveries	(720)	(639)	(720)	(639)
Total	131,756	115,811	131,726	115,759

Included in the above are the following amounts relating to Capital Grants

Capital Grants				
Capital/Infrastructure	81,544	53,841	81,544	53,841
Total	81,544	53,841	81,544	53,841

The categories for 2023 reflect the main areas of grant expenditure which support our strategic approach to transforming lives and communities (see Performance Report page 14).

5 Staff costs

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Permanent and fixed term staff				
Wages and salaries	5,089	5,839	5,089	5,839
Social security costs	649	639	649	639
Pension costs	1,041	1,136	1,041	1,136
Total	6,779	7,614	6,779	7,614
Agency staff	616	622	616	622
Total staff costs	7,395	8,236	7,395	8,236

Further details can be found in the Remuneration Report.

6 National sports centres

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Income	7,734	6,026	7,734	6,026
Expenditure				
Centre operator expenditure ¹	10,699	9,472	10,699	9,472
Other expenditure	3,193	1,552	3,193	1,552
Total	13,892	11,024	13,892	11,024
Net expenditure	6,158	4,998	6,158	4,998

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 11 under the categories Land, buildings and bund. Sport England manages and funds the operational contracts of the National sports centres on behalf of The Sports Council Trust Company.

¹ Includes operator management fees of £393,766 (2021-22: £182,293).

7 Sports development costs

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Grant programme support costs				
Partnerships	96	187	96	187
Place	379	150	379	150
Policy & Integrity	68	20	68	20
Total	543	357	543	357
Other sports development costs				
Facilities expertise and support	464	594	464	594
Irrecoverable VAT	206	187	206	187
Legal	112	293	112	293
Measurement surveys	1,022	1,158	1,022	1,158
Media buying and planning ¹	-	925	-	-
Other sport development costs	13	158	13	158
Planning data and guidance	722	833	722	833
Research	136	132	136	132
Travel and subsistence	72	24	72	24
Total	2,747	4,304	2,747	3,379
Total	3,290	4,661	3,290	3,736

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

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

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

8 Operating costs

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Auditor's remuneration ¹	93	85	71	69
Communications	106	65	106	65
Depreciation ²	4,535	4,725	1,252	1,440
Grant outsourcing costs ³	1,180	2,360	1,180	2,360
Internal audit and governance	16	22	16	22
Irrecoverable VAT	623	1,074	623	1,074
IT infrastructure and systems costs	694	617	694	617
Legal ³	913	1,164	905	1,167
Other costs	(192)	80	(191)	81
Other staff costs	146	104	146	104
Property costs ²	162	364	191	442
Other property costs	1	-	1	-
Staff training	67	68	67	68
Travel and subsistence	176	28	174	28
Defined benefit scheme admin charges	14	54	14	54
Strategy	95	52	95	52
Total	8,629	10,862	5,344	7,643

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

1 No other payment was made to the auditors for non-audit work. The Group audit fees for the year were £93,000 (2021-22: £85,100), the Council audit fees for the year were £71,000 (2021-22: £68,100). Included within the Council for 2023 is £5,000 relating to the fees of English Sports Development Trust Limited (2021-22: £5,100) which were paid on its behalf by Sport England. All audit fees are excluding VAT.

2 Includes the impact of IFRS 16 Leases.

3 Includes in 2021-22 administration costs for the National Leisure Recovery Fund (NLR) and Sports Winter Survival Package (SWSP). There was Grant-in-Aid received for NLR and the grants element of SWSP. The administration costs of £3.4 million relating to SWSP loans was recharged to DCMS (note 3).

9.1 Net costs apportioned from Exchequer to Lottery – Group

	2022-23				2021-22			
	Gross	To Lottery	From Lottery	Net	Gross	To Lottery	From Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Income	(6,039)	588	-	(5,451)	(5,622)	314	-	(5,308)
Staff Costs	19,048	(11,653)	-	7,395	20,269	(12,033)	-	8,236
Sports Development	6,808	(3,603)	288	3,290	8,887	(4,311)	85	4,661
Operating Costs	12,920	(4,291)	-	8,629	14,874	(4,012)	-	10,862
Total	32,737	(18,959)	288	13,863	38,408	(20,042)	85	18,451

9.2 Net costs apportioned from Exchequer to Lottery – Council

	2022-23				2021-22			
	Gross	To Lottery	From Lottery	Net	Gross	To Lottery	From Lottery	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Income	(6,030)	588	-	(5,442)	(5,637)	314	-	(5,323)
Staff Costs	19,048	(11,653)	-	7,395	20,269	(12,033)	-	8,236
Sports Development	6,808	(3,603)	288	3,290	7,962	(4,311)	85	3,736
Operating Costs	9,635	(4,291)	-	5,344	11,655	(4,012)	-	7,643
Total	29,461	(18,959)	288	10,587	34,249	(20,042)	85	14,292

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

10.1 Property, plant and equipment – Group

	Land	Buildings and Bund	Leasehold Improvm't	Equipment	IT Equipm't	Artworks and Antiques	Under Constr uction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2021	18,866	121,373	1,170	2,928	1,315	865	-	146,517
Additions	-	961	-	10	152	-	-	1,123
Disposals	-	(161)	-	(381)	(37)	-	-	(579)
Revaluation	1,703	5,525	-	-	-	-	-	7,228
Impairment reversal	-	310	-	-	-	-	-	310
At 31 March 2022	20,569	128,008	1,170	2,557	1,430	865	-	154,599
Additions	-	1,206	-	15	83	-	238	1,542
Disposals	-	-	(974)	(21)	(28)	-	-	(1,023)
Revaluation	(347)	9,013	-	-	-	-	-	8,666
Impairment reversal	-	124	-	-	-	-	-	124
At 31 March 2023	20,222	138,351	196	2,551	1,485	865	238	163,908
Depreciation								
At 1 April 2021	-	34,463	956	2,601	943	-	-	38,963
Charge for year	-	3,070	124	114	174	-	-	3,482
Disposals	-	(161)	-	(381)	(36)	-	-	(578)
At 31 March 2022	-	37,372	1,080	2,334	1,081	-	-	41,867
Charge for year	-	3,130	43	85	177	-	-	3,435
Disposals	-	-	(974)	(21)	(28)	-	-	(1,023)
At 31 March 2023	-	40,502	149	2,398	1,230	-	-	44,279
Net book value								
At 31 March 2022	20,569	90,636	90	223	349	865	-	112,732
At 31 March 2023	20,222	97,849	47	153	255	865	238	119,629

Assets are valued in accordance with the accounting policy (note 1.8). Land, buildings and bund comprise freehold properties. All other assets are owned. No assets are supported by either finance leases or PFI contracts.

The freehold properties were last fully valued as at 31 March 2019 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standard 2017 and the UK national standards and guidance set

out in national supplement (November 2018 Edition). The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost.

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

10.2 Property, plant and equipment – Council

	Buildings and Bund	Equipment	IT Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	-	309	1,189	1,498
Additions	961	10	151	1,122
Gifted assets ¹	(961)	(10)	-	(971)
Disposals	-	-	(36)	(36)
At 31 March 2022	-	309	1,304	1,613
Additions	1,459	-	82	1,541
Gifted assets ¹	(1,459)	-	-	(1,459)
Disposals	-	-	(28)	(28)
At 31 March 2023	-	309	1,358	1,667
Depreciation				
At 1 April 2021	-	209	828	1,037
Charge for year	-	26	171	197
Disposal	-	-	(36)	(36)
At 31 March 2022	-	235	963	1,198
Charge for year	-	26	174	199
Disposals	-	-	(28)	(28)
At 31 March 2023	-	261	1,109	1,369
Net book value				
At 31 March 2022	-	74	341	415
At 31 March 2023	-	48	250	298

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

11 Right-of-use assets

	Group	Council
	£'000	£'000
Cost		
At 1 April 2021	2,783	2,783
Additions	179	179
Disposals	-	-
At 31 March 2022	2,962	2,962
Additions	-	-
Disposals	(2,659)	(2,659)
At 31 March 2023	303	303
Depreciation		
At 1 April 2021	1,362	1,362
Charge for year	681	681
At 31 March 2022	2,043	2,043
Charge for year	841	841
Disposal	(2,659)	(2,659)
At 31 March 2023	225	225
Net book value		
At 31 March 2022	919	919
At 31 March 2023	78	78

Right-of-use assets are in respect of leased properties, being the office at Loughborough.

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

The total value of commitments under these leases and the corresponding right-of-use asset are therefore treated as those of Sport England. Refer to note 17 for details of the associated Lease liabilities.

12 Intangible assets

	Group			Council		
	IT Software	Assets under Construc'n	Total	IT Software	Assets under Construc'n	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2021	5,529	-	5,529	5,529	-	5,529
Additions	975	-	975	836	-	836
Transfers	(139)	-	(139)	(139)	-	(139)
At 31 March 2022	6,365	-	6,365	6,226	-	6,226
Additions	-	685	685	-	685	685
Impairment	-	(1,620)	(1,620)	-	(1,620)	(1,620)
Reclassification	(1,331)	1,331	-	(1,331)	1,331	-
At 31 March 2023	5,034	396	5,430	4,895	396	5,291
Depreciation						
At 1 April 2021	4,410	-	4,410	4,410	-	4,410
Charge for year	562	-	562	562	-	562
At 31 March 2022	4,972	-	4,972	4,972	-	4,972
Charge for year	259	-	259	212	-	212
Reclassification	(436)	436	-	(436)	436	-
Disposals	-	(264)	(264)	-	(264)	(264)
At 31 March 2023	4,795	172	4,967	4,748	172	4,920
Net Book Value						
At 31 March 2022	1,393	-	1,393	1,254	-	1,254
At 31 March 2023	239	224	463	147	224	371

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

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

The Impairment of fixed assets of £1,356,000 disclosed in the SoCNE is the net of the £1,620,000 Impairment of Cost less £264,000 disposal of Depreciation. See also note 27 Events after the reporting period.

13 Financial assets

Listed stocks and securities

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Market value at 1 April	866	847	-	-
Revaluation of financial asset	(52)	19	-	-
Disposal	-	-	-	-
Market value at 31 March	814	866	-	-

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

purchase of a property at the Lilleshall National Sports Centre in February 2022.

The historical cost of the asset at 31 March 2023 was £0.7 million (2021-22: £0.7 million).

The income received on the investment fund for the year to 31 March 2023 was £23k (2021-22: £23k).

Group investments in subsidiary undertakings

Company and country of incorporation	Financial activity	Proportion held	Status of subsidiary	Total reserves at 31 March	Net (expenditure) / income
The Sports Council Trust Company (England and Wales)	Charitable trust dedicated to the promotion of sport	Sole member 100% guarantor	Active	2023: £120.6m 2022: £113.7m	2023: (£1.7m) 2022: (£1.8m)
English Sports Development Trust Limited (England and Wales)	Media buying for Sport England activity campaigns	Sole member 100% guarantor	Active	2023: £292,000 2022: £294,000	2023: (£1,000) 2022: £19,000

14 Trade and other receivables

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Trade receivables	273	137	264	138
Other receivables	751	399	751	399
Staff travel loans	2	1	2	1
Prepayments and accrued income	4,777	2,819	4,506	2,413
Sport England Lottery	7,801	3,523	7,801	3,523
Total	13,604	6,879	13,324	6,474

The lifetime expected loss provision for trade receivables is £nil (2021-22: £nil).

15 Grants outstanding

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Grants outstanding	87,324	47,779	87,324	47,779

Future commitments

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

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
2022-23	-	53,331	-	53,331
2023-24	115,881	-	115,881	-
Total	115,881	53,331	115,881	53,331

16 Trade and other payables

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Trade payables	923	343	908	311
Corporation tax	54	3	54	1
Accruals	5,501	22,514	5,164	22,076
Other payables	659	844	659	844
The Sports Council Trust Company	-	-	442	433
English Sports Development Trust Limited	-	-	292	296
Total	7,137	23,704	7,519	23,961

17 Lease liability

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Undiscounted lease liabilities				
No later than 1 year	57	386	57	386
Later than 1 year and no later than 5 years	38	735	38	735
Total undiscounted lease liabilities at 31 March	95	1,121	95	1,121
Future finance charges	(3)	(15)	(3)	(15)
Total lease liabilities at 31 March	92	1,106	92	1,106

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Net present value of lease liabilities				
No later than 1 year	55	374	55	374
Later than 1 year and no later than 5 years	37	732	37	732
Total	92	1,106	92	1,106

The lease liabilities relate to the Group's lease of its offices at Loughborough. The total cash payable in 2023 in respect of these leases was £518k (2021-22: £848k).

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

18 Provisions

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Amounts falling due within one year:				
Balance at 1 April	554	375	-	-
Provided during the year	-	179	-	-
Balance at 31 March	554	554	-	-

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

In February 2023 a dilapidations assessment was commissioned and undertaken by the Building Surveying team of the Bloomsbury Street property management company, Avison Young. This report indicated the expected cost of dilapidations to be £554k.

19 Contingent liabilities

Contributions towards property, plant and equipment

In 1979, the Football Association (FA) contributed £500,000 towards the construction of a hostel at Lilleshall National Sports Centre. A management agreement with the FA was entered into by Sport England which enabled the FA to run the Vauxhall School at the Centre which closed in July 1999. The Management Agreement continues to remain in place and at the present time, the accommodation is used by the FA's Medical and Education Units. If Sport England were to terminate the agreement at any time before 2039, then a proportion of the £500,000 would fall due to be paid to the FA calculated by the reference to effluxion of time. The Board consider it unlikely that the agreement will be terminated by Sport England.

Pensions

Pension liabilities are disclosed in Note 21 of these financial statements and include an estimate of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £12k which is 3.3% of the projected service cost of £377k.

There are currently uncertainties in relation to the benefits due to the judgments on these cases. Remedial regulations are expected in 2023 and uncertainty over the benefit changes proposed for the pension will remain until these have been finalised. The difference between the cost and the cost previously incorporated into the accounting liabilities will be reflected in the liability experience item and is not expected to be material.

20 Capital commitments

The Group had capital commitments contracted but not provided for in the financial statements as at 31 March 2023 amounting to £3.4 million (2021-22: £0.1 million). The 2022-23 commitments represent a construction contract to

deliver a new Archery Facility at the Lilleshall National Sports Centre, whereas the 2021-22 commitments include implementation of new IT system.

21 Pension liabilities

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

Defined benefit LPFA scheme

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

Employee contribution rates

2022-23 salary range	
Up to £15,000	5.5%
£15,001-£23,600	5.8%
£23,601-£38,300	6.5%
£38,301-£48,500	6.8%
£48,501-£67,900	8.5%
£67,901-£96,200	9.9%
£96,201-£113,400	10.5%
£113,401-£170,100	11.4%
Over £170,101	12.5%

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit as advised by the scheme's actuaries based on triennial valuations. The most recent triennial valuation was at 31 March 2022. Sport England will also make additional voluntary contributions to the scheme where it is appropriate and there is funding is available to do so.

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

The tables below show employee contribution rates and employer contributions for 2022-23 and 2021-22 and those that are expected to be made in 2023 for the Exchequer portion of the scheme:

2021-22 salary range	
Up to £14,600	5.5%
£14,601-£22,900	5.8%
£22,901-£37,200	6.5%
£37,201-£47,100	6.8%
£47,101-£65,900	8.5%
£65,901-£93,400	9.9%
£93,401-£110,000	10.5%
£110,001-£165,000	11.4%
Over £165,001	12.5%

21 Pension liabilities (continued)

Employer contributions to schemes

2022-23 2021-22 2020-21

All figures in £'000s

% Employer contributions	6.4%	16.0%	16.0%
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Contributions to pension schemes

	£'000	£'000	£'000
Employer contributions	49	152	157
Required additional contributions	-	-	-
Total contributions to pension schemes	49	152	157

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

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

The following information relates to the scheme as a whole:

Employer membership statistics (Sport England)

	Number	Salaries/ pensions	Average age
		£'000	
Actives	39	2,131	53
Deferred pensioners	395	1,622	55
Pensioners	472	3,296	72
Unfunded pensioners	115	428	75

21 Pension liabilities (continued)

Financial assumptions (expressed as weighted average)

	2023	2022	2021
	% per annum	% per annum	% per annum
Price increases – RPI	3.33%	3.65%	3.25%
Price increases – CPI	2.90%	3.30%	2.85%
Salary increase	3.90%	4.30%	3.85%
Pension increase	2.90%	3.30%	2.85%
Discount rate	4.80%	2.60%	2.00%

Life expectancy assumptions from age 65

		2023	2022
		Years	Years
Retiring today	Males	21.6	22.2
	Females	24.5	24.6
Retiring in 20 years	Males	23.1	23.7
	Females	25.7	26.1

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

Statement of financial position disclosure

	2022-23	2021-22	2020-21
	£'000	£'000	£'000
Present value of funded liabilities	(45,946)	(66,396)	(68,221)
Fair value of employer assets	52,916	53,233	47,184
Present value of unfunded liabilities	(2,498)	(3,040)	(3,233)
Impact of asset ceiling	(5,294)	-	-
Net liability in the Statement of financial position	(822)	(16,203)	(24,270)
Liabilities	(48,444)	(69,436)	(74,454)
Assets	52,916	53,233	47,184
Impact of asset ceiling	(5,294)	-	-
Net liability in the Statement of financial position	(822)	(16,203)	(24,270)

21 Pension liabilities (continued)

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

	2022-23		2021-22	
	£'000	%	£'000	%
Equities	30,458	58	30,301	57
Target return portfolio	9,630	18	11,465	22
Infrastructure	6,554	12	5,423	10
Property	5,086	10	4,776	9
Cash	1,189	2	1,268	2
Total	52,916	100	53,233	100

Amounts recognised in the Statement of comprehensive net expenditure

	2022-23	2021-22
	£'000	£'000
Service cost	400	377
Net interest on the net defined benefit liability	37	462
Administration expenses	14	54
Total	451	893

Re-measurement in Other comprehensive income

	2022-23	2021-22
	£'000	£'000
Return on plan assets in excess of interest	(493)	6,742
Other actuarial losses	(148)	-
Change in demographic assumptions	1,567	-
Change in financial assumptions	23,610	2,206
Experience gains	(3,857)	(312)
Changes in effect of asset ceiling	(5,294)	-
Total Re-measurement (cost)/credit	15,385	8,636

21 Pension liabilities (continued)

Changes in the present value of the defined benefit obligation

	2022-23	2021-22
	£'000	£'000
Return on plan assets in excess of interest	69,436	71,454
Service cost	400	377
Interest cost	1,929	1,410
Change in demographic assumptions	(1,567)	-
Change in financial assumptions	(23,610)	(2,206)
Contributions by members	68	81
Estimated unfunded benefits paid	(174)	(179)
Estimated benefits paid	(1,895)	(1,813)
Experience gains	3,857	312
Closing defined benefit obligation	48,444	69,436

Changes in the fair value of the plan assets

	2022-23	2021-22
	£'000	£'000
Opening fair value of employer assets	53,233	47,184
Interest on assets	1,892	948
Return on assets less interest	(493)	6,742
Actuarial losses	(148)	-
Administration expenses	(14)	(54)
Contributions by members	68	81
Contributions by employer	446	325
Estimated benefits paid	(2,068)	(1,993)
Closing fair value of employer assets	52,916	53,233

Reconciliation of asset ceiling

	2022-23	2021-22
	£'000	£'000
Opening impact of asset ceiling	-	-
Actuarial losses/gains	5,294	-
Closing impact of asset ceiling	5,294	-

21 Pension liabilities (continued)

Sensitivity analysis

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	47,950	48,600	49,266
Projected service cost	120	124	128
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	48,637	48,600	48,565
Projected service cost	124	124	124
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	49,242	48,600	47,973
Projected service cost	128	124	120
Adjustment to life expectancy assumption	+1 Year	None	-1 Year
Present value of total obligation	50,679	48,600	46,616
Projected service costs	129	124	119

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2023 were £449 (2021-22: £483k). There were no amounts outstanding or pre-paid at 31 March 2023 (2021-22: £nil).

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

¹ Contribution rates apply to all salary levels

² Relates to auto enrolment

22 Revaluation reserves – Group

Land and buildings

	2022-23	2021-22
	£'000	£'000
Balance at 1 April	48,613	42,484
Surplus/(Deficit) owing to revaluation of properties	8,666	7,228
Amortisation of revaluation reserve	(1,233)	(1,099)
Disposal of property, plant and equipment	(3)	-
Transfer between general reserve	-	-
Balance at 31 March	56,043	48,613

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

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

	Group		Council	
	2022-23	2021-22	2022-23	2021-22
	£'000	£'000	£'000	£'000
Net operating expenditure	(153,046)	(138,482)	(151,323)	(136,620)
Depreciation	4,535	4,724	1,252	1,440
Disposal of property, plant and equipment	-	1	-	-
Impairment charge/(reversal)	1,232	(310)	1,356	-
Net interest on net defined benefit liability and administration costs	51	516	51	516
(Decrease)/increase receivables	(6,725)	2,711	(6,850)	2,618
(Decrease)/ increase in payables	(16,620)	16,018	(16,496)	16,305
Increase/(decrease) in grants outstanding	39,545	(35,896)	39,545	(35,896)
Decrease in finance lease liabilities	(1,014)	(312)	(1,014)	(312)
Increase in provisions	-	179	-	-
LPFA service costs	400	377	400	377
LPFA employer contributions	(446)	(325)	(446)	(325)
Pension charge	-	-	-	-
Assets gifted to subsidiaries	-	-	1,459	1,110

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

	Group		Council	
	2022-23 £'000	2021-22 £'000	2022-23 £'000	2021-22 £'000
Cumulative catch up reserve (IFRS 16)		-	-	
Taxation	(3)	(20)	(1)	(10)
Interest received	295	12	291	12
Finance costs	(4)	(10)	(4)	(3)
Net cash outflow from operating activities	(131,800)	(150,817)	(131,780)	(150,788)

24 Related party transactions

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

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

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

The English Sports Council National Lottery Distribution Fund is also a related party as there were material transactions during the year.

The related party transactions are in relation to:

- Grant awards made during the year ended 31 March 2023. Decommitments are shown in brackets.
- Grant awards unpaid at 31 March 2023.
- Supplier transactions during the year ended 31 March 2023.
- Unpaid supplier transactions at 31 March 2023.

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

Relationship	Awards made in 2022-23	Awards unpaid at 31 March 2023	Supplier transactions in 2022-23	Unpaid supplier transactions at 31 March 2023
	£	£	£	£
Tim Hollingsworth				
Board Member, The Football Foundation	64,568,165	53,944,366	-	-
Board Member, University of Bath	419,235	419,235	-	-
Chris Grant				
Consultant, The Football Association Limited	3,443,425	3,661,549	-	-
Adviser/Consultant, UK Sport	-	-	150	-
Karen Pickering MBE				
Member, Amateur Swimming Association	-	561	-	-
Imm. Family: Member, Amateur Swimming Association	-	561	-	-
Rashmi Becker				
Member, CIMSPA	2,998,208	-	-	-
Member, Activity Alliance	1,757,918	-	-	-
Tove Okunniwa				
Member, British Cycling Federation	1,577,864	2,045,089	-	-
David Mahoney				
Director, England and Wales Cricket Board	144,717	-	-	-
Helene Raynsford				
Member, UK Active	-	-	14,986	-
Non-Executive Director, Sport and Recreation Alliance	1,251,804	-	-	-
Chris Boardman				
Advisor, British Cycling Federation	1,577,864	2,045,089	-	-
Ali Donnelly				
Member, The Rugby Football Union	2,633,625	-	-	-
Alison Selfe				
Imm. Family: Member, British Cycling Federation	1,577,864	2,045,089	-	-
Andrew Long				
Member, British Rowing Limited	578,530	-	-	-

25 Derivatives and other financial instruments

Sport England Exchequer relies mainly on Grant-in-aid funding to finance its operations. Other than items such as trade receivables and trade payables that arise from its operations and cash resources, it holds no other financial instruments nor enters into derivative transactions.

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

The Sports Council Trust Company holds a financial instrument listed in the United Kingdom. The return from investments is not material £23k (2021-22: £23k). Due to the value of the investment held by The Sports Council Trust Company, Sport England is not exposed to significant market risk. The Board of The Sports Council Trust Company regularly undertakes reviews to mitigate the risks of performance of this instrument.

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

26 Ultimate parent body and domicile

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and Sport, which classifies the ESC as a non-departmental government body.

The ESC was originally established by Royal Charter in 1972 (as The Sports

Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

27 Events after the reporting period

In June 2023 the decision was taken to terminate the Investment Management System (IMS) project. IMS was intended to replace the current Grant Management System, but implementation was determined to be not achievable and instead a new project based on an “off the shelf” solution is being developed. This decision has resulted in an impairment charge of £1,356,000 as reported in the SoCNE and in Note 12. A recharge of £881,000 was made in the Lottery accounts to reflect the Lottery share of the impairment.

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



The English Sports Council National Lottery Distribution Fund

**Accounts for the year
ended 31 March 2023**



Statement of the Council's and Accounting Officer'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 Accounts 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 Accounts the Council is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Secretary of State for DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts; and
- Prepare the Accounts on the going concern basis, and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer for the Department for Culture, Media and Sport, has designated the Chief Executive of The English Sports Council as the Accounting Officer for The Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of public finances for which he is answerable, and for the keeping of proper records, are set out in "Managing Public Money", issued by the HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993 (as amended).

The Accounting Officer has taken all the steps that ought to have taken to make themselves aware of any relevant audit information and to establish that The English Sport Council's auditors are aware of that information.

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

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



Tim Hollingsworth OBE
Chief Executive and Accounting Officer
The English Sports Council

14 February 2024

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

Opinion on financial statements

I certify that I have audited the financial statements of the English Sports Council National Lottery Distribution Fund for the year ended 31 March 2023 under the National Lottery etc. Act 1993.

The financial statements comprise the English Sports Council National Lottery Distribution Fund's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the English Sports Council National Lottery Distribution Fund's affairs as at 31 March 2023 and its net Income for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the

financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the English Sports Council National Lottery Distribution Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Chief Executive is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the English Sports Council National Lottery Distribution Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

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

- Adequate accounting records have not been kept by the English Sports Council National Lottery Distribution Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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

As explained more fully in the Statement of the Council's and Chief Executive's Responsibilities, the Council and Chief Executive are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the English Sports Council National Lottery Distribution Fund from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and

- assessing the English Sports Council National Lottery Distribution Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive anticipates that the services provided by the English Sports Council National Lottery Distribution Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- discussed with the engagement team and external specialists, including pensions experts on areas where specialist expertise was engaged on the audit regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the English Sports Council National Lottery Distribution Fund's framework of authority and other legal and regulatory frameworks in which the English Sports Council National Lottery Distribution Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the English Sports Council National Lottery Distribution Fund. The key laws and regulations I considered in this context included the National Lottery etc. Act 1993, Managing Public Money, employment law and pensions legislation.

I considered the controls in place at English Sports Council National Lottery Distribution Fund to ensure regularity of grant expenditure.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with

provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit, Risk & Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Council and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the 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.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

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

15 February 2024

The English Sports Council National Lottery Distribution Fund Financial Statements for the year ended 31 March 2023

Statement of comprehensive net income for the year ended 31 March 2023

	Note	2022-23	2021-22
		£'000	£'000
Income			
National Lottery share of proceeds	2	219,243	224,161
National Lottery investment returns	2	4,400	317
Grant recoveries		423	1,345
Interest receivable		2	3
Other income	3	659	787
Total		224,727	226,613
Expenditure			
Grants made	4	(115,722)	(554,545)
Grant de-commitments	4	2,607	4,811
Non-cash grants	5	(2,604)	(1,312)
Staff costs	6	(11,653)	(12,259)
Sport development costs	7	(5,691)	(6,073)
Operating costs	8	(5,068)	(4,219)
Total		(138,131)	(573,597)
Net interest on net defined benefit liability	15	(54)	(672)
Net income/(expenditure) before taxation		86,542	(347,656)
Taxation	9	-	-
Net income/(expenditure) for the year		86,542	(347,656)
Other comprehensive income			
Re-measurement of defined benefit liability	15	22,319	13,311
Total comprehensive net income/(expenditure) for the year		108,861	(334,345)

All Income and Expenditure relates to continuing activities.
The notes on pages 155 to 175 form part of these accounts.

Statement of financial position as at 31 March 2023

	Note	2022-23	2021-22
		£'000	£'000
Non Current assets			
Pension assets	15	1,676	-
Total		1,676	-
Current assets			
National Lottery Distribution Fund	2	195,994	191,286
Trade and other receivables	10	856	1,011
Cash and cash equivalents		1,406	1,366
Total		198,256	193,663
Total assets		199,932	193,663
Current liabilities			
Trade and other payables	12	(10,141)	(5,200)
Grants payable	13	(332,307)	(286,699)
Total		(342,448)	(291,899)
Non Current liabilities			
Grants payable	13	(210,869)	(343,472)
Pension liabilities	15	-	(20,538)
Total		(210,869)	(364,010)
Total liabilities		(553,317)	(665,909)
Assets less liabilities		(353,385)	(462,246)
Equity			
General reserve		(355,061)	(441,708)
Pension reserve		1,676	(20,538)
Total		(353,385)	(462,246)

The notes on pages 155 to 175 form part of these accounts



Tim Hollingsworth OBE
Chief Executive and Accounting Officer
The English Sports Council

14 February 2024



Michelle Cracknell
Audit, Risk and Governance Committee Chair
The English Sports Council

14 February 2024

Statement of cash flows for the year 31 March 2023

	2022-23	2021-22
	£'000	£'000
Net income before taxation	86,542	(347,656)
Decrease/(increase) in trade and other receivables	156	(451)
Increase in trade and other payables	4,941	1,734
(Decrease)/increase in grants payable	(86,995)	359,073
Corporation tax	-	-
Transfer between reserves	105	998
(Decrease) in NLDF	(4,708)	(14,678)
Net cash inflow/(outflow) from operating activities	40	(980)
Cash and cash equivalents at 1 April	1,366	2,346
Cash and cash equivalents at 31 March	1,406	1,366

The notes on pages 155 to 175 form part of these accounts.
All cash and cash equivalents are held in commercial banks.

Statement of changes in equity for the year ended 31 March 2023

	Pension Reserve	General Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2021	(32,851)	(95,050)	(127,901)
Net expenditure for the year	-	(347,656)	(347,656)
Re-measurement of defined benefit liability	13,311	-	13,311
Transfer between reserves	(998)	998	-
Balance at 31 March 2022	(20,538)	(441,708)	(462,246)
Net Income for the year	-	86,542	86,542
Re-measurement of defined benefit liability	22,319	-	22,319
Transfer between reserves	(105)	105	-
Balance at 31 March 2023	1,676	(355,061)	(353,385)

The notes on pages 155 to 175 form part of these accounts.

Notes to the accounts

1 Statement of accounting policies

These accounts have been prepared in accordance with the National Lottery etc. Act 1993 (as amended), the Lottery Accounts Direction issued thereunder by the Secretary of State for Culture, Media and Sport with the consent of HM Treasury and the 2022-23 Government Financial Reporting Manual (FRoM) issued by HM Treasury. A copy of the Lottery Accounts Direction can be obtained from Sport England at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate and which gives a true and fair view has been selected.

The particular policies adopted by the Sport England National Lottery Distribution Fund (Lottery) as set out and described below have been applied consistently to all periods presented in the accounts.

1.1 Accounting convention

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

Without limiting the information given, the accounts of the Sport England Lottery meet the requirements of the Companies Act 2006, the Accounting Standards issued or adopted by the International Accounting Standards Board, the HM Treasury guidance on the accounts of Non-Departmental

Public Bodies as set out in the FRoM, and the National Lottery etc. Act 1993 (as amended) in so far as those requirements are appropriate to the Sport England Lottery.

In compliance with Section 35 of the National Lottery etc. Act 1993 (as amended), the accounts cover the year to 31 March 2023. Comparative figures are shown for the year ended 31 March 2022.

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

1.2 Going concern

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

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

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

1.3 National Lottery Distribution Fund

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

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

1.4 Income recognition

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

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

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

All other income is accounted for on an accruals basis, net of VAT.

1.5 Grants

Grant awards are accounted for as expenditure in the Statement of comprehensive net expenditure and, until paid, as liabilities in the Statement of financial position, if they meet the definition of liabilities in IAS 37 as a legal or constructive obligation.

Grant awards which do not meet the definition of liabilities are not included in expenditure in the Statement of comprehensive net expenditure but are disclosed as contingent liabilities in note 14. These are amounts which the Board, or the relevant delegated authority, have agreed to consider at a future date subject to the required conditions being met.

1.6 Non-cash grants

Non-cash grants are services procured by Sport England from third parties for the benefit of other organisations (i.e. the service provider is only the deliverer and not the end recipient of the grants) and where:

- Sport England is not the beneficiary of the goods and/or services
- The substance of the procurement is directly in line with Sport England's strategic priorities
- The goods and/or services do not fall within any of Sport England's statutory planning or administration functions.

Non-cash grants are recognised in the Statement of comprehensive net expenditure when the services contracted for are provided to the beneficiary of the non-cash grant.

1.7 Other expenditure

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

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

Most Lottery expenditure on Staff, Sports development and Operating costs is initially funded by Exchequer. Sport England is required to apportion expenditure between its Exchequer and Lottery activities. Amounts used by Exchequer to initially fund Lottery activities are reimbursed throughout the year by Lottery and any outstanding balance at the year-end is reflected as a payable balance in the Lottery accounts with a corresponding receivable balance in the Exchequer accounts.

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

The current methodology calculates charges on a full cost recovery basis in accordance with HM Treasury's Managing Public Money.

1.8 Trade receivables

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

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

1.9 Cash and cash equivalents

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

1.10 Trade and other payables

Trade and other payables are recognised at fair value.

1.11 Taxation

VAT

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

Corporation Tax

Corporation tax is payable on bank interest received net of bank charges and other income derived from trading activities.

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

1.12 Pensions

Defined contribution scheme

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

Defined benefit scheme

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

The pension liabilities and assets of the defined benefit scheme are recorded in accordance with IAS 19 (2011) which measures the value of pension assets and liabilities at the Statement of financial position date, determines the benefits accrued in the year, and the interest on the scheme's assets and liabilities. This valuation is undertaken by an independent actuary.

The value of the benefits accrued during the year (current service costs), past service costs, curtailments and settlements are recognised in the Statement of comprehensive net expenditure within staff costs.

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

The scheme's administration expenses are shown in the Statement of comprehensive net expenditure within operating costs. Re-measurement of the net defined benefit liability which comprises actuarial gains and losses and returns on plan assets (in excess of interest), is recognised immediately in the Statement of financial position and in Other comprehensive income.

The resulting pension liability or asset is shown in the Statement of financial position and is apportioned between Exchequer and Lottery activities based on the combination of the historic rate of 40% Exchequer and 60% Lottery and the current year corporate average cost allocation as determined by the methodology in note 1.7.

Included within the pension liability is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2023, the actuary has estimated CPI to be lower than RPI by 0.40%, over the term of the liability, which for Sport England is 14 years, compared to a difference of 0.4% applied at 31 March 2022. This change reflects the movement in market implied RPI inflation that has occurred following the UK Statistics Authority's proposal and the Chancellor's confirmation in November 2020 to align RPI with CPI from 2030.

1.13 Use of estimates and judgement

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

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to the pension scheme defined benefit plan assets and liabilities which determine the scheme's deficit position, and for the profiling of the future periods when grants payable fall due for payment.

1.14 Reporting standards issued but not yet effective

There is one reporting standard issued but not yet effective: IFRS 17 (Insurance Contracts). IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 (Insurance Contracts). The effective date of IFRS 17 in the public sector is 1 April 2025. IFRS 17 requires that insurance liabilities be measured at the present value of future insurance cash flows, resulting in more uniform measurements and presentation for all insurance contracts. Management has assessed the likely effect of the new standard and has concluded that there are no material assets or liabilities recognised as insurance contracts in the Sport England and therefore this standard will have no impact on the English Sports Council's financial statements.

2 National Lottery Distribution Fund

	2022-23	2021-22
	£'000	£'000
Balance at 1 April	191,286	176,608
Share of proceeds	219,243	224,161
Investment returns	4,400	317
Funds drawn down	(218,935)	(209,800)
National Lottery Distribution Fund	195,994	191,286

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

Funds are drawn down from the NLDF in order for Sport England to meet payments due to award recipients and suppliers.

Capital sums are distributed in accordance with the provisions of the National Lottery etc. Act 1993 (as amended). Investment returns are apportioned on the basis of the percentage share of the NLDF at the time the interest is received.

3 Other income

	2022-23	2021-22
	£'000	£'000
National Lottery Community Fund Award contribution ¹	-	118
External funding income	237	81
Active Lives survey recharges	359	428
Other recharges	63	160
Total	659	787

¹ Contribution to the Potentials and Opportunities Volunteering fund.

4 Grants made

	2022-23	2021-22
	£'000	£'000
Grants made in the year	115,722	554,545
Grant de-commitments	(2,607)	(4,811)
Net grants made	113,115	549,734
Campaigns & Advocacy	1,556	2,632
Partners	57,586	437,315
Places	24,734	33,857
Open Funds	29,555	25,958
Other	2,291	4,784
Decommitments	(2,607)	(4,811)
Total	113,115	549,734

The categories reflect the main areas of grant expenditure for 2021-22 and 2022-23.

5 Non-cash grants

	2022-23	2021-22
	£'000	£'000
Club Matters - guidance and support for running a club	857	650
Creative assets of the This Girl Can campaign	1,364	662
Diversity & Inclusion Action Plans	121	-
Safeguarding Code in Martial Arts	124	-
Talent - Collaborative projects with UK Sport	138	-
Total	2,604	1,312

6 Staff costs

	2022-23	2021-22
	£'000	£'000
Permanent and fixed term staff		
Wages and salaries	7,976	8,681
Social security costs	918	899
Pension costs	1,677	1,892
Total	10,571	11,472
Agency staff	1,082	787
Total staff costs	11,653	12,259

Further details can be found in the Remuneration Report.

7 Sports development costs

	2022-23	2021-22
	£'000	£'000
Grant programme support costs		
Digital, Marketing and Commuincations	113	93
Partnerships	248	263
Place	649	615
Policy & Integrity	189	103
Total	1,199	1,073
Other sports development costs		
Legal	179	593
Measurement surveys	2,016	2,134
Research	253	296
Facilities expertise and support	434	383
Planning data and guidance	133	148
Other sports development costs	187	369
Travel and subsistence	187	31
Irrecoverable VAT	1,103	1,046
Total	4,492	5,000
Total	5,691	6,073

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

8 Operating costs

	2022-23	2021-22
	£'000	£'000
Auditor's remuneration ¹	55	53
Board expenses	1	-
Communications	197	120
Internal audit and governance	34	41
Irrecoverable VAT	667	739
IT infrastructure and systems costs	1,047	1,117
Legal	94	68
Other costs	(177)	88
Other staff costs	254	187
Property operating leases ²	738	472
Other property costs	2	-
Staff training	112	122
Strategy	176	97
Travel and subsistence	130	37
Asset hire ²	831	962
Defined benefit scheme administration charge	26	100
Grant outsourcing costs	-	16
IMS Impairment	881	-
Total	5,068	4,219

¹ No other payment was made to the auditors for non-audit work. The audit fees for the year were £55,000 (2021-22: £53,000).

² Included is the impact of IFRS 16 Leases on the Lottery share of operating leases and the asset hire recharge from Sport England Grant-in-Aid (see page 124).

9 Taxation

	2022-23	2021-22
	£'000	£'000
UK corporation tax at 19% (2021-22: 19%)	-	-

10 Trade and other receivables

	2022-23	2021-22
	£'000	£'000
Trade receivables	589	397
Accrued income and prepayments	267	614
Total	856	1,011

11 Capital commitments

There are no capital commitments as at 31 March 2023 (2021-22: £nil).

12 Trade and other payables

	2022-23	2021-22
	£'000	£'000
Sport England Grant-in-Aid	7,801	3,523
Trade payables	181	10
Accruals	2,159	1,667
Total	10,141	5,200

13 Grants payable

	2022-23	2021-22
	£'000	£'000
Grants payable at 1 April	630,171	271,098
Grants paid during the year	(200,110)	(190,661)
Grant de-commitments	(2,607)	(4,811)
Grants made in the year	115,722	554,545
Grants payable at 31 March	543,176	630,171
Amounts due during 2022 Financial Year	-	286,699
Amounts due during 2023 Financial Year	332,307	263,244
Amounts due during 2024 Financial Year	85,008	47,827
Amounts due during 2025 Financial Year	76,305	22,364
Amounts due during 2026 Financial Year	49,556	10,037
Amounts due during 2027 Financial Year	-	-
Grants payable at 31 March	543,176	630,171

Grant commitments payable in more than one-year amount to £543.2 million (2021-22: £343.5 million). The allocation of commitments over the financial years is based on management's latest assessment of the likely timing of cash payments.

These assumptions are periodically reviewed and updated. The assumptions take into account that a number of these awards cover up to four years of revenue funding which is paid over the period of the award.

14 Contingent Assets and Liabilities

Sale of Olympic Park

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29 March 2012 which sets out the distribution of funds between the GLA and the Lottery Distributors (via the core department). We continue to engage with the GLA on forecasts for land sales on the Olympic Park.

Grant commitments

Contingent liabilities amounting to £3.1 million (2021-22: £8.6 million) comprise of grant commitments where the conditions of the funding remain under the control of Sport England.

Pensions

Pension liabilities are disclosed in Note 15 of these financial statements and include an estimate of the potential impact of the recent Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension Schemes respectively. This adjustment is an estimate based on analysis carried out by the Government Actuary's Department and Sport England's Employer Liability profile. It is not yet clear how this judgement may affect members' past or future benefits. The impact on the service cost is estimated to be £23k which is 3.3% of the projected service cost of £700k.

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

15 Pension assets/liabilities

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

Defined benefit LPFA scheme

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

The scheme is funded by employee and employer contributions at actuarially determined rates based on current members. Additional employer contributions are paid into the scheme to reduce the deficit as advised by the scheme's actuaries based on triennial valuations, the most recent triennial valuation being 31 March 2022. Sport England will make additional voluntary contributions to the scheme where the funding is available to do so.

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

15 Pension assets/ liabilities (continued)

The Defined benefit scheme will be passed to a successor body if Sport England were to be wound up. If there was no successor body, then the assets and liabilities would revert to DCMS.

The tables below show employee contribution rates and employer contributions for 2022-23 and 2021-22 and those that are expected to be made in 2022-23 for the Lottery portion of the scheme:

Employee contribution rates

2022-23 salary range	
Up to £15,000	5.5%
£15,001-£23,600	5.8%
£23,601-£38,300	6.5%
£38,301-£48,500	6.8%
£48,501-£67,900	8.5%
£67,901-£96,200	9.9%
£96,201-£113,400	10.5%
£113,401-£170,100	11.4%
Over £170,001	12.5%

2021-22 salary range	
Up to £14,600	5.5%
£14,601-£22,900	5.8%
£22,901-£37,200	6.5%
£37,201-£47,100	6.8%
£47,101-£65,900	8.5%
£65,901-£93,400	9.9%
£93,401-£110,000	10.5%
£110,001-£165,000	11.4%
Over £165,001	12.5%

Employee contribution rates

	2022-23	2021-22	2020-21
All figures in £'000s			
% Employer contributions	6.4%	16.0%	16.0%
Contributions to pension schemes			
	£'000	£'000	£'000
Employer contributions	72	222	229
Required additional contributions	-	-	-
Total contributions to pension schemes	72	222	229

International Accounting Standard IAS 19 (2011) Employees Benefits requires the disclosure of additional information, in respect of the Sport England's superannuation scheme. The information has been provided by the LPFA's consulting

actuaries Barnett Waddingham. The actuaries have not made separate valuations for the Sport England Exchequer and Lottery liabilities. The apportionment of the liability between Exchequer and Lottery is set out in the accounting policies (note 1.12).

15 Pension assets/liabilities (continued)

Employer membership statistics

	Number	Salaries/ Pensions	Average Age
	£'000	£'000	£'000
Actives	39	2,131	53
Deferred pensioners	395	1,622	55
Pensioners	472	3,926	72
Unfunded pensioners	115	428	75

Represents membership data as at 31 March 2022 receiving funded and unfunded benefits.

Financial assumptions (expressed as weighted average)

	2022-23	2021-22	2020-21
	% per annum	% per annum	% per annum
Price increases – RPI	3.33%	3.65%	3.25%
Price increases – CPI	2.90%	3.30%	2.85%
Salary increase	3.90%	4.30%	3.85%
Pension increase	2.90%	3.30%	2.85%
Discount rate	4.80%	2.60%	2.00%

Life expectancy assumptions from age 65

	2022-23 Years	2021-22 Years
Retiring today		
Males	21.6	22.2
Females	24.5	24.6
Retiring in 20 years		
Males	23.1	23.7
Females	25.7	26.1

15 Pension assets/liabilities (continued)

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

Statement of financial position disclosure

	2022-23	2021-22	2020 -21
	£'000	£'000	£'000
Present value of funded liabilities	(66,713)	(96,304)	(99,185)
Fair value of employer assets	79,828	80,326	71,181
Present value of unfunded liabilities	(3,748)	(4,560)	(4,847)
Impact of asset ceiling	(7,691)	-	-
Net asset/(liability) in the Statement of financial position	1,676	(20,538)	(32,851)
Liabilities	(70,461)	(100,864)	(104,032)
Assets	79,828	80,326	71,181
Impact of asset ceiling	(7,691)	-	-
Net asset/(liability) in the Statement of financial position	1,676	(20,538)	(32,851)

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

	2022-23		2021-22	
	£'000	%	£'000	%
Equities	45,947	58	45,720	57
Target return portfolio	14,528	18	17,301	22
Infrastructure	9,887	12	8,184	10
Property	7,673	10	7,207	9
Cash	1,793	2	1,914	2
Total	79,828	100	80,326	100

Amounts recognised in the Statement of comprehensive net income

	2022-23	2021-22
	£'000	£'000
Service cost	672	700
Net interest on the net defined benefit liability	54	672
Administration expenses	26	100
Total	752	1,472

15 Pension assets/liabilities (continued)

Re-measurements in Other comprehensive income

	2022-23	2021-22
	£'000	£'000
Return on plan assets in excess of interest	(744)	10,170
Other actuarial losses	(215)	-
Change in demographic assumptions	2,277	-
Change in financial assumptions	34,295	3,211
Experience gain	(5,603)	(70)
Changes in effect of asset ceiling	(7,691)	-
Total Re-measurement (cost)/credit	22,319	13,311

Changes in the present value of the defined benefit obligation

	2022-23	2021-22
	£'000	£'000
Opening defined benefit obligation	100,864	104,032
Service cost	672	700
Interest cost	2,802	2,053
Change in demographic assumptions	(2,277)	-
Change in financial assumptions	(34,295)	(3,211)
Contributions by members	98	118
Estimated unfunded benefits paid	(254)	(260)
Experience gains	5,603	70
Estimated benefits paid	(2,752)	(2,638)
Closing defined benefit obligation	70,461	100,864

Reconciliation of asset ceiling

	2022-23	2021-22
	£'000	£'000
Opening impact of asset ceiling	-	-
Actuarial losses/gains	7,691	-
Closing impact of asset ceiling	7,691	-

15 Pension assets/liabilities (continued)

Changes in the fair value of the plan assets

	2022-23	2021-22
	£'000	£'000
Opening fair value of employer assets	80,326	71,181
Interest on assets	2,748	1,381
Return on assets less interest	(744)	10,170
Administration expenses	(26)	(100)
Contributions by members	98	118
Contributions by employer	647	474
Actuarial gains	(215)	-
Estimated benefits paid	(3,006)	(2,898)
Closing fair value of employer assets	79,828	80,326

Reconciliation of asset ceiling

	2022-23	2021-22
	£'000	£'000
Opening impact of asset ceiling	-	-
Actuarial losses/gains	7,691	-
Closing impact of asset ceiling	7,691	-

Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	69,363	70,305	71,267
Projected service cost	224	231	238
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	70,357	70,305	70,253
Projected service cost	231	231	231
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	71,232	70,305	69,397
Projected service cost	238	231	224

15 Pension assets/liabilities (continued)

	£'000	£'000	£'000
Adjustment to life expectancy assumption	+1 Year	None	-1 Year
Present value of total obligation	73,212	70,305	67,433
Projected service cost	240	231	222

Defined contribution Aviva GPPP

Employer contributions for staff members of this scheme for the year ended 31 March 2023 were £761k (2021-22: £766k). There were no amounts outstanding or pre-paid at 31 March 2023 (2021-22: £nil).

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

¹ Contribution rates apply to all salary levels.

² Relates to auto enrolment.

16 Related party transactions

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

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

The English Sports Council Grant-in-Aid is also a related party as there were material transactions during the year.

The related party transactions are in relation to:

- Awards made during the year ended 31 March 2023. Decommittments are shown in brackets.
- Awards unpaid at 31 March 2023.
- Supplier transactions during the year ended 31 March 2023.
- Unpaid supplier transactions at 31 March 2023.

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

16 Related party transactions (continued)

Relationship	Awards made in 2022-23	Awards unpaid at 31 March 2023	Supplier transactions in 2022-23	Unpaid Supplier transactions at 31 March 2023
	£	£	£	£
Chris Grant				
Consultant, UK Sport	-	-	-	148,000
Consultant, The Football Association	400,000	17,113,458	-	-
Karen Pickering MBE				
Member, Amateur Swimming Association	3,109,569	450,000	-	-
Imm. Family: Member, Swim England	3,109,569	450,000	-	-
Andy Long				
Imm. Family: Member, British Rowing Limited	4,580,108	4,755,108	-	-
Imm. Family: Member, National Trust	-	1,997,658	-	-
Rashmi Becker				
Member, Activity Alliance	-	187,217	-	-
Member, CIMSPA	2,564,400	2,260,000	-	-
Member, London Youth Games Foundation	1,033,333	-	-	-
Tove Okunniwa				
Member, British Cycling	723,200	18,719,500	-	-
Chris Boardman				
Advisor, British Cycling Federation	723,200	18,719,500	-	-

16 Related party transactions (continued)

Relationship	Awards made in 2022-23	Awards unpaid at 31 March 2023	Supplier transactions in 2022-23	Unpaid Supplier transactions at 31 March 2023
	£	£	£	£
Helene Raynsford				
Non-Executive Director, Sport and Recreation Alliance	41,000	1,728,880	-	-
Member, UK Active	496,000	4,395,261	-	-
David Mahoney				
Director, England and Wales Cricket Board	11,367,500	9,391,529	-	-
Tim Hollingsworth				
Member, Football Foundation	15,300,000	29,358,447	-	-
Ali Donnelly				
Member, Rugby Football Union	-	9,552,500	-	-
Alison Selfe				
Imm. Family: Member, British Cycling Federation	723,300	18,719,500	-	-
Mel Bound				
Member, This Mum Runs Ltd	256,200	128,100	-	-
Lisa Dodd Mayne				
Member, Manchester Active Limited	35,000	35,000	-	-

17 Derivatives and other financial instruments

Sport England Lottery relies on its share of proceeds from the National Lottery, with some partnership funding to finance its operations. Items such as trade receivables and trade payables arise from its operations. Sport England does not enter into derivative transactions.

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

Sport England Lottery does not borrow money and therefore has no exposure to interest rate or liquidity risk in this regard.

Cash balances are held in a commercial bank account and attract market rates of interest.

Liquidity risks

The bulk of the financial assets of Sport England Lottery are held by the NLDF.

The Board recognises that their grant commitments and other payables exceed the value of funds in the NLDF. However, the Board considers that Sport England is not exposed to significant liquidity risks as they are satisfied that Sport England will have sufficient liquid resource to cover all likely grant payments and other liabilities in the coming year.

If there was a long-term decline in Lottery income the Board would adjust its annual grant budgets to compensate for the decline.

18 Ultimate parent body and domicile

Sport England is the trading name of The English Sports Council (ESC) and is funded through a combination of National Lottery funding and grant-in-aid from the Department for Culture, Media and Sport, which classifies the ESC as a non-departmental government body. The ESC was originally established by Royal Charter in 1972 (as The Sports Council); this was amended in 1996 and from 1 January 1997 the ESC was launched. The organisation is domiciled in the UK. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

19 Events after the reporting period

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

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Sport England
Sport Park, 3 Oakwood Drive, Loughborough,
Leicestershire, England, LE13 3QF
www.sportengland.org