



**English Institute of Sport Limited**

**Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2010**

Presented to Parliament pursuant to Article 6(2)(b) of the Government Resources and  
Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009  
(SI2009/476)

Ordered by the House of Commons to be printed 14<sup>th</sup> July 2011

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**English Institute of Sport Limited**

**Financial Statements**

**Year Ended 31 March 2010**

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**English Institute of Sport Limited**

**Officers and Professional Advisers**

<b>The Board of Directors</b>	S Cram MBE I C Watmore A Hodson MA, MCSP, DIPTR, MSRE/RT A V S Friend (resigned 26 <sup>th</sup> April 2010) K D Pickering H Martin BSc, ACA C O'Shea
<b>Company Secretary</b>	H Martin (resigned 10 <sup>th</sup> February 2010) J Haworth (appointed 10 <sup>th</sup> February 2010)
<b>Registered Office</b>	4 <sup>th</sup> Floor Byrom House 21 Quay Street Manchester M3 3JD
<b>Auditor</b>	Comptroller and Auditor General National Audit Office 157 – 197 Buckingham Palace Road Victoria London SW1W 9SP

## **English Institute of Sport Limited**

### **The Directors' Report**

**Year Ended 31 March 2010**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010.

#### **Principal Activities and Business Review**

The principal activity of the company during the year was providing sport science and medicine services to English elite athletes.

With effect from 1<sup>st</sup> April 2009 a revised operating and funding model was implemented. As opposed to the English Institute of Sport being a purely grant funded organisation the revised model places greater accountability for athlete performance with the National Governing Bodies of sport (NGBs); achieved by UK Sport providing funding direct to the NGBs to purchase sport science and medicine services either from EIS or elsewhere. The EIS continues to receive core funding from UK Sport to support its infrastructure, however all direct costs of service provision are now funded by charging the NGBs for agreed services.

Service level agreements are now in place with all of the NGBs with whom the EIS was working prior to the introduction of the revised model, the majority covering the period through until the end of the current Olympic cycle in March 2013. Given the scale of the change it was encouraging that respondents to our Customer Satisfaction Survey rated our communication and implementation of the revised funding model from good to excellent, with lessons learnt to be carried forward into our implementation with the winter sports with whom the model will be introduced with effect from October 2010. We are now seeking to secure new business opportunities with complementary organisations and individuals to widen our web of external expertise and hence enhance the service that we can deliver to the high performance sport environment.

February marked the departure of our National Director, Conor O'Shea, who led the implementation of the revised model and a restructuring of the operational management team to ensure that services are delivered consistently across our network within a national framework. We are however delighted to confirm that the key role of driving us forward through London 2012 will now be taken over by Nigel Walker, who is due to commence in post shortly.

With a period of stability now reached in relation to our levels of service provision we can focus more on technical development across our eleven disciplines of Sports Medicine; Physiotherapy; Soft Tissue Therapy; Strength & Conditioning; Physiology; Performance Psychology; Performance Nutrition; Biomechanics; Performance Analysis; Talent Identification and Development and Performance Lifestyle. With our Technical Leadership team now complete, our focus will be on the development of knowledge, skills and practice, knowledge management and dissemination and partnerships and collaboration.

## **English Institute of Sport Limited**

### **The Directors' Report** *(continued)*

**Year Ended 31 March 2010**

#### **Future Developments**

Whilst focusing on maximising our performance impact with the sports that we are working with we also have an eye to the future and are engaging fully with the UK Sport led "Life After London" process. This work considers the likely funding environment beyond the Games, and how best to ensure that we retain our expertise within the high performance system.

#### **Disabled Persons**

EIS will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. All reasonable adjustments are made to meet the needs of disabled employees and an occupational health service is provided to assess the needs of employees, where required, during the course of their employment. EIS is committed to providing training and development opportunities to all of its employees, both able bodied and disabled.

#### **Results**

The surplus for the year, after taxation, amounted to £935,690

#### **Financial Risk Management Objectives and Policies**

With approximately 40% of our funding now secured through service level agreements with NGBs it is key that we meet the performance objectives set in these agreements in order to retain this funding. To that end each of our sports has a dedicated Lead Sport Contact who closely monitors both the quantity and quality of service provision provided, liaising regularly with the sport in the process. This process is supplemented by an annual Customer Satisfaction Survey; providing all of our customers with the opportunity to feedback on their service provision at a national level. Key Performance Indicators set against the level of external income secured and feedback on the quality of service received, ensure that this area is closely monitored at a Board level.

## **English Institute of Sport Limited**

### **The Directors' Report** *(continued)*

**Year Ended 31 March 2010**

#### **Directors**

The directors who served the company during the year were as follows:

S Cram MBE  
I C Watmore  
A Hodson MA, MCSP, DIPTR, MSRE/RT  
A V S Friend  
K D Pickering  
H Martin BSc ACA  
C O'Shea

The directors have indemnity insurance.

#### **Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- . select suitable accounting policies and then apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**English Institute of Sport Limited**

**The Directors' Report (*continued*)**

**Year Ended 31 March 2010**

In so far as the directors are aware:

- . there is no relevant audit information of which the company's auditor is unaware; and
- . the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office;  
4<sup>th</sup> Floor  
Byrom House  
21 Quay Street  
Manchester  
M3 3JD

Signed by order of the directors

J Haworth  
Company Secretary

Approved by the directors on ...22<sup>nd</sup> June 2010.....

## **English Institute of Sport Limited**

### **The Certificate and Report of the Comptroller and Auditor General to the Members of the English Institute of Sport Limited**

**Year Ended 31 March 2010**

I certify that I have audited the financial statements of the English Institute of Sport Ltd for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of the directors and auditor**

As explained more fully in the Directors' Responsibilities section, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

#### **Opinion on Regularity**

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

#### **Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its surplus for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

## **English Institute of Sport Limited**

### **The Certificate and Report of the Comptroller and Auditor General to the Members of the English Institute of Sport Limited** *(continued)*

**Year Ended 31 March 2010**

#### **Opinion on Financial Statements** *(continued)*

- the financial statements have been prepared in accordance with the Companies Act 2006.

#### **Opinion on other matters**

In my opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which I am required to report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

#### **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP*

*Date 28<sup>th</sup> July 2010*

**English Institute of Sport Limited**

**Income and Expenditure Account**

**Year ended 31 March 2010**

	Notes	2010 £	2009 £
<b>Income</b>	<b>2</b>	<b>15,805,275</b>	15,681,059
Administrative expenses		<u>(14,983,128)</u>	<u>(15,010,592)</u>
<b>Operating surplus</b>	<b>3</b>	<b>822,147</b>	670,467
Interest receivable		5,751	30,796
Interest payable and similar charges	<b>6</b>	<b>109,000</b>	207,000
<b>Surplus on ordinary activities before taxation</b>		<u><b>936,898</b></u>	<u>908,263</u>
Tax on surplus on ordinary activities	<b>7</b>	<b>(1,208)</b>	(6,467)
<b>Surplus for the financial year</b>		<u><b>935,690</b></u>	<u>901,796</u>

All of the activities of the company are classed as continuing

The notes on pages 12 to 25 form part of these financial statements

**English Institute of Sport Limited**

**Statement of Total Recognised Gains and Losses**

**Year ended 31 March 2010**

	<b>2010</b>	2009
	<b>£</b>	£
Surplus for the financial year attributable to the members	<b>935,690</b>	901,796
Actuarial loss in respect of defined benefit pension scheme (see note 15)	<b>(2,590,000)</b>	(1,789,000)
	<hr/>	<hr/>
Total losses recognised since the last annual report	<b>(1,654,310)</b>	(887,204)
	<hr/>	<hr/>

The notes on pages 12 to 25 form part of these financial statements

**English Institute of Sport Limited**

**Balance Sheet**

**31 March 2010**

		2010		2009	
	Note	£	£	£	£
<b>Fixed assets</b>	<b>8</b>		<b>1,955,790</b>		2,395,203
Tangible assets					
<b>Current assets</b>					
Debtors	9	414,172		241,145	
Cash at bank		<u>925,198</u>		<u>1,408,617</u>	
			<u>1,339,370</u>		<u>1,649,762</u>
<b>Creditors: Amounts Falling due Within One Year</b>	<b>10</b>		<u>(1,285,208)</u>		<u>(1,303,677)</u>
<b>Net current assets</b>			<u><b>54,162</b></u>		<u>346,085</u>
<b>Total assets less current liabilities</b>			<b>2,009,952</b>		2,741,288
<b>Creditors: Amounts Falling Due After More Than One Year</b>	<b>11</b>		<b>(22,208)</b>		(41,243)
<b>Deferred income</b>	<b>12</b>		<b>(2,026,299)</b>		(2,691,179)
<b>Provisions for liabilities</b>	<b>13</b>		-		(50,111)
<b>Net liabilities excluding pension asset</b>			<u><b>(38,555)</b></u>		<u>(41,245)</u>
Defined benefit pension scheme asset	15		<u><b>3,000</b></u>		<u>1,660,000</u>
<b>Net (liabilities)/assets including pension asset</b>			<u><b>(35,555)</b></u>		<u>1,618,755</u>
<b>Reserves</b>					
Income and expenditure account	19		<u><b>(35,555)</b></u>		<u>1,618,755</u>
<b>Members' funds</b>			<u><b>(35,555)</b></u>		<u>1,618,755</u>

These accounts have been audited under the Government Resource and Accounts Act 2000, and are therefore exempt from the requirements of section 475 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by:

Director

## English Institute of Sport Limited

The notes on pages 12 to 25 form part of these financial statements

### Cash Flow Statement Year Ended 31 March 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	20	49,420	2,016,135
Returns on investments and servicing of finance	20	5,751	30,796
Taxation	20	(6,467)	(6,549)
Capital expenditure and financial investment	20	<u>(513,088)</u>	<u>(1,760,765)</u>
Cash (outflow)/inflow before financing		<u>(464,384)</u>	<u>279,617</u>
Financing	20	<u>(19,035)</u>	<u>(19,036)</u>
(Decrease)/increase in cash	20	<u>(483,419)</u>	<u>260,581</u>

The notes on pages 12 to 25 form part of these financial statements

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 1 Accounting policies

#### Basis of Accounting

The financial statements of the English Institute of Sport Limited are prepared in accordance with UK GAAP and the Companies Act.

#### Grant Income

The income shown in the income and expenditure account represents amounts received from UK Sport during the year less amounts credited to a deferred income account. Grant funding used to acquire fixed assets is credited to this account and then released over the life of the assets.

#### Fixed Assets

Fixed assets are capitalised at cost where cost exceeds £500. When an item costs less than this but forms part of a group of assets whose total is greater than £500 then the items are capitalised.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- Over 5 years
Fixtures & Fittings	- Over 2 – 5 years
Computer Equipment	- Over 2 – 5 years

#### Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 1 Accounting Policies *(continued)*

#### Operating Lease Agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownerships remain with the lessor, are charged against income on a straight line basis over the period of the lease.

#### Pension Costs and Other Post-Retirement Benefits

The pension scheme is a defined benefit scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variation from the cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded, with assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return of high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

#### Taxation

The company pays taxation on interest receivable and any non-lottery funded income.

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2010

#### 2 Income

The income and profit before tax are attributable to the one principal activity of the company.

An analysis of income is given below:

	2010	2009
	£	£
UK Sport grant	9,046,043	11,647,693
Sport City grant received	1,300	21,296
Income from sale of services	6,006,022	3,328,613
Internship income	58,630	136,009
Sport England equipment grant	316,513	155,242
Other income	91,255	80,842
Grant released to the income & expenditure account in respect of depreciation	177,079	(34,832)
Transfer of fixed asset additions to deferred income	(87,783)	509,972
Sponsorship income received	32,304	59,031
Grant income released from prior year	222,807	-
Unused grant released carried forward	(58,895)	(222,807)
	<u>15,805,275</u>	<u>15,681,059</u>

#### 3 Operating surplus

Operating surplus is stated after charging:

	2010	2009
	£	£
Depreciation of owned fixed assets	887,031	914,075
Depreciation of assets held under finance lease agreements	19,035	19,035
Loss on disposal of fixed assets	46,435	12,418
Auditor's remuneration		
- as auditor	10,000	8,000
- for other services	-	-
Operating lease costs:		
- plant and equipment	13,075	8,425
- other	1,267,267	1,142,183

Included within other operating lease costs are facility rental costs where the agreement is on an annual rolling basis. Hence, these costs are not disclosed as commitments under operating leases within note 16.

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 4 Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2010	2009
	No	No
Management	5	5
Administration	23	18
Operations	213	230
	<u>241</u>	<u>253</u>

The aggregate payroll costs of the above were:

	2010	2009
	£	£
Wages and salaries	8,627,616	8,818,993
Social security costs	683,650	695,930
Other pension costs	150,098	275,781
	<u>9,461,364</u>	<u>9,790,704</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 6) and amounts recognised in the statement of recognised gains and losses.

### 5 Directors' Emoluments

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2010	2009
	£	£
Emoluments receivable	158,355	115,646
Value of company pension contributions to defined benefit schemes	18,003	13,265
	<u>176,358</u>	<u>128,911</u>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2010**

**5 Directors' Emoluments** *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	<b>2010</b>	2009
	No	No
Defined benefit schemes	<u>2</u>	<u>2</u>

**6 Interest Payable and Similar Charges**

	<b>2010</b>	2009
	£	£
Other similar charges payable	<u>(109,000)</u>	<u>(207,000)</u>

**7 Taxation on Ordinary Activities**

**(a) Analysis of charge in the year**

	<b>2010</b>	2009
	£	£
Current tax:		
UK Corporation tax based on the results for the Year at 21% (2009: 21%)	<u>1,208</u>	<u>6,467</u>
Total current tax	<u>1,208</u>	<u>6,467</u>

**(b) Factors affecting current tax charge**

The tax assessed on the surplus on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009: 21%). The differences are explained below:

	<b>2010</b>	2009
	£	£
Surplus on ordinary activities before taxation	<u>3,898</u>	<u>908,263</u>
Surplus on ordinary activities by the rate of tax	<b>819</b>	190,735
Income and expenditure not attributable for tax purposes	<u>389</u>	<u>(184,268)</u>
Total current tax (note 7(a))	<u>1,208</u>	<u>6,467</u>

English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2010

8 Tangible Fixed Assets

	Leasehold Improve- ments £	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 April 2009	242,770	3,922,865	1,745,373	5,911,008
Additions	37,649	240,104	237,835	515,588
Disposals	(1,199)	(426,074)	(113,056)	(540,329)
<b>At 31 March 2010</b>	<u>279,220</u>	<u>3,736,895</u>	<u>1,870,152</u>	<u>5,886,267</u>
<b>Depreciation</b>				
At 1 April 2009	158,136	2,218,986	1,138,683	3,515,805
Charge for the year	42,046	469,022	394,998	906,066
On disposals	(479)	(397,927)	(92,988)	(491,394)
<b>At 31 March 2010</b>	<u>199,703</u>	<u>2,290,081</u>	<u>1,440,693</u>	<u>3,930,477</u>
<b>Net book value</b>				
<b>At 31 March 2010</b>	<u>79,517</u>	<u>1,446,814</u>	<u>429,459</u>	<u>1,955,790</u>
At 31 March 2009	<u>84,634</u>	<u>1,703,879</u>	<u>606,690</u>	<u>2,395,203</u>

**Finance lease agreements**

Included within the net book value of £1,955,790 is £38,070 (2009: £57,105) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £19,035 (2009: £19,035)

9 Debtors

	2010 £	2009 £
Trade Debtors	209,105	119,587
Amounts owed by group undertakings	70	5,143
Other debtors	1,275	1,251
Prepayments and accrued income	<u>203,722</u>	<u>115,164</u>
	<u>414,172</u>	<u>241,145</u>

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 10 Creditors: Amounts Falling due Within One Year

	2010	2009
	£	£
Trade creditors	374,866	477,423
Amounts owed to group undertakings	-	-
Other creditors including taxation and social security:		
Corporation tax	1,208	6,467
Other taxation and social security	468,255	407,440
Finance lease agreements	19,035	19,035
Other creditors	22,315	12,206
	<u>885,679</u>	<u>922,571</u>
Accruals	399,529	381,106
	<u>1,285,208</u>	<u>1,303,677</u>

£122,160 of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

### 11 Creditors: Amounts Falling due after More than One Year

	2010	2009
	£	£
Finance lease agreements	<u>22,208</u>	<u>41,243</u>

### 12 Deferred income

Funding used to acquire fixed assets is credited to the deferred income account and then released over the life of the asset.

	2010	2009
	£	£
Deferred income	<u>2,026,299</u>	<u>2,691,179</u>

### 13 Provisions

	2010	2009
	£	£
Redundancy provision	<u>-</u>	<u>50,111</u>

# English Institute of Sport Limited

## Notes to the Financial Statements

Year Ended 31 March 2010

### 14 Commitments under Finance Lease Agreements

Future commitments under finance lease agreements are as follows:

	2010	2009
	£	£
Amounts payable within 1 year	19,035	19,035
Amounts payable between 2 to 5 years	22,208	41,243
	<u>41,243</u>	<u>60,278</u>

### 15 Pension Commitments

The company participates in the London Pension Fund Authority Superannuation Scheme (LPFA). It is one of a large number of employers whose staff participate in the scheme, but the data given in this note relates just to the company. The majority of the company's staff are members of the scheme.

The pension scheme is of the defined benefit type and it is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £974,098 (2009: £964,781).

Following advice of the consulting actuaries to the LPFA, the English Institute of Sport Limited's initial employer contributions (as a percentage of pensionable salary) were set at 12.5% from the date of admittance to the scheme.

A valuation for FRS17 purposes as at March 2010 was carried out by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:

Financial assumptions:	2010	2009
	%	%
Rate of increase in salaries	4.1	3.3
Rate of increase in pensions in payment	3.9	3.1
Discount rate	5.5	6.9
Inflation assumption	3.9	3.1

Average future life expectancies at age 65:	Males	Females
Current pensioners	19.6 years	22.5 years
Future pensioners	20.7 years	23.6 years

## English Institute of Sport Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2010

#### 15 Pension Commitments *(continued)*

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus is:

	2010		2009	
	Long term rate of return expected %	Value £	Long term rate of return expected %	Value £
Equities	7.5	7,427,000	7.0	3,810,000
Target Return Portfolio	4.5	1,061,000	5.5	668,000
Property	6.5	1,485,000	6.0	1,671,000
Cash	3.0	531,000	4.0	535,000
Corporate Bonds	5.5	106,000	-	-
		<b>10,610,000</b>		6,684,000
Total market value of assets				
Present value of scheme liabilities		(10,607,000)		(5,024,000)
Net pension asset		<b>3,000</b>		1,660,000

The overall expected rate of return on scheme assets is projected by the scheme actuaries using modelling techniques, with reference to key assumptions and the relative weighting of scheme assets.

The amounts recognised in the income and expenditure account are as follows:

	31 March 2010		31 March 2009	
	% of pay	£	% of pay	£
Current service cost	0.8	176,000	2.7	209,000
Interest cost	1.8	373,000	4.1	321,000
Expected return on Employers Assets	(2.3)	(482,000)	(6.8)	(528,000)
Past service cost	0.0	-	0.9	72,000
Loss on curtailments and settlements	0.7	143,000		-
<b>Total</b>	<b>1.0</b>	<b>210,000</b>	1.0	74,000
Actual Return on Scheme Assets		<b>2,189,000</b>		(1,587,000)

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2010

#### 15 Pension Commitments *(continued)*

Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

	<b>31 March 2010</b>	31 March 2009
	£	£
Actuarial losses	<u>(2,590,000)</u>	<u>(1,789,000)</u>
Actuarial losses recognised in STRGL	<u>(2,590,000)</u>	<u>(1,789,000)</u>
Cumulative Actuarial losses	<u>(2,824,000)</u>	<u>(234,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	<b>31 March 2010</b>	31 March 2009
	£	£
<b>Opening defined benefit obligation</b>	<u>5,024,000</u>	<u>4,249,000</u>
Current Service cost	176,000	209,000
Interest cost	373,000	321,000
Contributions by Members	550,000	540,000
Actuarial loss/(gain)	4,298,000	(358,000)
Losses on curtailments	143,000	-
Past Service costs	-	72,000
Estimate benefits paid	43,000	(9,000)
<b>Closing defined benefit obligation</b>	<u>10,607,000</u>	<u>5,024,000</u>

Changes in the fair value of plan assets are as follows:

	<b>31 March 2010</b>	31 March 2009
	£	£
<b>Opening fair value of employers assets</b>	<u>6,684,000</u>	<u>6,802,000</u>
Expected return on assets	482,000	528,000
Contributions by Members	550,000	540,000
Contributions by the Employer	1,143,000	970,000
Actuarial gain/(loss)	1,708,000	(2,147,000)
Benefits paid	43,000	(9,000)
<b>Closing fair value of Employers assets</b>	<u>10,610,000</u>	<u>6,684,000</u>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2010**

**15 Pension Commitments** *(continued)*

A history of experience gains and losses is shown below:

	<b>31 March 2010 £</b>	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>	<b>31 March 2007 £</b>	<b>31 March 2006 £</b>
Fair value of employer assets	10,610,000	6,684,000	6,802,000	5,313,000	3,984,000
Present value of defined benefit obligation	(10,607,000)	(5,024,000)	(4,249,000)	(4,309,000)	(3,432,000)
Surplus	3,000	1,660,000	2,553,000	1,004,000	552,000
Experience gains/(losses) on assets	1,708,000	(2,147,000)	(202,000)	43,000	462,000
Experience gains/(losses) on liabilities	-	-	(408,000)	-	3,000

The major categories of plan assets as a percentage of total plan assets are as follows:

	<b>31 March 2009 %</b>	<b>31 March 2009 %</b>
Equities	<b>70</b>	57
Target return funds	<b>10</b>	10
Alternative assets	<b>14</b>	25
Cash	<b>5</b>	8
Corporate Bonds	<b>1</b>	-

The Actuaries estimate the employers contributions for the year ended 31 March 2011 will be approximately £1,040,000

# English Institute of Sport Limited

## Notes to the Financial Statements

### Year Ended 31 March 2010

#### 16 Commitments under Operating Leases

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	2010		2009	
	Land & Buildings £	Other Items £	Land and Buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	-	154,999	1,560
Within 2 to 5 years	265,349	11,121	1,150	5,526
After more than 5 years	-	9,200	-	9,200
	<b>265,349</b>	<b>20,321</b>	<b>156,149</b>	<b>16,286</b>

#### 17 Related Party Transactions

English Institute of Sport Limited's ultimate controlling party is UK Sport Council. Copies of the group financial statements can be obtained from them at 40 Bernard Street, London, WC1N 1ST, or from their website ([www.uk sport.gov.uk](http://www.uk sport.gov.uk))

During the year the company has been in receipt of lottery grant income totalling £8,140,000 (2009: £10,598,700) and internship funding of £58,630 (2009: £136,009) from UK Sport. There were also other grants as follows: Performance Lifestyle grant £749,180 (2009: £Nil), blood profiling grant £20,000 (2009: £Nil), Medical Journal Access grant £20,000 (2009: £Nil), Medical Records Database grant £40,655 (2009: £Nil), People & Systems Skills Development Project grant £67,600 (2009: £Nil), Performance Analysis Equipment grant £30,000 (2009: £Nil), Talent identification grant £Nil (2009: £88,956) and Paralympic grant £Nil (2009: £55,037).

During the year, UK Sport paid on behalf of English Institute of Sport Limited items totalling £6,817 (2009: £418). Also, English Institute of Sport Limited recharged UK Sport £32,542 (2009: £123,404) of shared expenditure.

The balance due to UK Sport at the year end is £122,160 (2009: £Nil), this is disclosed within short term creditors and represents VAT liabilities for Dec09- March 10. The balance due to the English Institute of Sport is £70 (2009: £5,143), this is included within debtors.

#### 18 Company Limited by Guarantee

Every member has guaranteed the sum of £1 on winding up for payment of debts and liabilities.

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2010**

**19 Income and Expenditure Account**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Balance brought forward	1,618,755	2,505,959
Surplus for the financial year	935,690	901,796
Defined pension benefit scheme	<u>(2,590,000)</u>	<u>(1,789,000)</u>
Balance carried forward	<u><u>(35,555)</u></u>	<u><u>1,618,755</u></u>

**20 Notes to the Statement of Cash Flows**

**Reconciliation of Operating surplus to Net Cash Inflow from Operating Activities**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating surplus	822,147	670,467
Depreciation	906,066	933,110
Loss on disposal of fixed assets	46,435	12,418
Increase in debtors	(173,027)	(14,048)
(Decrease)/increase in creditors	(728,201)	1,103,188
Provision for service cost of defined benefit pension scheme	319,000	281,000
Defined benefit pension scheme contributions paid	<u>(1,143,000)</u>	<u>(970,000)</u>
Net cash inflow from operating activities	<u><u>49,420</u></u>	<u><u>2,016,135</u></u>

**Returns on Investments and Servicing of Finance**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest received	<u>5,751</u>	<u>30,796</u>
Net cash inflow from returns on investments and servicing of finance	<u><u>5,751</u></u>	<u><u>30,796</u></u>

**Taxation**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Taxation	<u>(6,467)</u>	<u>(6,549)</u>

**Capital Expenditure**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Payments to acquire tangible fixed assets	(515,588)	(1,760,852)
Receipts from sale of fixed assets	<u>2,500</u>	<u>87</u>
Net cash outflow from capital expenditure	<u><u>(513,088)</u></u>	<u><u>(1,760,765)</u></u>

**English Institute of Sport Limited**

**Notes to the Financial Statements**

**Year Ended 31 March 2010**

**21 Notes to the Statement of Cash Flows** *(continued)*

**Financing**

	2010	2009
	£	£
Capital element of finance leases	<u>(19,035)</u>	<u>(19,036)</u>
Net cash (outflow)/inflow from financing	<u>(19,035)</u>	<u>(19,036)</u>

**Reconciliation of Net Cash Flow to Movement in Net Funds**

	2010		2009	
	£	£	£	£
(Decrease)/increase in cash in the year	(483,419)		260,582	
Cash outflow in respect of finance Leases	<u>19,035</u>	<u>(464,384)</u>	<u>19,036</u>	<u>279,618</u>
Change in net funds	(464,384)		279,618	
Net funds at start of year	<u>1,348,341</u>		<u>1,068,723</u>	
Net funds at end of year	<u><u>883,957</u></u>		<u><u>1,348,341</u></u>	

**Analysis of Changes in Net Funds**

	At 1 Apr 2009 £	Cash flows £	At 31 Mar 2010 £
Net cash:			
Cash in hand and at bank	<u>1,408,619</u>	<u>(483,419)</u>	<u>925,200</u>
Debt:			
Finance lease agreements	<u>(60,278)</u>	<u>19,035</u>	<u>(41,243)</u>
Net funds	<u><u>1,348,341</u></u>	<u><u>(464,384)</u></u>	<u><u>883,957</u></u>

**English Institute of Sport Limited**

**Management Information**

**Year Ended 31 March 2010**

**The following pages do not form part of the statutory financial statements which are the subject of the Comptroller and Auditor General's report on pages 6 to 7.**

# English Institute of Sport Limited

## Detailed Income and Expenditure Account

Year Ended 31 March 2010

	2010 £	2009 £
<b>Income</b>	<b>15,805,275</b>	15,681,059
<b>Overheads</b>		
Administrative expenses	<u>(14,983,128)</u>	<u>(15,010,592)</u>
<b>Operating surplus</b>	<b>822,147</b>	670,467
Bank interest receivable	<u>5,751</u>	<u>30,796</u>
	<b>827,898</b>	701,263
Net finance costs in respect of defined benefit pension schemes	<u>109,000</u>	<u>207,000</u>
<b>Surplus on ordinary activities</b>	<b><u>936,898</u></b>	<b><u>908,263</u></b>

**English Institute of Sport Limited**

**Notes to the Detailed Income and Expenditure Account**

**Year Ended 31 March 2010**

	2010		2009	
	£	£	£	£
<b>Administrative expenses</b>				
<b>Personnel Costs</b>				
Directors salaries	158,355		115,646	
Directors national insurance contributions	15,007		11,796	
Directors pension contributions	18,003		13,265	
Wages and salaries	8,469,261		8,703,347	
Staff national insurance contributions	668,643		684,134	
Staff pension contributions	132,095		262,517	
		9,461,364		9,790,705
<b>Establishment Expenses</b>				
Utilities	4,277		5,768	
Insurance	81,289		73,320	
Repairs and maintenance	59,236		25,720	
		144,802		104,808
<b>General expenses</b>				
Travel and motor expenses	796,330		706,577	
Telephone	158,204		150,755	
Information systems costs	564,634		488,920	
Meeting and workshops	127,468		87,808	
Athletes equipment and consumables	256,422		289,898	
Relocation expenses	14,162		10,663	
Stationery and postage	65,922		75,681	
Staff training	171,295		136,986	
Other staff costs	73,591		49,595	
Recruitment expenses	49,701		61,429	
Contracted service providers	629,111		756,146	
General expenses	38,865		38,420	
Marketing	61,834		45,144	
Legal and professional fees	32,857		31,447	
Technical consultancy fees	75,141		50,000	
Payroll administration costs	11,241		19,793	
Auditors remunerations	11,155		10,173	
Depreciation of leasehold improvements	42,046		42,463	
Depreciation of fixtures and fittings	469,022		460,374	
Depreciation of office equipment	394,998		430,273	
Loss on disposal of fixed assets	46,435		12,418	
		4,090,434		3,954,963
Carried forward		13,696,600		13,850,476

**English Institute of Sport Limited**

**Notes to the Detailed Income and Expenditure Account**

**Year Ended 31 March 2010**

	<b>2010</b>		<b>2009</b>	
	£	£	£	£
<b>Administrative expenses</b> <i>(continued)</i>				
Brought forward		<b>13,696,600</b>		13,850,476
<b>Financial Costs</b>				
Financial costs		<b>1,853</b>		6,114
Operating lease: Property		<b>1,267,267</b>		1,142,183
Operating lease: Plant and Equipment		<b>13,075</b>		8,425
Bank charges		<b>4,333</b>		3,394
		<u><b>1,286,528</b></u>		<u>1,160,116</u>
		<u><b>14,983,127</b></u>		<u>15,010,592</u>
<b>Interest receivable</b>				
Bank interest receivable		<u><b>5,751</b></u>		<u>30,796</u>



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