

## **English Sports Development Trust Limited**

Company number 4290188

[A subsidiary company of The English Sports Council]

## **Annual Report and Accounts**

**2015-16**



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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

(SI 2009/476)

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## Strategic report

The English Sports Development Trust Limited (formerly Caversham Lakes Trust Limited) is a company limited by guarantee whose sole member and parent body is the English Sports Council ('ESC'). The Company's purpose is to deliver the commercial contracts related to the media buying arrangements for the Women's Marketing Campaign ('This Girl Can') launched by the ESC. The campaign is one of major significance to the ESC and is designed to encourage more women and girls to get active. A Parent/Subsidiary Memorandum between the Company and the ESC, effective from 1 August 2014, provides the operating and governance framework between the two entities.

The Board of Directors (details of whom can be found on page 3), chaired by Charles Reed, monitor the progress of the campaign, review and implement the media planning and buying contracts and provide reports back to the ESC.

The Chairman has accountability for the management of the Company's operations. To facilitate effective operations, the Chairman delegates authority for the day-to-day administration to officers of the ESC through a Service Level and Agency Agreement (SLA). This means that the Company has no employees.

The Company's activities are entirely funded by a Lottery grant from the ESC Lottery fund. In September 2014 ESC awarded the Company £7.2 million of Lottery funding to further its purpose and support its activities. The Secretary

of State for Culture, Media and Sport was consulted prior to ESC's decision, as required under section 27 of the National Lottery etc. Act 1993.

The media planning and buying strategy of the campaign was to place advertisements where women were most likely to view them, especially with other women.

Following a heavy-weight initial burst of advertising in January-February 2015, the Board approved a second phase of advertising in June-July 2015.

This included four weeks of television advertising during programming with high female audiences. Adverts were also shown in cinemas screening films with high female audiences and during video on demand (VOD) programming. The posters (both print and digital) appeared in shopping centres, railway stations and bus stops across England.

As before this phase of the advertising delivered a significant return on investment exceeding all the targets set for reaching our target audience across all channels.

The campaign has had a positive impact. In the period to November 2015, 2.8 million women were inspired by the campaign to do some or more sport. Results such as these are very encouraging. Consequently, in March 2016 the main ESC Board approved a funding envelope for the campaign going forward. As before, ESC's decision on awarding any grant is subject to a prior determination from the Secretary of State for Culture, Media

## Strategic report

and Sport, under section 27 of the National Lottery etc. Act 1993. On 29 June 2016 we received confirmation from the Secretary of State to a further one year's media buying spend of £7.2million.

The results for the year ended 31 March 2016 are contained in the Directors' Report.

Charles Reed

Chair

1 July 2016

## Directors' report

The Directors present their report on the affairs of the Company together with the accounts and auditor's report for the year ended 31 March 2016.

### Directors

The Directors who served during the year are:

- Charles Reed (Chair)
- Ruth Holdaway
- Jennifer Crowl
- Peter Weiss
- Rona Chester
- Tanya Joseph

The Company Secretary who served during the year was:

- Andrew Norman (resigned 30 October 2015)
- Erin Stephens (appointed 1 November 2015, resigned 5 February 2016)
- Tanya Van Niekerk (appointed 6 February 2016)

### Registered address

First Floor, 21 Bloomsbury Street,  
London WC1B 3HF.

### Sole Member

The English Sports Council

### Auditor

The Comptroller and Auditor General,  
157 - 197 Buckingham Palace Road,  
Victoria, London, SW1W 9SP

### Financial review

The Company made a surplus for the year of £2,000 arising from the receipt of merchandising income (2015: £nil).

During the year the Company received £2.7 million (2015: £4.5 million) of the £7.2 million Lottery grant from ESC which was used to buy media of £2.7 million (see note 4 to the accounts) including:

- £1.0 million television advertising
- £0.8 million for billboards, posters at bus shelters and tube stations
- £0.4 million digital advertising including social media.
- £0.4 million for video on demand.
- £0.1 million media planning

£18,000 of the grant received was not spent by 31 March 2016, this has been deferred and will be spent in the next year (see note 9 to the accounts).

There is an accrual of £4,000 for audit fees at 31 March 2016, supported by funds held by ESC on behalf of the Company (see note 12 to the accounts).

Charles Reed

Chair  
1 July 2016

The Directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The accounts are required by law to give a true and fair view of the state of affairs of the Company at the year end and of the results of the Company for that year. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company, and to enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that, in all material respects, the income and expenditure of the Company have been applied in furtherance of the Company's objectives and conform to the authorities that govern them.

### **Statement as to disclosure of information to auditors**

The Directors who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

By Order of the Board

Charles Reed  
Chair  
1 July 2016

# The certificate and report of the Comptroller and Auditor General to the members of English Sports Development Trust Limited

I certify that I have audited the financial statements of English Sport Development Trust Limited for the year ended 31 March 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of cash Flow, Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

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

As explained more fully in the Directors' Responsibilities Statement, 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, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud

or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

## **Opinion on regularity**

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

# The certificate and report of the Comptroller and Auditor General to the members of English Sports Development Trust Limited

## 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 2016 and of its net operating income for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

- 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.

Sir Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP  
5 July 2016

## Opinion on other matters

In my opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or

# English Sports Development Trust Limited

## Statement of comprehensive net expenditure

	Note	2016 £'000	2015 £'000
<b>Income</b>			
Lottery grant received	2	2,729	4,451
Other income	3	7	23
<b>Total operating income</b>		<b>2,736</b>	<b>4,474</b>
<b>Expenditure</b>			
Media planning and buying	4	2,729	4,451
Auditor's remuneration	5	4	5
Legal fees		-	18
<b>Total operating expenditure</b>		<b>2,733</b>	<b>4,474</b>
<b>Net operating income before taxation</b>		<b>3</b>	<b>-</b>
Taxation	7	1	-
<b>Net operating income for the year</b>		<b>2</b>	<b>-</b>

There are no other items of comprehensive income or expenditure.

The notes on pages 11 to 14 form an integral part of these accounts.

# English Sports Development Trust Limited

## Statement of financial position

Company number 4290188

	Note	2016 £'000	2015 £'000
<b>Current assets</b>			
Trade and other receivables	8	25	214
<b>Total assets</b>		<b>25</b>	<b>214</b>
<b>Current liabilities</b>			
Trade and other payables	9	23	214
<b>Total liabilities</b>		<b>23</b>	<b>214</b>
<b>Assets less liabilities</b>		<b>2</b>	<b>-</b>
<b>Equity</b>			
General reserve		2	-
<b>Total</b>		<b>2</b>	<b>-</b>

The accounts on pages 7 to 14 were approved by the Board of Directors and were signed on its behalf by:

Charles Reed  
Chair  
1 July 2016

The notes on pages 11 to 14 form an integral part of these accounts.

# English Sports Development Trust Limited

## Statement of cash flows

	2015 £'000	2014 £'000
Net income before taxation	3	-
Decrease/(increase) in trade and other receivables	189	(214)
(Decrease)/increase in trade and other payables	(192)	214
<b>Net cash flow from operating activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at 1 April	-	-
<b>Cash and cash equivalents at 31 March</b>	<b>-</b>	<b>-</b>

The notes on pages 11 to 14 form an integral part of these accounts.

# English Sports Development Trust Limited

## Statement of changes in equity

	General Reserve £'000
Balance at 1 April 2014	-
Net operating income for the year	-
Balance at 31 March 2015	-
Net operating income for the year	2
Balance at 31 March 2016	2

The notes on pages 11 to 14 form an integral part of these accounts.

## Notes to the accounts

### 1 Statement of accounting policies

The accounts have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Companies Act 2006.

The particular policies adopted by English Sports Development Trust Limited as set out and described below have been applied consistently to all periods presented in these accounts.

#### 1.1 Going concern

The “This Girl Can” behaviour change campaign will continue beyond 31 March 2016. In March 2016 the main ESC Board approved a funding envelope for the campaign going forward. On 29 June 2016 we received confirmation from the Secretary of State to a further one year’s media buying spend of £7.2million. As a result the Company will continue to have a purpose.

#### 1.2 Lottery grant

The Lottery revenue grant is credited to the Statement of comprehensive net

### 2 Lottery grant received

	2016 £'000	2015 £'000
Lottery grant	2,729	4,451

The Lottery grant from ESC Lottery Fund funded the media planning and buying for the women’s marketing campaign “This Girl Can”. The total value of the grant awarded was £7.2million.

### 3 Other income

	2016 £'000	2015 £'000
Costs recharged to ESC	4	23
Merchandising Income	3	-
<b>Total</b>	<b>7</b>	<b>23</b>

expenditure in the year in which the grant is receivable. The grant is intended to compensate for related costs incurred.

#### 1.3 Expenditure

All expenditure is recognised in the year in which it is incurred.

#### 1.4 Trade and other receivables/payables

Trade and other receivables/payables are recognised at fair value.

#### 1.5 Dividends

The Company is prohibited by its Articles of Association from declaring a dividend.

#### 1.6 Taxation

Up until the 2014/15 financial year end the Company had been dormant for corporation tax purposes due to its non-trading status.

In the 2015/16 financial period the Company has started to benefit from sales of branded goods through a well-known high-street retailer. The revenue earned from branded sales is shown in note 3 (Other income) to the accounts.

Notes to the accounts – (continued)

The costs recharged to ESC consist of audit fees in 2015-16 and of legal and audit fees in 2014-15.

Merchandising income is earned as a result of sales of branded goods being undertaken by a third party retailer. Currently the retailer pays the Company a per unit amount for each sale of branded t-shirt that takes place.

**4 Media planning and buying**

	2016 £'000	2015 £'000
Television advertising	1,022	1,873
Out of home advertising	836	1,091
Cinema advertising	-	480
Digital display - YouTube takeover	(6)	333
Digital biddable	410	504
Video on demand	419	90
Media planning	48	80
<b>Total</b>	<b>2,729</b>	<b>4,451</b>

**5 Auditors remuneration**

	2016 £'000	2015 £'000
Audit fees	4	5

There were no fees for non-audit work in 2016 and 2015. The audit fees for both years have been recharged to ESC.

**6 Staff Costs**

The Company employed no staff in 2016 and 2015. ESC provides a financial and administrative service to the Company, under the terms of a service level agreement, for which no charge is made (note 12).

The Directors did not receive fees or allowances for the year except for the Chair who received £218 (2015: £654). These fees were paid by ESC on the company's behalf.

Notes to the accounts – (continued)

**7 Taxation**

	Note	2016 £'000	2015 £'000
UK corporation tax at 20%		1	-
<b>Total</b>		<b>1</b>	<b>-</b>

**8 Trade and other receivables**

	Note	2016 £'000	2015 £'000
Accrued income		7	5
English Sports Council	12	18	209
<b>Total</b>		<b>25</b>	<b>214</b>

**9 Trade and other payables**

	2016 £'000	2015 £'000
Accruals	4	210
Deferred income	18	4
Taxation	1	-
<b>Total</b>	<b>23</b>	<b>214</b>

**10 Value added tax**

The Company is in a group VAT registration scheme with ESC and is jointly and severally liable for all group VAT liabilities. No VAT is charged on transactions between members of the VAT group.

**11 Derivatives and other financial instruments**

The Company relies entirely on the ESC Lottery fund grant to finance its operations. Other than trade receivables and trade

payables that arise from its operations, it holds no financial instruments.

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

The Company does not borrow money and therefore has no exposure to interest rate risk or liquidity risk in this regard. The Company does not enter into any interest rate swaps or similar financial instruments.

### 12 Related party transactions

The Company has a close working relationship with its parent body ESC. ESC Lottery fund (note 2) is the Company's main provider of funds enabling it to carry out its objectives. ESC provides a financial and administrative service to the Company for which no charge is made. The Company has no bank account and uses the bank account of ESC to receive Lottery funds which are ring-fenced for the payment of expenditure relating to the Company.

### 13 Ultimate parent body

The results of the Company are consolidated in the accounts of ESC. The accounts of ESC Group are available from its registered office at First Floor, 21 Bloomsbury Street, London WC1B 3HF.

### 14 Post financial year-end events

The result of the referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

The annual report and accounts were authorised for issue on the date of certification by the Comptroller and Auditor General.

	2016 £'000	2015 £'000
Amount owing from ESC	18	209
Recharged income	4	23



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