



The United Kingdom Sports Council

**Grant-in-Aid and Lottery Distribution Fund Annual Report
and Accounts for the year ended 31 March 2017**

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Performance Report

Chief Executive's Statement

2016/17 has been an exceptional year for The United Kingdom Sports Council (UK Sport), with historic success and challenge in equal measure.

The year began with UK Sport and British Cycling jointly commissioning an Independent Review into the Culture of British Cycling's World Class Programme. This followed some worrying allegations by athletes of a culture of bullying and discrimination within the programme. As the UK high performance system's most successful world class programme in performance terms, it was crucial that these underlying issues were given the attention and proper consideration they warranted. Annamarie Phelps was appointed in April 2016 to lead this process, which would carry on beyond the Rio 2016 Olympic and Paralympic Games to prevent distraction and allow full engagement by the athletes and support staff at British Cycling. UK Sport is committed to learning the lessons from this review and implementing them across the entire high performance system to ensure duty of care to our athletes is put at the heart of all decision making.

Team GB and ParalympicsGB athletes arrived at the Games in Rio last summer among the best prepared and supported in the World. Excellent partnership working between UK Sport, the British Olympic Association, the British Paralympic Association and home country sports institutes in the four years leading into the Games ensured better clarity of roles and responsibilities than ever before and absolutely nothing left to chance for our athletes in their transition from their home training environment, to the best preparation camp in Brazil at Belo Horizonte, the best spot in the Olympic and Paralympic village and onto the field of play. This partnership working to field the most 'at home non-home teams' paid off, with our athletes delivering what no other nation had achieved before, and bettering their home Games medal tally in both the Olympic and Paralympic Games. The athletes flew home with 67 Olympic and 147 Paralympic medals to take back to their communities to inspire the nation.

Meticulous planning undertaken ahead of the Games allowed UK Sport to ensure each sport's strategy and budget for Tokyo was already penned the moment the Performance Directors stepped off the British Airways Victorious flight home from Rio. Refinements were made reflecting on the results from Rio and any contextual changes, but sports were afforded a significant competitive advantage for the Tokyo cycle through this forward planning process.

Thanks to a Government underwrite secured in December 2016, to mitigate for potential declining National Lottery income during the current spending review period, UK Sport was able to announce a £345 million investment in 16 Olympic and 16 Paralympic sports for Tokyo and a realistic aspiration to deliver 'more medals and medallists to inspire the nation' in four years time. The success story continues.

Legislative Background

UK Sport was established by Royal Charter on 19 September 1996 and became fully operational on 1 January 1997. UK Sport is a National Lottery distributing body under Section 23(2) of the National Lottery etc. Act 1993.

Purpose of the Organisation

UK Sport provides strategic investment to enable Great Britain's Olympic and Paralympic sports and athletes to achieve their full medal winning potential. We have a very clear remit at the 'top end' of Britain's sporting pathway supporting athletes and sports to compete and win medals at the Olympic and Paralympic Games. UK Sport also leads the UK's major sporting events programme.

Strategy and Performance

This Annual Report outlines the responsibilities of UK Sport and reviews achievements across all areas of business. In addition to outlining strategy and delivery management it also marks progress against key performance indicators underpinning the Funding Agreement with the Department for Culture, Media and Sport (DCMS).

The UK high performance sporting system remains in good health and the success of British athletes on the world stage remains high. In addition to performance on the field of play UK Sport continues to strive to ensure that governance at home and abroad is of the highest possible standard, and that the British public have a chance to see their heroes in action at major sporting events held in this country.

At Rio 2016, British athletes won 67 Olympic and 147 Paralympic medals, with both teams securing a historic 2nd place on the medal table, with the Olympic team beating China. Team GB secured more gold medals in a greater number of different sports than any other nation at the Games. 19 out of 23 Olympic sports achieved or exceeded their performance target in Rio, while 13 out of 18 Paralympic sports achieved or exceeded theirs. UK Sport's science, medicine and technology arm, the English Institute of Sport (EIS), supported 93% of the medallists who won medals for Team GB and Paralympics GB at Rio 2016.

Internationally, UK Sport supported International Relations Strategies in 48 National Governing Bodies to ensure that the UK has a strong and respected voice within international sport. British sporting leaders continue to be appointed to key international roles through which they can help shape the development and governance of world sport, and this year saw appointments in organisations such as the International Paralympic Committee, International Gymnastics Federation and International Triathlon Union. Our International Partnerships Programme also ensured that National Governing Bodies built positive relationships overseas, through the delivery of sports development projects in 28 countries.

The #EveryRoadtoRio events series saw 11 World and European events hosted during 2016, bringing the total in the series to 33. Over the course of the series, more than half a million spectators cheered on our athletes in their efforts to prepare and qualify for the Rio Games, generating around £17 million of economic impact for local host economies. 2016 saw 65 medals won by British athletes on home soil, including the swimming team topping the medal table at the LEN European Aquatics Championships in London with 22 medals overall, and the Brownlee brothers securing the top two podium spots at the Columbia Threadneedle World Triathlon Series in their home town of Leeds.

A new Code for Sports Governance was launched by UK Sport and Sport England in October 2016, coming into effect on 1 April 2017. The Code sets out the standards of governance that will be required from those who ask for Government and National Lottery funding. A substantial amount of work has been undertaken with funded organisations to prepare the sector to deliver this major package of transformational governance reforms. Over 3,300 individual governance requirements have been assessed across 57 funded bodies. In order to receive new funding in the Tokyo Cycle, each organisation must agree a bespoke Governance Action Plan setting out the actions it will take to become compliant with the Code by October 2017.

On 1 November 2016, the EIS, the British Olympic and Paralympic Associations and UK Sport held an athlete focussed conference in Coventry at the Ricoh Arena entitled Athlete Futures. This enabled all athletes current, transitioning and recently retired to engage in a variety of skills related workshops to prepare for life after the World Class Programme. There were opportunities to engage with employers and training providers who were offering tangible opportunities to train, gain work experience and, for our transitioning and retired athletes, opportunities to be interviewed for roles in their organisations. Over 300 athletes attended the event and very positive feedback was received from all, therefore we have made a commitment to grow the Athlete Futures programme. In the Tokyo cycle the aim will be to host more events such as this and to complement the work of the EIS's Performance Lifestyle team. In addition, the introduction of an UK Sport Athlete Alumni programme will provide an opportunity for all World Class Programme athletes past and present to stay connected.

The Tokyo investment process was implemented earlier than ever before and included more detailed analysis of the performance strategy and associated budget of each and every sport. A key element of this was the quality data analysis of athlete potential provided by UK Sport's Sports Intelligence function. More co-funding was contributed by sports into their own programmes than ever before. However, UK Sport was, for the first time, unable to afford to invest in every sport with medal potential for Tokyo.

Some of the sports affected chose to make representation to our Board against our decisions, with one of these representations resulting in a change of our original decision. One sport originally decided to formally appeal, but this appeal was subsequently dropped. UK Sport put in place comprehensive transition plans and support for the sports removed from funding for the Tokyo cycle, and has begun work to explore the opportunities of securing additional funding for beyond Tokyo to reduce reliance on public funds and increase sustainability of the high performance system.

As well as implementing our new Tokyo cycle strategy to 'inspire the nation through Olympic and Paralympic success', the recommendations of the Independent Review into British Cycling, and the final preparations for London 2017, a key focus for the coming year will be supporting Winter sports with their final preparations for the Pyeongchang 2018 Olympic and Paralympic Games, as well as planning for the new investment cycle for Beijing 2022. In 2016/17, with a year to go, six World Championship medals were won in Winter Olympic and seven in Winter Paralympic milestone target events. If translated into Games time medals next year, this would eclipse the performances in Sochi in 2014.

As part of our Tokyo strategy we will be looking to build on the wider impact we are able to deliver through our athletes' medal success, and the 23,000 athlete volunteering appearances made by our National Lottery funded athletes since London 2012 in schools and communities, which have reached over one million people. An exciting new partnership with Sport England will see us develop an Athlete Inspire Programme, to enable even greater impact in our communities through using our athletes as powerful role models.

The Accounts section of this report is separated into two distinct areas in line with statutory requirements; Grant-in-Aid and Lottery Distribution Fund Accounts. The former includes information on the English Institute of Sport.

Principal Risks and Uncertainties

Our appetite to risk flexes according to individual circumstance and situation, and by department (due to the nature/type of their work). By nature, as an Arm's Length Body (ALB) operating within the wider governmental control framework, we are required to be more risk averse. However, to maintain our competitive advantage we often need to explore innovative and creative solutions, often at short notice, to complex problems and opportunities – this requires a degree of acceptance of risk. When required this is done in a calculated and informed way, with implications and benefits considered, prior to decisions being taken.

Where significant risks are recognised and accepted then potential impacts are identified and corresponding scenario plans, with mitigating actions, developed. The significant risks which have been accepted/managed through 2016/17 include:

Lottery Income

Around two thirds of UK Sport income derives from proceeds from the National Lottery and as such UK Sport is heavily reliant on the proceeds meeting the levels projected to ensure that planned activity can be resourced. By its nature, lottery income is inherently volatile, and this has lent itself to a long standing red rated risk on the corporate risk register. UK Sport holds reserves to manage short term fluctuations in lottery income to manage the peaks and troughs.

During the first half of 2016/17 our regular monitoring of lottery income showed proceeds to be returning at a level lower than projected at the time of the 2015 Spending Review. Whilst this could be managed through 2016/17 through the use of lottery reserves, if this were a long term trend at a sustained lower level of lottery income, this would have meant a significant reduction in the levels at which UK Sport were able to invest for the Tokyo cycle.

In discussions, DCMS understood that uncertainty around the level of National Lottery income in future years could lead to UK Sport needing to make decisions based on conservative assumptions of lottery income. DCMS understood that doing so could impact the number of sports and the number of athletes that could be supported between now and the Olympic and Paralympic Games in Tokyo in 2020.

DCMS confirmed in December 2016 that it intends to provide, from its available funds, an underwrite of UK Sport's expected National Lottery income up to £25m per year over the next three years, should income fall below the level expected at the time of the Spending Review in 2015. If the liability is called, this will be funded from within existing DCMS control totals and applies only up to the end of the current Spending Review period in 2019/20. This enabled the UK Sport Board to be able to plan with confidence in terms of investing the same level of resource for the Tokyo cycle as had been made available in the Rio Cycle.

Work is now underway on developing proposals for alternative business models to reduce UK Sport reliance on public sector sources for the 2021/25 investment cycle. These proposals will be reported to DCMS by March 2018.

Tokyo Investment Decisions

In December 2016, the UK Sport Board made the funding decisions for the 2017/21 Tokyo investment cycle. This comprised four year investments for the summer World Class Programmes ("WCP") and Strategic Partners, against a four year financial plan. These decisions followed a thorough and robust investment process which took almost 18 months. A clear investment process guide was developed which articulated what was required of National Governing Bodies (NGBs), both in terms of identifying "what it takes to win" and "what it costs to win". The review of the strategies and budgets from NGBs was undertaken in line with published assessment criteria and overseen by a Tokyo Senior Leadership Team comprising myself, the Director of Performance, Director of Finance, Investment and Business Services, Head of Performance Investment and the EIS National Director. To ensure that the process had been rigorously followed I also requested that the internal auditors review our compliance with the published policies and procedures prior to the investment decisions being taken. This review provided Substantial assurance over the process.

Alongside the WCP and Strategic Partner investment decisions, over the course of the last 18 months, UK Sport has also carried out an intensive and robust strategic and financial planning exercise. Strategic plans for UK Sport were carried out using the UK Sport strategic planning methodology which has ensured that all UK Sport activity and budgets are aligned to achieving the objectives that we have set for the organisation for the Tokyo cycle across both medal success in Tokyo and beyond, and the hosting of Major Events to showcase the medal success to the nation.

UK Sport ultimately had the same level of resource to invest for the Tokyo cycle as had been available for the Rio cycle. Taking into account the impact of inflation, and less favorable exchange rates, this has meant a real term reduction in funding available. Despite a rigorous process to align "what it takes" and "what it costs" to win, UK Sport's investment was unable to reach to all sports with medal winning potential for 2020.

Following the investment decisions in December 2016, Board meetings took place on 6 and 7 February 2017 at which seven National Governing Bodies (NGBs) took up the offer to make representations to UK Sport's Board. This opportunity was offered to NGBs, and sat outside the formal appeals process, allowing them to make direct representations to UK Sport's Board to reconsider the decisions made in December 2016 on the investment into Olympic and Paralympic sports for the 2017/21 (Tokyo 2020) investment cycle.

Following this process, the UK Sport Board made one change to its original investment decisions. UK Sport had originally decided to award the World Class Programme investment for Powerlifting to the EIS where the programme would be managed. Following the representations on this matter by British Weightlifting, this decision was reversed and the award would go to British Weightlifting to manage, as per the Rio cycle.

All the remaining representations were unsuccessful and UK Sport's original decision stands. UK Sport is therefore unable to invest in these sports for the Tokyo 2020 cycle. British Fencing had formally appealed this decision, but at the time of the report UK Sport had received confirmation that the appeal has been withdrawn.

Culture of the World Class Programme

An independent review into the culture and climate of British Cycling's World Class Programme was jointly commissioned by UK Sport and British Cycling in April 2016 following allegations raised by an athlete who had been deselected from the programme ahead of the Rio Games. The publication of the final report was unfortunately delayed mainly due to a desire to ensure a thorough and transparent review could be undertaken, therefore ensuring the published report is as final and complete as

possible. The delay in publication has however created a number of challenges, not least from the media who are naturally eager to view the final report. The publication of the report marks an important moment in the development of the high performance system, not just for British Cycling but also UK Sport and all other NGBs operating within the high performance system.

Going Concern

The financial statements have been prepared on a going concern basis. Financial provision has been made for UK Sport in the following ways:

- Under the present agreement with the National Lottery, UK Sport is entitled to a percentage of the ticket sales and this is set in statute.
- Exchequer funding has been agreed for UK Sport under the Comprehensive Spending Review settlement through to 2019/20 with an indicative baseline figure for 2020/21.

Policy on Lottery Additionality

UK Sport receives funding from two primary sources, exchequer and lottery. Each Lottery Distributor is required to have a policy on "additionality" that sets out what is funded through each source.

Historically, UK Sport has funded Major Events and Athlete Performance Awards exclusively through lottery funding (and there is no change to this philosophy). The World Class Programmes have been funded by a mix of lottery and exchequer funding in a proportion determined at the start of each Olympic Cycle. Historically our approach has been that once a grant commitment for World Class Programmes has been recorded through the Grants Management System as a certain amount of exchequer funding and a certain amount of lottery funding, then we would not change those allocations. UK Sport is very clear that once a grant commitment has been made using exchequer funding then that commitment cannot be replaced with lottery funding. However, having the ability to replace lottery grant commitments with exchequer has become essential due to the change in balance of income received between exchequer and lottery funds. The need for this flexibility has primarily been brought about by two factors:

- The outcome of the 2015 Spending Review where UK Sport received an exchequer uplift effective from 2016/17; and
- The Government underwrite to mitigate for potential lottery income shortfalls in the Tokyo cycle.

As a result of these factors UK Sport has updated our statement on "additionality". As part of the process of updating the additionality policy UK Sport held discussions with the Lotteries team at DCMS and the National Audit Office (NAO) to ensure that the proposed changes were within the existing guidelines. DCMS confirmed that the changes would not be acting against their guidelines and the NAO confirmed that they were content that such a treatment would have no impact on their audit opinion.

UK Sport's updated additionality policy is set out below with the additional text added in italics.

Lottery Additionality Policy

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.

UK Sport has regard to the principles of additionality and this definition when progressing its investment strategies and programmes. Where appropriate, lottery funding complements investment strategies such as the World Class Performance Programmes, which are geared to achieving long-term Olympic and Paralympic success.

Awards for the World Class Performance Programmes are committed at the start of each Olympic and Paralympic cycle using a combination of exchequer and lottery funding. In the event that additional exchequer funding is made available to UK Sport or there is a reduction in planned exchequer financed activity elsewhere in the business, the Awards may be adjusted to reflect a greater proportion of exchequer funding.

The Major Events Programme and funding of Athlete Performance Awards are solely lottery funded. These are prime examples of lottery funded programmes that are not provided as a statutory responsibility or funded by Government, but add real value to the UK's sporting ambitions.

Triennial Review

UK Sport continues to review and act upon the recommendations made from both the 2015 Triennial Review and Sporting Future Strategy. UK Sport hold regular formal oversight meetings with DCMS (six times a year, two of which are a combined meeting with Sport England) to discuss the progress being made towards implementing both the specific recommendations aimed solely at UK Sport and joint recommendations covering both UK Sport and Sport England.

Yorkshire 2019 Limited

In October 2016 the UK won the right to host the 2019 Road Cycling World Championships in Yorkshire, representing a successful bid that was compiled between British Cycling, Welcome to Yorkshire, DCMS and UK Sport.

As a result, Yorkshire 2019 Limited was incorporated as a wholly-owned subsidiary of UK Sport on the 24 November 2016. The company was established to deliver the 2019 Road Cycling World Championships, using £9m of Central Government funding and a further £3m of Lottery funding provided by UK Sport to ensure a safe and successful event in compliance with the hosting agreement. The event will be underwritten by Government and an agreement between Government and Yorkshire 2019 Limited will be put in place covering the underwrite.

The documents governing the relationship and control environment between UK Sport and Yorkshire 2019 Limited are set out within the company's Articles of Association, and within the pending Major Events Funding Agreement, which will be formally agreed by the Yorkshire 2019 Limited Board. The Yorkshire 2019 Limited Board, which was in place from April 2017 consisting of 12 directors, seven of whom are independent (including the Chair) with a further five being nominated from key stakeholders including one each from UK Sport and DCMS.

As a wholly-owned subsidiary, the financial results of the company are contained with the Group financial statements. Given the timing of the company's incorporation, Yorkshire 2019 Limited will produce its first set of accounts to 31 March 2018 following a 17 month extended accounting period.

The transactions occurring in the period 24 November 2016 to 31 March 2017 have been consolidated into the current year group accounts.

English Institute of Sport

UK Sport has held sole responsibility for the English Institute of Sport (EIS) since April 2006. Its accounts are approved separately by the Board of the EIS and are subject to external audit by the Comptroller and Auditor General.

UK Sport is entitled to appoint three Directors to the Board of EIS, one of whom is appointed as the Chair. John Steele is currently the Chair of the EIS and Rod Carr was the UK Sport Board's representative member on the EIS Board until April 2017. In addition, the Director of Performance from UK Sport is a member of the EIS Board.

A number of measures are in place to provide me with assurance as to the activities/operations of the EIS. The EIS is bound by Funding Agreements (alongside a separate Financial Memorandum). Key Performance Indicators (KPIs) are agreed annually and progress against these is reviewed monthly by the EIS Senior Management Team and at least four times a year by the EIS Board. Also, as referred to above, the Audit Committee has group-wide responsibilities for the EIS.

The EIS is currently classified as a tier 3 organisation under the Code for Sports Governance. A gap analysis was undertaken to identify any areas where the EIS was not fully compliant with the Code and work is ongoing to ensure full compliance by 31 October 2017.

Performance Analysis

UK Sport is held to account by DCMS against a number of key performance indicators. At the beginning of the year formal KPIs between UK Sport and DCMS are agreed with results of previous years KPIs published on UK Sport's website. UK Sport attends formal quarterly meetings with DCMS where progress against KPIs is discussed, monitored and agreed. The measures against these indicators are agreed between the two bodies and reported against on a regular basis.

The following table sets out the 2016/17 performance targets for the year:

Objective	2016/17 Performance Target	2016/17 Milestone Event Indicator	2016/17 Milestone Event Results
Performance Success – Summer Olympic	Achieve within the medal range	At least 48 medals (best ever away games). Range 47-79	67
Performance Success – Summer Paralympic	Achieve within the medal range	At least 121 medals (better than London). Range 113-165	147
Performance Success – Winter Olympic	Achieve within the medal range	4-8	6
Performance Success – Winter Paralympic	Achieve within the medal range	4-9	7
Support successful bids to host strategically targeted international sporting events	Achieve within the bid success ratio range	70%-90%	94%
To drive attendance at supported international sporting events in 2016/17	Achieve within the total attendance range	115,000-125,000	119,644*
Generate direct economic impact within the target range from UK Sport supported major events	Achieve within the economic impact range	£17m-£21m	£17,626,501*
Drive and support sports and funded bodies to be amongst the best led and governed in the world	Production of a new Sports Governance Code for the UK	Production by September 2016	The 'Code for Sports Governance' was launched on 31 October 2016
To inspire the next generation through school and community sport	% of athletes on UK Sport's World Class Programme completing at least one appearance per annum	80%	83%
	% of athletes on UK Sport's World Class Programme completing five or more appearances per annum	40%	56%
	Total number of days completed by the whole athlete cohort in year	5,000	6,557

Objective	2016/17 Performance Target	2016/17 Milestone Event Indicator	2016/17 Milestone Event Results
To contribute to the delivery of the UK Government's Sporting Futures Strategy	Development of a UKS strategy for 2017/21 that encompasses KPIs linked to the Government Strategy	An agreed UK Sport 2017/21 strategy with KPIs aligned with Government expectations re impact	2017/21 strategy agreed with DCMS and objectives embedded within UKS/ DCMS management agreement
To develop a more sustainable mixed funding model aimed at reducing dependency on public funding	To increase the levels of non-public investment in World Class Programmes (WCPs) for the 2017/21 period	Tokyo awards to include an expectation of more than £22m of co-funding generated from WCPs invested into by UK Sport for 2017/21	£26.5m*

*119,644 is the total estimated attendance for Major Events held in 2016/17. This includes confirmed attendance of 112,644 plus estimate attendance of 7,000 from a series of Major Events that have attendance reports pending.

*£17,626,501 is the total estimated value for net direct Economic Impact across the major events that have been supported and hosted this financial year and is measured via "Economic Impact and Perception Surveys" run by SIRC (Sheffield Hallam University). £2,780,111 was invested in these events by UK Sport.

*£26.5m represents the contracted co-funding contributions related to the Tokyo World Class Programme investments (£13.3m cash plus £13.2m Value-In-Kind).

Financial Performance

UK Sport received £53.54 million of Grant-in-Aid for the year, significantly higher than the corresponding £38.58 million received in 2015/16. The increase is primarily as a result of 2016/17 being the first year of the four year Comprehensive Spending Review settlement announced by the Chancellor in the 2015 Autumn Statement that provided a 29% increase in exchequer funding.

On the lottery side, proceeds have been lower than 2015/16 lottery income at £74.57 million reflecting the shortfall for good causes generated by the lottery this financial year. The fluctuations of lottery income month on month and the overall forecasts for the year have been a key focus of the Executive Team and Board during the year, in particular the potential impact a long term decline in lottery proceeds would have on financial planning for the Tokyo investment cycle. The risk to the financial planning and investments made for the Tokyo cycle has been mitigated by the agreement of DCMS to provide a capped underwrite if lottery income falls below the level assumed at the time of the 2015 Spending Review.

The lottery balance at 31 March 2017 stood at £41.59 million, a reduction of £15.89 million on the previous year and in line with the planned expenditure for the Rio Cycle. UK Sport is forecast to remain within the target operating reserves for the foreseeable future, covering the Tokyo funding cycle.

Administration and operating costs have continued to be an area of focus. As reflected in our end of year outturn reporting to DCMS (via our Clear Line of Sight return), in 2016/17 UK Sport has operated within both DCMS advised allocation for administration spend in the Exchequer accounts, DCMS advised target of 5% for grants processing in the lottery accounts, and DCMS advised target of 8% total Lottery administration costs.

The Statement of Financial Position in the Exchequer accounts showed negative net assets at 31 March 2017 as a result of the Pension Scheme accounting adjustment and the discount rate assumption under International Accounting Standard 19. The pension scheme was subject to a triennial valuation as at March 2016 and the results were made available in January 2017. The valuation has shown that the scheme is in a marginal deficit position, and that the rate of employer contributions will remain at

12% until the outcome of the next triennial valuation. The next valuation will be as at 31 March 2019 and the results will be known in late 2019.

General Information

UK Sport funded 1,124 athletes as at 31 March 2017 with the following demographic breakdown:

Gender	Percentage
Female	45%
Male	55%

Disability	Percentage
No	77%
Yes	23%

Age Bracket	Percentage
<16	1%
16-25	59%
26-44	38%
45-68	2%

Ethnicity	Percentage
Asian	1%
Black	4%
Mixed/Other	5%
Not Disclosed	1%
Not Specified	1%
White	88%

Sustainability Reporting

UK Sport falls below the threshold for mandatory inclusion of a Sustainability Report.



Liz Nicholl CBE
Chief Executive and Accounting Officer
The United Kingdom Sports Council

28 June 2017

Accountability Report

Corporate Governance Report

Structure

CEO: Liz Nicholl CBE

Liz Nicholl took up the post of Chief Executive at UK Sport on 23 September 2010 and leads the Executive team that oversees 114 staff across the business. As at 31 March 2017:

Chief Operating Officer: Simon Morton

Director of Performance: Chelsea Warr

Director of Finance, Investment and Business Services: Sophie du Sautoy

Director of Commercial and Communications: Vanessa Wilson

Board and Governance

UK Sport's Board normally meets six times each year to provide strategic direction to the organisation, as well as considering and making decisions on those recommendations put forward by UK Sport's officers, panels and internal committees. Rod Carr was appointed as Chair on 22 April 2013 until he stood down at the end of his term on 21 April 2017. Dame Katherine Grainger has been appointed the new Chair and will begin in the role from 1 July 2017. Lis Astall has been appointed as Interim Chair from April 2017 until Dame Katherine Grainger begins her term.

Board members are appointed for a fixed term of three years and may be reappointed thereafter as determined by the Secretary of State for Culture, Media and Sport. The Board Chair has been appointed for four years. Representatives (usually the Chair) of the Home Country Sports Councils automatically sit on the UK Sport Board. The minutes of UK Sport Board meetings are made available on the UK Sport website.

Board members during 2016/17 were as follows: detailed information including date and duration of appointment is available on the UK Sport website at www.UKSport.gov.uk

Name	Position	Start Date	Term duration
Rod Carr CBE	Chair	April 2013	22 April 2013 to 21 April 2017
Nicholas Bitel	Member (Chair Sports Council England)	April 2013	Appointed to April 2017 Reappointed to 21 April 2021
Mel Young	Member (Chair, Sport Scotland)	1 June 2016	4 year appointment to 1 May 2020
Professor Sarah Springman CBE	Member	October 2013	3 year appointment to 27 October 2016 Reappointed to 27 October 2019
Lis Astall	Member	October 2013	3 year appointment to 28 October 2016 Reappointed to 27 October 2019
Neil Chugani	Member	1 May 2014	3 years to 30 April 2017 Reappointed to 30 April 2020
Nicky Roche CBE	Member	15 December 2014	3 years to 14 December 2017
John Dowson	Member	16 March 2015	3 years to 15 March 2018

Name	Position	Start Date	Term duration
Stepped down			
Louise Martin CBE	Member (Chair Sport Scotland)	November 2002	3 years – appointed March 2005 Extended to March 2008 Extended to March 2011 Extended to March 2014 Extended to May 2016
Brian Henning	Member (Chair Sports Council for Northern Ireland)	December 2012	Appointed to November 2016, however replaced by Brian Delaney from 1 April 2016
Brian Delaney	Member (Interim Chair, Sport Northern Ireland)	1 April 2016	Appointed until the date on which the new Chair is appointed. New Chair appointed February 2017 but nomination to UK Sport Board is awaiting approval by SoS
Paul Thomas	Member (Chair, Sport Wales)	1 April 2016	Appointed for 3 years to 31 March 2019. Appointment was suspended on 23 November 2016 following the temporary suspension of the activities of the Sport Wales Board by the Welsh Government. Appointment terminated on the 29 March 2017. Interim Chair now in place but the nomination to UK Sport Board is awaiting approval by SoS

In addition, the following panels/committees deal with specific areas of activity:

Remuneration Panel

The Remuneration Panel has a key role to play in ensuring that employment issues in UK Sport are dealt with professionally. As at 31 March 2017 the Panel comprised:

- Rod Carr CBE (Chair)
- John Dowson (Member)
- Nicky Roche CBE (Member from February 2017)

During the year Louise Martin was a member of the Remuneration Committee and stepped down in May 2016 upon the end of her term.

Audit Committee

The Group Audit Committee covers both UK Sport and the EIS and considers external and internal audit reports, oversees risk management processes and reviews the statutory accounts and other financial matters. As at 31 March 2017 the Committee comprised:

- John Dowson (Chair from July 2015)
- Craig Hunter (Member)
- Lis Astall (Member)
- Anwar Ahmed (Member)

During the year Neil Chugani was a member of the Audit Committee and stepped down in March 2017.

Major Events Panel

The Panel makes recommendations to Board on National Lottery (Events Programme) awards. As at 31 March 2017 the Panel comprised:

- Nicky Roche CBE (Chair)
- Jane Allen (Member)
- Sally Bolton (Member)
- David Bedford (Member)
- Dave Gordon (Member)
- Keith Russell (Member from April 2016)
- Max Duthie (Member from April 2016)

Eligibility Sub-Committee

The Eligibility Sub-Committee considers the application of UK Sport's Eligibility Policy regarding athlete and athlete support personnel eligibility to receive public funding, and meets on an as needed basis. As at 31 March 2017 the Committee comprised of:

- Nick Bitel (Chair)
- Lis Astall (Member)
- Nicky Roche CBE (Member)
- Professor Sarah Springman CBE (Member)
- John Dowson (Member)

During the year Louise Martin was a member of the Eligibility Sub-Committee and stepped down in May 2016 upon the end of her term.

Mission 2016/18 Panel

The Mission Control Panel reviews sports' assessments of their World Class Programmes with a view to proposing solutions to any issues that exists. Whilst the Panel did not meet in the year the membership was as follows:

- | | |
|--------------------|----------------------|
| • James Bell | • Dan Hunt |
| • Raph Brandon | • Annie Panter |
| • Penny Briscoe | • Dr Sarah Springman |
| • John Derbyshire | • Mark Jarvis |
| • Mike Hay | • Simon Timson |
| • Steve Headington | • Chelsea Warr |

Reporting of Personal Data Related Incidents

UK Sport holds personal information relating to employees, athletes, athlete support personnel and others relating to activities arising out of its operating environment within the high performance sport system.

UK Sport has in place robust and specific measures to ensure information security applies to such information.

In accordance with the Data Protection Act 1998, guidance from the Information Commissioner's Office and the Cabinet Office Guidance under the HMG Security Policy Framework (SPF), UK Sport reviewed and updated its information and data security policy and procedure in 2015. The policy requires new staff undertake a compulsory e-learning course when joining UK Sport and also existing members of staff to undertake the course each year. In addition all staff receive information on data security and UK Sport undertakes sticker and poster campaigns to raise further awareness on information and data security.

UK Sport suffered six protected personal data incidents in 2016/17. The incidents resulted from three losses of encrypted devices (two mobile phones, one of which was found and one laptop); one crime (burglary, theft etc.) and the item stolen was a UK Sport encrypted mobile phone; one incident of sending a confidential document to the wrong recipient (the Recipient was a Board Member who ordinarily could have requested sight of such a document); and one incident of unauthorised access to a UK Sport user account. The incidents do not fall within the criteria for reporting to the Information Commissioner's Office.

Table 1: Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner's Office in 2016/2017

Date of Incident	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
None				

Table 2: Summary of Other Protected Personal Data Related Incidents in 2016/17

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within UK Sport, are set out in the table below. Small localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	
IV	Unauthorised disclosure	
V	Other	6

Complaints Summary

UK Sport has a published complaints procedure on the website. In the 2016/17 financial year there have been zero complaints about UK Sport staff and 21 complaints in relation to various types of sporting issues. This compares to zero complaints about staff and 16 in relation to sport in the 2015/16 financial year. Where relevant UK Sport refers complaints directly to the sports organisation involved for resolution. It should be noted UK Sport is not a regulator of sport or prescribed regulator for whistleblowing purposes under the Public Interest Disclosure Act 1998 nor does UK Sport have legal powers of investigation into internal sporting disputes of the affairs of sport governing bodies.

Statement of Accounting Officer's Responsibilities

The Royal Charter and under section 35(2) and (3) of the National Lottery etc. Act 1993 the UK Sports Council is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Culture, Media and Sport with consent of HM Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of UK Sport's state of affairs at the year end and of its income, expenditure and cash flows for the financial year.

In preparing the accounts UK Sport 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 Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statement on the going concern basis.

The Accounting Officer for DCMS has designated the Chief Executive Officer of UK Sport as the Accounting Officer for UK Sport. The relevant responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping of proper records and for safeguarding UK Sport's assets as set out in "Managing Public Money" published by HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Olympics, Media and Sport under section 26(3) of the National Lottery etc. Act 1993.

As Accounting Officer, as far as I am aware there is no relevant audit information of which UK Sport's auditors are unaware. I have taken all of the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that UK Sport's auditors are aware of that information.

As Accounting Officer, I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



Liz Nicholl CBE
Chief Executive and Accounting Officer
The United Kingdom Sports Council

28 June 2017

Governance Statement

1. Purpose

This statement outlines how I, as Accounting Officer, have discharged my responsibility to manage and control the organisation's resources during the course of 2016/17. As set out in *Managing Public Money*, the Governance Statement provides a clear overview of the dynamics of UK Sport and its control structure, provides a sense of how vulnerable the organisation is or might be, and how successful it has been in coping with the challenges it has faced through the course of the year.

2. Governance Framework

UK Sport was established in 1996 by Royal Charter as an Arm's Length Body (ALB) of DCMS. The formal relationship between DCMS and UK Sport is encapsulated in a Framework Document between the two organisations. This document sets out the broad framework within which UK Sport should operate. Copies of the document and any subsequent amendments are placed in the libraries of both Houses of Parliament and made available to members of the public on the UK Sport website.

UK Sport's constitution is set out in Article One of the Royal Charter, with the Secretary of State (and other members of DCMS ministerial team) accounting for UK Sport's business in Parliament. My respective responsibilities as Accounting Officer are set out in Chapter Three of *Managing Public Money*. UK Sport is also compliant with the Corporate Governance Code as applied to an ALB via the relevant principles set out in *Corporate Governance in Central Government Departments: Code of Good Practice 2011* and also the Lottery Financial Directions.

A Code for Sports Governance

In 2016 "A Code for Sports Governance" was developed and published by Sport England and UK Sport to set out the governance requirements that all organisations funded by Sport England and UK Sport will be expected to meet. UK Sport has categorised itself as a tier 3 organisation under the Code for Sports Governance. During March 2017, a gap analysis was undertaken to identify any areas where UK Sport was not fully compliant with the Code. This work identified some areas where further work needs to be undertaken to ensure full compliance with the Code before October 2017. An action plan has been developed with progress planned to be regularly monitored by the UK Sport Board. It is intended that scrutiny of UK Sport's compliance with the Code has been included in the Internal Audit plans for 2017/18.

2.1 Board Structure

The Chair and Board members are appointed by the Secretary of State in compliance with the Code of Practice of the Commission for Public Appointments. The Board currently consists of the Chair and nine members, five independent and four representatives of the Home Nation Sports Councils. The Secretary of State is presently undertaking an open recruitment process to recruit a further two independent Board members who are anticipated to take up post in Summer/Autumn 2017. Collectively the Board has the skills and experience appropriate to direct UK Sport's business.

Rod Carr was the Chair of the UK Sport Board until April 2017. Dame Katherine Grainer has been appointed as the Chair of UK Sport with effect from 1 July 2017, with Lis Astall, fulfilling the role of Acting Chair in the interim period.

The Board has an established Group Audit Committee to support them in their responsibilities for issues of risk, control and governance.

The Group Audit Committee, with oversight of both UK Sport and the EIS, advises the Board and Accounting Officers on:

- the strategic processes for risk, control and governance (and the Governance Statement)
- the accounting policies, the Annual Report and Accounts
- the planned activity and results of both internal and external audit
- the adequacy of management response to issues identified by audit activity
- the effectiveness of internal and external audit
- assurances relating to the corporate governance requirements for the organisation.

Further to this arrangement, three standing sub-committees of the Board exist:

- Remuneration Panel – ensuring employment matters in UK Sport are dealt with professionally. The Panel met once during the year.
- Major Events Panel – makes recommendations to UK Sport Board on National Lottery investment into major events. The panel met seven times during the year.
- Mission 2016/18 Panel – providing oversight of UK Sport’s Mission Control process, the primary function of which is to monitor the performance and facilitate the continuous improvement of Summer and Winter World Class Programmes, both Olympic and Paralympic, and the broader high performance system. Due to 2016 being the Summer Olympic year, the Panel did not meet in the 2016/17 year.

A fourth sub-committee, the Eligibility Sub-Committee only meets when necessary. The Committee was convened once within the year to consider the cases relating to two athletes’ eligibility to receive UK Sport funding.

2.2 Subsidiary Companies

English Institute of Sport – UK Sport has held sole responsibility for the EIS since April 2006. Its accounts are approved separately by the Board of the EIS and are subject to external audit by the Comptroller and Auditor General.

UK Sport is entitled to appoint three Directors to the Board of EIS, one of whom is appointed as the Chair. John Steele is currently the Chair of the EIS and Rod Carr was the UK Sport Board’s representative member on the EIS Board until April 2017. In addition, the Director of Performance from UK Sport is a member of the EIS Board.

A number of measures are in place to provide me with assurance as to the activities/operations of the EIS. The EIS is bound by Funding Agreements (alongside a separate Financial Memorandum). KPIs are agreed annually and progress against these is reviewed monthly by the EIS Senior Management Team and at least four times a year by the EIS Board. Also, as referred to above, the Audit Committee has group-wide responsibilities for the EIS.

The EIS is currently classified as a tier 3 organisation under the Code for Sports Governance. A gap analysis was undertaken to identify any areas where the EIS was not fully compliant with the Code and work is ongoing to ensure full compliance by 31 October 2017.

Yorkshire 2019 Limited – In October 2016, the UK was awarded the right to host the 2019 UCI World Road Cycling Championships in Yorkshire. The event will be funded principally through DCMS and UK Sport, with the balance coming from local authorities and commercial income. DCMS is channelling their funding through UK Sport, and will rely on UK Sport to provide assurance of that investment and of the event more generally. DCMS is also underwriting the event.

The event entails significant delivery complexity for a single sport World Championships. The event also presents significant complexity in anticipating and managing the large number of spectators that may attend this free public event. For these reasons, it was agreed during the business planning and bidding phase that a special purpose vehicle (SPV) be established by UK Sport as the organisation to oversee the delivery of the event.

Yorkshire 2019 Limited has a board of 12 directors, with seven of these independent (including the Chair) and five of these to be nominated by stakeholders. The five stakeholders with the right to nominate a director are British Cycling, DCMS, UK Sport, Welcome to Yorkshire and a Host Local Authority. The UK Sport Board will have a line of sight to Yorkshire 2019 Limited through an Assurance Group, chaired by the Major Events Panel Chair.

2.3 Board/Committee Effectiveness

Our Board met seven times in 2016/17 based around business priorities and the annual calendar of Board activity. The Board was quorate for all meetings in the year. Attendance of Board members is tabulated below.

2016/2017	May	June	Sept	Oct	Dec	Feb	Mar	
Rod Carr	Y	Y	Y	Y	Y	Y	Y	7/7
Louise Martin	Y	N/A	N/A	N/A	N/A	N/A	N/A	1/1
Mel Young	N/A	Y	Y	Y	Y	Y	Y	6/6
Brian Delaney	Y	Y	Y	Y	N	N	N	4/7
Nick Bitel	Y	Y	Y	Y	Y	Y	Y	7/7
Paul Thomas	Y	Y	Y	N	N/A	N/A	N/A	3/4
Sarah Springman	Y	N	Y	N	Y	Y	Y	5/7
Lis Astall	Y	Y	Y	Y	Y	Y	Y	7/7
Neil Chugani	Y	N	Y	N	Y	Y	N	4/7
John Dowson	Y	Y	N	Y	Y	Y	Y	6/7
Nicky Roche	Y	Y	Y	Y	Y	Y	Y	7/7

In addition to the seven scheduled Board meetings, a further two days of Board meetings were held in February 2017 to hear representations from sports following the December 2016 Tokyo Investment decisions. These meetings were quorate and were attended by Rod Carr, Mel Young, Nick Bitel, Lis Astall, John Dowson and Nicky Roche.

The UK Sport Board undertook a Board Effectiveness Review at their December 2015 meeting. An action plan was developed and taken forward during 2016/17.

The Board recognised it was particularly effective in the areas of respectful behaviour; focus and attentiveness, and listening. A number of areas to further enhance the Board's effectiveness were identified as a greater focus on meeting behaviours, more effective identification and utilisation of Board members' skills, succession planning and increased working with stakeholders.

The Group Audit Committee undertook an effectiveness review at its March 2016 meeting and progress against the actions have been reviewed at each meeting during the year. The review highlighted several areas of good practice, including the terms of reference, communication with Board and attention to financial management. The review identified that the Committee could add greater value by undertaking a more in-depth review of some of the risks on the Corporate Risk Register. During the year, the Committee has undertaken deep dive reviews in to selected risk areas including Business Continuity Arrangements, Cyber Security and the Tokyo Investment Processes. The review also identified that the timing of certain work strands being brought through the Committee could be improved to allow the Committee greater input. For example, in 2016/17 the March Committee reviewed the draft version of the Governance Statement and also the draft Accounting Policies. In previous years these documents were not reviewed by the Committee until the May/June meetings.

The attendance profile for the Committee in 2016/17 was:

	June 2016	September 2016	November 2016	March 2017	
Neil Chugani	N	N	Y	N	1/4
Lis Astall	Y	Y	Y	Y	4/4
Craig Hunter	Y	Y	Y	Y	4/4
John Dowson	Y	Y	Y	Y	4/4
Anwar Ahmed	Y	Y	Y	Y	4/4

2.4 Executive Responsibilities

My responsibilities as Accounting Officer for UK Sport are set out in full in the Permanent Secretary's appointment letter. As such, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those funds; and, for reporting to the Board of UK Sport for the day-to-day operations and management of the organisation and the achievement of its strategic aims. I am also responsible for ensuring that UK Sport is run on the basis of the standards set out in Box 3.1 of *Managing Public Money*. A clear scheme of delegation (and supporting policies and procedures) exists within the organisation to assist with my management of this.

In my role as Accounting Officer I attend both Board and Audit Committee meetings to ensure any significant risks/issues of control are brought to their attention and discussed. I am therefore able to provide the assurances necessary within this statement for the period from April 2016 to the date of approval of the annual report and accounts.

For any periods of absence during the year I have delegated my Accounting Officer responsibilities to the COO.

Individual named directors have responsibility for all policies and procedures pertaining to the Internal Governance of the organisation with the Director of Finance, Investment and Business Services having operational responsibility for the over-arching control environment within which we operate (including our risk management processes).

3. System of Internal Control

The system of internal control within UK Sport seeks to mitigate rather than eliminate risk. The decision as to which risks are mitigated or accepted relates both to the organisation's capacity to influence them and/or absorb their potential impact. The methodology used to evaluate risk in terms of likelihood and potential impact (through a Risk Heat Map) has been in place since 2007 to promote focus on the most significant risks facing the organisation and was extended to incorporate the EIS in 2016. The system of internal control for Yorkshire 2019 Limited will be overseen by its own Board and Audit Committee with further discussions to be taken forward to determine how this most effectively connects to the UK Sport Group Audit Committee and System of Internal Control.

In order to provide evidence-based assurances on the management of risks that threaten the achievement of UK Sport's objectives a Risk Assurance Framework has also been developed. An assurance mapping exercise takes place every six months. As set out in HM Treasury's *'Assurance Frameworks'* document, December 2012, the Three Lines of Defence model has been used to identify and understand our assurance arrangements. The First Line of Defence deals with the front-line or business operational areas such as performance data and policies. The Second Line of Defence is associated with oversight of management activity, for example, Directors Team. Finally, the Third Line of Defence relates to independent assurance such as internal audit. The Audit Committee reviewed the Risk Assurance Maps for UK Sport and the EIS at its November 2016 meeting.

UK Sport operates a wide ranging System of Internal Control. Independent to UK Sport, assurance is provided by both internal and external audit functions. Key to the control environment is our:

- Attitude and approach to managing risk; and our
- Policy/procedure framework (including scheme of delegated authority).

Following an extensive joint tender with Sport England in February 2015, Mazars LLP were re-appointed as Internal Auditors. This contract has been extended through to March 2018 when a full re-tender for a future internal audit provider will be undertaken.

3.1 Risk Profile for 2016/17

Our appetite for risk flexes according to individual circumstance and situation, and by team (due to the nature/type of their work). By nature, as an ALB operating within the wider governmental control environment, we are required to be more risk averse. However, to maintain our competitive advantage we frequently need to explore innovative and creative solutions, often at short notice, to complex problems and opportunities. This requires a degree of acceptance of risk. When required this is done in a calculated and informed way, with implications and benefits considered, prior to decisions being taken.

Where significant risks are recognised and accepted, potential impacts are identified and corresponding scenario plans, with mitigating actions developed. A number of risks have been accepted/managed through 2016/17. These risks have been outlined in the Principal Risks and Uncertainties section of the Performance Report.

English Institute of Sport

The EIS Risk Register is reviewed and updated by the EIS Senior Management Team (SMT) and EIS Board on at least a quarterly basis with the following primary risks being managed:

- Risks around staff retention and the loss of talent due to restrictions on pay increases.
- Risks around recruitment and the difficulties in attracting new practitioners of the required standard.
- Risks associated with practice going beyond boundaries of ethical acceptability.
- Risks associated with failing to meet the performance expectations and requirements of the sports to whom we provide services.
- Risks around the changing environment that we operate in, for example risks to staff safety, such as travel for training and competition to countries at risk of terrorist activity.

3.2 Policies and Procedures

Beneath our overarching Policy on Internal Control sits a number of critical policies and procedures, which effectively describe to staff the detail of their responsibilities which includes the below:

- Adoption Policy
- Anti-Fraud, Anti-Corruption and Anti-Bribery
- Budgetary Control
- Business Continuity
- Cash Management
- Delegated Authority
- Document Retention
- Fixed Asset
- Gifts and Hospitality
- Health and Safety
- Healthy Lifestyle
- Home Based Working Policy
- Maternity Policy
- Parental Leave Policy
- Personal Information
- Probation Period
- Procurement Policy and Procedure
- Recruitment Procedures
- Travel and Expenses

Continued focus has been given in 2016/17 to reviewing and updating a number of these policies to ensure they are current with both statutory and legislative requirements and recognised best practice. Particular emphasis has been given to ensure that the organisation is robust and resilient to detecting and countering fraud. This has included raising in-house awareness through initiatives such as setting up a cyber-security page and working closely with other lottery distributors as part of the Fraud Operational Group.

3.3 Independent Assurance

3.3.1 Internal Audit

Internal Audit for 2016/17 was provided under contract by Mazars LLP. The Internal Audit Plan for 2016/17 was considered and approved by the Group Audit Committee at its March 2016 meeting. The plan was for a total of 60 days (2015/16, 60 days). All planned audits from the Plan were completed during the year.

On the basis of their audit work, Mazars LLP considered that UK Sport's governance, risk management and internal control arrangements are generally adequate and effective. They did however raise a "limited assurance" opinion in the period relating to audit work in relation to the General Ledger in the EIS. Whilst none of the weaknesses highlighted were fundamental in nature a number of recommendations have been made including; improving the journal approval process, implementing a periodic review of system user access rights and conducting an independent monthly review into any changes that have been made to cost centre and accounts codes. All recommendations made by Mazars LLP during the year have been discussed with management and are in the process of being implemented.

Assurance of Grant Funding Awards made by UK Sport to National Governing Bodies

On 31 October 2016, UK Sport and Sport England published *A Code for Sports Governance* ("the Code"). The aim of the Code was to set the 'gold standard' in sports governance for funded organisations. Funded organisations had already been required to work to a governance framework set by UK Sport, however the Code has built significantly on these previous requirements.

In advance of the Code coming into effect on 1 April 2017, UK Sport undertook a detailed analysis of each organisation to be in receipt of funding for the Tokyo cycle, and which assessed their current level of compliance with each of the 58 requirements of 'Tier 3' of the Code (the highest of the Code's three tiers). This was undertaken by looking at a variety of evidence such as constitutional documents, audit reports, and discussions with directors and senior staff. Actions were then discussed and agreed with each organisation in respect of each requirement where non-compliance was identified, and recorded on a Governance Action Plan. UK Sport itself has likewise been the subject of an assessment against the Code, and a Governance Action Plan has been set.

It is a condition of funding for the Tokyo cycle that each funded organisation must comply with the Code, and undertake the actions detailed in its Governance Action Plan. These funded organisations are required to be in full compliance with every requirement of the Code (save for those which are annual in nature) by 31 October 2017. All organisations in receipt of Tokyo cycle funding have committed to do so.

Although assurance work in Q3 and Q4 therefore focused on the impact of the new Code, UK Sport's audit and assurance programme for funded sports and partners (based on the previous governance framework) was carried out in Q1 and Q2, using a blend of onsite audits carried out by an external, independent auditor, offline self-assurance, and an intelligence-based approach in the assessment of compliance against governance standards.

The audit and assurance programme is delivered through Moore Stephens under a joint contract with Sport England. The joint contract covers assessment against the standard governance framework funded bodies are required to implement as part of grant administration and also allows UK Sport and Sport England to commission assessments for areas of work particular to both organisations.

For the year under review, UK Sport carried out eight onsite audits, two Major Event audits and two special review audits:

Onsite audits

Onsite audits were carried out for five jointly funded NGBs and four sole funded NGBs. Building on the approach used in recent years, tailored scopes were developed for each onsite audit. The tailored approach provides the opportunity to review particular areas of risk or focus where UK Sport seeks assurance in particular area of an NGB's operation in relation to grant funding.

Areas of focus for review across the year included compliance with the 2013/17 governance framework, financial control, management of financial risk and financial reporting to UK Sport, as well as diversity and succession planning at Board and operational level.

Special review

Two bespoke governance audits were undertaken during the year. The scope for these audits is bespoke and while they may relate to specific areas of the governance framework, allow for a deep dive of governance issues. They were commissioned as a result of significant governance concerns in both sports and resulted in the sports initiating reviews of their overall governance and operating structure. Both sports are now working through detailed action plans to implement the required changes.

Major Event audits

Major Event audits are assessed against a framework that is focused on clear accountability for ring-fenced grant income within the NGBs overall financial arrangements and oversight, monitoring and reporting to the event organising committee. Major Event audits carried out during the year related to Track World Cycling championship 2016 and European Archery Championships 2016.

Offline assurance

Organisations not required to undertake an onsite audit were required to assess their own performance against the governance framework and submit an offline self-assurance form. The self-assurance forms were reviewed by Governance Managers and used to assess each funded body against the requirements of the Code for Sports Governance to produce a bespoke Governance Action Plans for each funded body.

Key themes from audit and assurance programme

A number of key themes and observations from the audit and assurance programme emerged during the year which can be broken down to where improvement have already been made and those which offer the opportunity for further future improvements to be made.

Improvements made:

- Continued improvements in the composition of Boards, with many funded bodies achieving (or exceeding) the required target of independent directors on the Board;
- Improved representation of women on Boards and a commitment to wider diversity; and
- Increased focus on skills and experience based recruitment for Boards.

Future opportunities for further improvements:

- A need for improvement in the Board evaluation processes – both for collective Board appraisals and individual Board member appraisals; and
- A need for clearer separation of powers between the Board and any Council and clarity about the role and remit of each body.

Remuneration and Staff Report

Directors' Remuneration

Director recruitment, remuneration and employment terms and conditions are overseen by the Remuneration Panel, which comprised Rod Carr, Louise Martin, John Dowson and Nicky Roche during the year. Remuneration of the CEO and any higher earners is also subject to DCMS approval. Remuneration policy follows recommendations of the Senior Salaries Review Body. The Remuneration package comprises three elements:

1. Salaries

Salaries are consistent with public sector standards whilst being comparable in the market. Salary bands are determined by job evaluation based on the job factor analysis, internal relativities and external market indicators.

2. Performance Related-Pay

Performance related-pay depends on the outcome of annual performance review of objectives and competences, and on still being in post at 31 March 2017. In 2016/17 the maximum performance related pay available was 10% of basic salary for the CEO and 15% for the other Directors. These payments are not pensionable.

3. Pension Arrangements

Directors are members of the Local Government Pension Scheme (LGPS), a tax approved defined benefit occupational pension scheme set-up under the Superannuation Act 1972. Benefits are based on final salary and duration of membership. Members accrue pension entitlement in the year at a rate of 1/49 of final pensionable salary. Death in service cover is three years' pay plus spouse's/civil partner's pension equal to 1/160 of final pensionable salary, times total membership. At 31 March 2017 all Directors, but not the Chair, were members of LGPS.

Directors' Contracts

Directors are on permanent employment contracts and are required to give three months' notice. Should their posts become redundant they are entitled to a redundancy package which provides a top-up from statutory entitlement to actual pay.

Other benefits include healthy lifestyle allowance and annual leave entitlement.

Emoluments of the Chair and Directors, including performance related pay and pension benefits, for the year ended 31 March 2017 are provided in the following sections.

Remuneration (salary, benefits in kind and pensions)

Audited Information	Single total figure of remuneration											
	Directors	Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100) (5)		Pension benefits (£'000) (6)		Total (£'000)	
			2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	
R Carr	Chair	40-45	40-45	-	-	5,400	6,800	-	-	45-50	45-50	
L Nicholl	CEO	135-140	135-140	10-15	10-15	-	-	29	-63	175-180	85-90	
S Morton	COO	105-110	100-105	10-15	10-15	-	-	41	54	155-160	165-170	
V Wilson	Director	80-85	80-85	5-10	5-10	-	-	27	23	115-120	110-115	
S du Sautoy (1)	Director	75-80	60-65	5-10	5-10	-	-	36	28	120-125	95-100	
C Warr (2)	Director	50-55	-	10-15	-	9,000	-	142	-	215-220	-	
S Timson (3)	Director	80-85	125-130	-	10-15	15,700	21,300	31	28	125-130	185-190	
M Duly (4)	Interim Director	-	30-35	-	-	-	-	-	9	-	35-40	
D Cole (5)	COO	-	20-25	-	-	-	-	-	10	-	30-35	
Band of the highest paid director's salary, bonus and benefits in kind		150-155	160-165									
Median total		50,510	53,080									
Remuneration ratio		3.02	3.06									

Notes

- 1 - Sophie Du Sautoy prior year emoluments do not reflect a full year as she returned from maternity leave on a full time basis from 29 June 2015 until 1 March 2016 where she reduced hours to a 0.89 FTE. The full time equivalent salary band for 2015/16 year was £80,000-85,000. Sophie Du Sautoy increased her hours to a 0.94 FTE from 27 October 2016. The full time equivalent salary band for the 2016/17 year was £85,000-90,000.
- 2 - Chelsea Warr was appointed Director of Performance from the 31 October 2016 therefore current year emoluments do not reflect a full year. The full time equivalent salary band for 2016/17 was £130,000-£135,000.
- 3 - Simon Timson left UK Sport on 31 October 2016 therefore current year emoluments do not reflect a full year's salary. The full time equivalent salary band for the 2016/17 year was £135,000-£140,000.
- 4 - Mark Duly left UK Sport on 7 August 2015 therefore prior year emoluments do not reflect a full year's salary. The full time equivalent salary band for the 2015/16 year was £75,000-£80,000.
- 5 - David Cole left UK Sport on 25 May 2015 therefore prior year emoluments do not reflect a full year's salary. The full time equivalent salary band for the 2015/16 year was £100,000-105,000.
- 6 - Benefits in kind relate to home to office travel which is a taxable benefit.
- 7 - Pensionable benefits are actuarial calculations based on employee salary. The 2015/16 and 2016/17 calculation reflects pensionable salary only and therefore offsets the 2014/15 calculation which included a small amount of non pensionable benefit. In one instance the adjustment has resulted in a negative impact on the pensionable benefit for the year 2015/16.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. The real increase in pension may have increased in any one year as a result of a real pay increase in that year, when that increase is multiplied by a factor of 20 it may cause significant fluctuations between the value of pension benefits accrued between financial years.

All UK Sport staff are entitled to claim for up to £40 each month as a healthy lifestyle allowance. This allowance has been included in the salary where applicable. Staff may sell up to five days of unused annual leave allowance per year; salary is also inclusive of any monies paid in lieu of this.

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

Pension Entitlement

Audited Information	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/17	CETV at 31/03/16	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
L Nicholl	60-65 plus lump sum of 125-130	0-5 plus lump sum of 0-5	1,303	1,213	63
C Warr	25-30 plus lump sum of 25-30	5-10 plus lump sum of 5-10	290	195	81
S Morton	20-25 plus lump sum of 10-15	0-5 plus lump sum of 0-5	199	159	26
V Wilson	5-10 plus lump sum of 0	0-5 plus lump sum of 0	80	58	14
S Timson	25-30 plus lump sum of 0	0-5 plus lump sum of 0	303	259	33
S du Sautoy	5-10 plus lump sum of 0	0-5 plus lump sum of 0	73	51	14

Accrued pension represents amount payable if a Director leaves at the stated date. CETV are not payable directly to Directors but represent the potential liability if a Director should leave the scheme and wish to transfer accrued benefits to another scheme. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and don't take account of any reduction in benefits arising from Lifetime Allowance Tax that may be due when pension benefits are taken.

Members' Remuneration

Members' remuneration for attending meetings was £218 per day (2015/16, £218) and half that amount for half-day meetings, up to 36 days each year. None of the Members received any benefits in kind and those who have received remuneration are as follows:

Audited Information	2016/17 (£)	2015/16 (£)
Laura McAllister (1)	-	1,308
Louise Martin (2)	218	872
Brian Henning (3)	-	654
Lis Astall	3,052	1,853
Sarah Springman	1,090	1,090
Nicholas Bitel (4)	-	-
Neil Chugani	1,090	2,180
Nicky Roche	4,033	2,071
John Dowson	2,616	2,071
Paul Thomas (5)	654	-
Brian Delaney (6)	654	-
Mel Young (7)	1,526	-

Notes

1 - Laura McAllister left the UKS Board in March 2016

2 - Louise Martin left the UKS Board in May 2016

3 - Brian Henning left the UKS Board in April 2016

4 - Nicholas Bitel has elected not to claim remuneration from UK Sport

5 - Paul Thomas joined the UKS Board in April 2016 and left the UKS Board in November 2016

6 - Brian Delaney joined the UKS Board in April 2016 and left the UKS Board in February 2017

7 - Mel Young joined the UKS Board in June 2016

Payments to Past Directors

There have been no payments to past directors in 2016/17.

Fair Pay Disclosure

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

The banded remuneration of the highest-paid director in UK Sport in the financial year 2016/17 was £150,000-155,000 (2015/16, £160,000 - £165,000). This was 3.02 times (2015/16, 3.06 times) the median remuneration of the workforce, which was £50,510 (2015/16, £53,080).

In 2016/17, zero (2015/16, zero) employees received remuneration in excess of the highest-paid director. Remuneration ranged from the £20,000- £25,000 band to £150,000- £155,000 (2015/16, £25,000 - £30,000 band to £160,000 - £165,000 band).

UK Sport Compensation for Loss of Office

Zero members of staff left under compulsory redundancy terms in 2016/17 (zero members of staff left under compulsory redundancy terms in 2015/16). Zero severance payment were agreed during 2016/17 (one in 2015/16).

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

UK Sport

2016/17

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
–	–	–	–

2015/16

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£60,000 – £70,000	–	1	1

Redundancy and other departure costs have been paid in accordance with statutory requirements. Exit costs are accounted for in full in the year of departure. Where DCMS has agreed early retirements, the additional costs are met by UK Sport and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Redundancy and other departure costs shown above relate to UK Sport only. The group position including the English Institute of Sport (a subsidiary of UK Sport) is stated at note 4.3 of the Grant-in-Aid accounts.

Staff Report

Staff Costs

Costs	UK Sport		Group	
	2016/17	2015/16	2016/17	2015/16
	£'000	£'000	£'000	£'000
Wages and Salaries (including performance related pay)	5,790	5,530	18,326	17,340
Other Staff Costs	223	247	223	270
Social Security Costs	723	576	2,031	1,546
Current Service Costs	1,201	1,296	3,781	4,297
Administration Expense Relating to Pension Scheme	25	28	58	63
Total Staff Costs	7,962	7,677	24,419	23,516

The table above represents the overall staff cost for both UK Sport and the overall Group, incorporating both Exchequer and Lottery accounts. The split of staff costs between the two accounts is set out in notes 4.1 of the Exchequer accounts and note 6 of the Lottery accounts.

Staff Composition

As at March 2017 UK Sport employed 114 members of staff with a Full Time Equivalent (FTE) of 109.9 UK Sports average FTE for the year was 113 made up of 108 permanent FTE and 5 temporary FTE. 56% of the workforce is female and 44% male, with 91% of the workforce regarding itself as "White British" or "White Other".

Average Number of Staff During the Year (Full Time Equivalent Values)

Employees	2016/17	2015/16
UK Sport (1)	108	102
English Institute of Sport	355	342
Yorkshire 2019 Limited	-	-
Total	463	444

Other Staff (Full Time Equivalent Values) (2)	2016/17	2015/16
UK Sport	5	4
English Institute of Sport	-	1
Yorkshire 2019 Limited	-	-
Total	5	5

Notes

1 - The total UK Sport staff in the table above incorporates both Exchequer and Lottery funded positions. The split of staff numbers between the two sets of accounts is set out in note 4.2 of the Exchequer accounts and note 7 of the Lottery accounts.

2 - Other staff numbers include agency and seconded staff numbers.

Gender	UK Sport Staff
Male	44%
Female	56%

Disability	UK Sport Staff
Yes	2%
No	98%

Age	UK Sport Staff
<16	0%
16-25	3%
26-44	75%
45-65	22%

Ethnicity	UK Sport Staff
Mixed/Other	2%
Asian	2%
Black	5%
White	91%
Not Specified	0%
Not Disclosed	0%

Sickness Absence

UK Sport has policies and procedures in place to monitor sickness absence, (both long and short term) and this information is regularly reviewed by the Senior Management Team. During 2016/17, sickness absence averaged 3.8 days (2015/16 – 3.14) per person. There was one individual with long term sicknesses (included in the average). Long term sickness absence is deemed to be any period of absence over four weeks.

Staff Policies Applied During the Financial Year

HR Policies are reviewed regularly by members of the team. No significant Human Rights, environmental or social issues have arisen during the course of the financial year. UK Sport is an equal opportunity employer which has taken positive action to ensure we meet our legal duties under the Disability Discrimination Act (1995), the Disability Equality Duty (2006) and more recently the Equality Act (2010).

Expenditure on Consultancy

As at 31 March 2017 expenditure on consultancy at UK Sport was £121,655 in comparison to £190,453 for the previous year. The expenditure on consultancy relates to UK Sport dealing with a variety of legal issues involving the development of the Funding Agreement and decision making process for related to the Tokyo World Class Programme investments and the development of the Governance Code.

Off Payroll Engagements

As at 31 March 2017 UK Sport had three off-payroll engagements for more than £220 a day and that last for longer than six months. One of these two arrangements has lasted for less than a year whilst the other has lasted between one to two years. These off-payroll engagements have been subject to a risk based assessment as to whether assurance is required that the individuals are paying the correct amount of tax and, where necessary, that assurance has been sought and received.

Parliamentary Accountability and Audit Report

Regularity of expenditure

UK Sport is required to report on the regularity of expenditure including losses and special payments in line with managing public money requirements.

For 2016/17 UK Sport has no matters to report in relation to irregular expenditure or special payments.



Liz Nicholl CBE
Chief Executive and Accounting Officer
The United Kingdom Sports Council

28 June 2017



Amanda (Lis) Astall
Acting Chair
The United Kingdom Sports Council

28 June 2017



**The United Kingdom Sports Council
Grant-in-Aid and The United Kingdom Sports
Council Group
Accounts
for the Year Ended
31 March 2017**

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE UNITED KINGDOM SPORTS COUNCIL

I have audited the Grant in Aid and Group financial statements of United Kingdom Sports Council for the year ended 31 March 2017. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements 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 United Kingdom Sports Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the United Kingdom Sports Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Group's and of the United Kingdom Sports Council's affairs as at 31 March 2017 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Royal Charter of United Kingdom Sports Council and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability Disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the Royal Charter of the United Kingdom Sports Council; and
- the information given in the Performance Report and Accountability 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 and the parts of the Remuneration and Staff Report and the Parliamentary Accountability Disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Sir Amyas C E Morse
Comptroller and Auditor General

4 July 2017

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

Statement of Comprehensive Net Expenditure for the Year Ended 31/03/17

	Note	UK Sport		Group	
		2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
INCOME					
Other Operating Income	3	2,823	2,998	11,004	10,982
Total		2,823	2,998	11,004	10,982
EXPENDITURE					
Staff Costs	4.1	5,686	5,569	22,143	21,408
Grants and Other Operating Costs	5	51,724	36,107	44,328	29,787
Total		57,410	41,676	66,471	51,195
NET EXPENDITURE BEFORE TAXATION AND INTEREST		(54,587)	(38,678)	(55,467)	(40,213)
Net Interest on the Pension Liability	16.3/18	(396)	(401)	(897)	(871)
Interest Receivable	7	1	1	2	4
Taxation	8	-	-	-	1
Interest Payable		-	-	(4)	(4)
NET EXPENDITURE FOR THE PERIOD		(54,982)	(39,078)	(56,366)	(41,083)
Other Comprehensive Expenditure					
Unrealised Foreign Exchange Gain		-	-	36	-
Pension Scheme Re-measurements	16.4/18	(5,040)	1,843	(21,978)	4,497
TOTAL COMPREHENSIVE EXPENDITURE FOR THE FINANCIAL YEAR		(60,022)	(37,235)	(78,308)	(36,586)

All activities relate to continuing activities.

The notes on pages 38 to 60 form part of these accounts.

Grant-in-Aid income received from DCMS is credited directly to the Statement of Changes in Taxpayers' Equity and is not shown above as income. The value received in the year was £53.536m.

Statement of Changes in Taxpayers' Equity for the Year Ended 31/03/17

	Note	UK Sport				Group			
		2016/17		2015/16		2016/17		2015/16	
		Revenue Reserve £'000	Pension Reserve £'000						
Balance Brought Forward		2,784	(10,745)	2,460	(11,801)	5,423	(24,311)	4,991	(25,898)
Retained Deficit for Year		(54,982)	-	(39,078)	-	(56,366)	-	(41,083)	-
Transfer from the Pension Reserve		715	(715)	819	(819)	2,390	(2,390)	2,932	(2,932)
Grant-in-Aid Income Received	2	53,536	-	38,583	-	53,536	-	38,583	-
Pension Scheme Re-measurements	16.4/18	-	(5,040)	-	1,843	-	(21,978)	-	4,497
Unrealised Foreign Exchange Gain		-	-	-	-	36	-	-	-
Other Movements		-	35	-	32	-	61	-	22
Balance at 31 March		2,053	(16,465)	2,784	(10,745)	5,019	(48,618)	5,423	(24,311)

The notes on pages 38 to 60 form part of these accounts.

Statement of Financial Position as at 31/03/17

	Note	UK Sport		Group	
		31/03/17 £'000	31/03/16 £'000	31/03/17 £'000	31/03/16 £'000
NON CURRENT ASSETS					
Property Plant and Equipment	9	716	822	2,719	2,620
Intangible Assets	9.1	1,108	723	2,154	1,625
Restricted Cash	11	-	-	200	-
Total Non Current Assets		1,824	1,545	5,073	4,245
CURRENT ASSETS					
Trade and Other Receivables	10	2,117	2,815	3,213	4,390
Cash and Cash Equivalents	11	469	598	1,864	1,221
Restricted Cash	11	-	-	2,636	-
Total Current Assets		2,586	3,413	7,713	5,611
Total Assets		4,410	4,958	12,786	9,856
CURRENT LIABILITIES					
Provisions	13	-	-	(69)	-
Trade and Other Payables	12	(2,123)	(1,940)	(7,464)	(4,199)
Net Current Assets		463	1,473	180	1,412
Non Current Assets plus Net Current Assets		2,287	3,018	5,253	5,657
NON CURRENT LIABILITIES					
Provisions	13	(234)	(234)	(234)	(234)
Pension Liabilities	16.2/18	(16,465)	(10,745)	(48,618)	(24,311)
Total Non Current Liabilities		(16,699)	(10,979)	(48,852)	(24,545)
Assets less Liabilities		(14,412)	(7,961)	(43,599)	(18,888)
TAXPAYERS' EQUITY					
Pension Reserve	16.2/18	(16,465)	(10,745)	(48,618)	(24,311)
Revenue Reserve		2,053	2,784	5,019	5,423
Total Taxpayers' Equity		(14,412)	(7,961)	(43,599)	(18,888)

The notes on pages 38 to 60 form part of these accounts.



Liz Nicholl CBE
Chief Executive and Accounting Officer
The United Kingdom Sports Council

28 June 2017



Amanda (Lis) Astall
Acting Chair
The United Kingdom Sports Council

28 June 2017

Statement of Cash Flows for the Year Ended 31/03/17

		UK Sport		Group	
	Note	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Generated from Operations	14	(52,665)	(38,342)	(47,623)	(37,295)
Interest Received	7	1	1	2	4
Corporation Tax Paid		-	-	-	(1)
Interest Paid		-	-	(4)	(4)
Net Cash Flow from Operating Activities		(52,664)	(38,341)	(47,625)	(37,296)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments to Acquire Property Plant and Equipment	9	(148)	(66)	(1,178)	(988)
Payments to Acquire Intangible Assets	9.1	(853)	(495)	(1,246)	(918)
Receipts from Sale of Fixed Assets		-	-	-	25
Net Cash Flow from Investing Activities		(1,001)	(561)	(2,424)	(1,881)
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant-in-Aid	2	53,536	38,583	53,536	38,583
Financing Lease		-	-	(18)	(18)
Net Cash Flow from Financing Activities		53,536	38,583	53,518	38,565
Net Decrease in Cash and Cash Equivalents in the Period		(129)	(319)	3,469	(612)
Cash and Cash Equivalents at 1 April		598	917	1,221	1,833
Change in Cash and Cash Equivalents due to Exchange Rate Movements		-	-	10	-
Cash and Cash Equivalents at 31 March	11	469	598	4,700	1,221

The notes on pages 38 to 60 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2016/17 Government Financial Reporting Manual (FReM) issued by HM Treasury and on the basis of the Accounts Direction issued by the Secretary of State for Culture, Olympics, Media and Sport, with the approval of the Treasury, in accordance with article 14 of the Royal Charter on 26 March 2002, a copy of which can be obtained from UK Sport at 21 Bloomsbury Street, London, WC1B 3HF.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of UK Sport for the purpose of giving a true and fair view has been selected. The policies adopted by UK Sport are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The financial statements have been prepared on a going concern basis. Grant commitments and other obligations have been entered into on the basis of continuing receipt of Grant-in-Aid financing from DCMS and a four year settlement was agreed with DCMS. The pension deficit has increased in the year to 31 March 2017 as a result of a change in actuarial assumptions applied. UK Sport has no material uncertainty over its ability to meet employer contributions as they fall due.

1.2 Accounting Convention

The accounts direction requires that, when material, accounts are prepared on a modified historical cost (MHCA) basis in which the Statement of Comprehensive Net Expenditure reflects the consumption of resources at their current value and the statement of financial position shows the value of non-current assets, current asset investments and (if material) inventories at their value to the business by reference to current costs. It has been determined that in the current period adoption of MHCA would not have a material impact on the accounts, and hence no entries have been made.

Without limiting the information given, the accounts meet the requirements of the Companies Act 2006, the International Accounting Standards issued or adopted by the International Accounting Standards Board and HM Treasury guidance on accounts of Arm's Length Bodies in so far as those requirements are appropriate.

1.3 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make key judgements, assumptions and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Pension costs recognised within UK Sport's accounts are subject to estimation. The key assumptions applied by the actuary are set out in notes 16 and 17.

1.4 Basis of Consolidation

The EIS has been accounted for as subsidiary entity during the current and prior year and Yorkshire 2019 Limited has been accounted for as a subsidiary entity during the current year within the consolidated accounts. This treatment is in accordance with the guidance set out in the Financial Reporting Manual (FReM) issued by HM Treasury and on the basis that UK Sport is the sole member. Yorkshire 2019 Limited became a subsidiary of UK Sport on its incorporation on 24 November 2016.

Yorkshire 2019 Limited will produce its first set of accounts for the 17 month period to 31 March 2018. The transactions occurring in the period 1 November 2016 to 31 March 2017 have been consolidated into the current year group accounts.

1.5 Income Recognition

Grant-in-Aid Received

Grant-in-Aid received towards resource expenditure, is regarded as a contribution from a controlling party. It is therefore treated as financing and credited to Taxpayers' Equity.

Fundraising Income

Income from fundraising activities is recognised in the Statement of Comprehensive Net Expenditure on a receivable basis at the point when UK Sport has legal entitlement; there is a reasonable certainty of receipt; the amount can be quantified with reasonable accuracy and any conditions for receipt have been met.

Investment Income

Investment income comprises interest receivable on cash balances and short term deposits. Interest receivable is credited to the Statement of Comprehensive Net Expenditure on an accruals basis.

Other Operating Income

Other operating income comprises the recharge of services provided from the UK Sport Exchequer Account to the Lottery Account, income received for the funding of International Development activities, and sponsorship income. The recharge of services and International Development income are recognised on a receivable basis at the point when UK Sport has legal entitlement; there is a reasonable certainty of receipt; the amount can be quantified with reasonable accuracy and once any conditions for receipt have been met. Sponsorship income is recognised on an accruals basis over the period to which it relates.

1.6 Property Plant and Equipment

The assets of UK Sport are computers, leasehold improvements and other office equipment together. All assets are stated in the Statement of Financial Position at depreciated historical cost as proxy to current value in existing use, as the useful economic lives estimated are short, and are a realistic reflection of the consumption of the assets.

The minimum capitalisation threshold is £2,500 for UK Sport whilst for EIS it is £500. Where staff work on capital projects, attributable salary costs are capitalised.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales and the carrying amount of the asset and is recognised in the Statement of Comprehensive Net Expenditure for the year.

Depreciation is provided on all property plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Computer Equipment	2-5 years
Office Refurbishment	5-7 years
Office Equipment	2-5 years
Other Equipment	2-5 years

Leasehold improvements and fixtures and fittings at 21 Bloomsbury Street, London, WC1B 3HF will be depreciated until the end of the lease term.

A full year of depreciation is charged in the year of acquisition and none in the year of disposal.

1.7 Intangible Assets

The intangible assets of UK Sport are computer software and software licenses. Intangible assets are initially measured at cost and amortised on a straight line basis over their useful lives. Amortisation of intangible assets is charged over their useful economic life, on the following basis:

Computer Software	2-5 years
Software Licenses	Over the life of the license

A full year of depreciation is charged in the year of acquisition and none in the year of disposal.

1.8 Research and Development

Research and development costs are written off as incurred and not carried forward as an asset as the recognition criteria of IAS38 are not met.

1.9 Grants and Loans Awarded

Grants payable are charged to the Statement of Comprehensive Net Expenditure on an accruals basis. UK Sport may give financial assistance by way of grants and loans to any person or organisation in furtherance of the objectives of the Council.

1.10 Pension Costs

The pension liabilities and assets are recorded in line with IAS 19, with a valuation undertaken by an independent actuary. IAS 19 measures the value of pension assets and liabilities at the end of each reporting period, determines the benefits accrued in the year and the interest on scheme assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Comprehensive Net Expenditure and the interest on scheme assets and liabilities is shown in the Statement of Comprehensive Net Expenditure. The change in the value of the assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability or asset is shown on the Statement of Financial Position.

Further information on the pension scheme is available in notes 16 to 18 of the accounts.

1.11 Leases and Provisions

A lease was signed for 9 years and 3 months at 21 Bloomsbury Street, London, WC1B 3HF with DCMS with effect from 1 September 2013.

Payments for existing and new arrangements are made under operating leases (rental agreements) and are recognised in the statement of comprehensive net expenditure on a straight line basis over the term of the lease. Lease incentives are recognised as an integral part of the total lease expense, over the term of the lease.

Provision was made in the accounts for the estimated cost of dilapidations at lease expiry.

1.12 Charges to and from UK Sport

UK Sport is required to apportion between its Grant-in-Aid and National Lottery distribution activities, the costs of services provided from its Grant-in-Aid budget that are directly and demonstrably attributable to the National Lottery distribution functions and vice versa. The costs apportioned to the National Lottery distribution activities are paid from the UK Sport Lottery Fund to the Grant-in-Aid account. The apportionment of the costs has been determined in the manner most appropriate to the particular service, for example staff numbers, staff time or floor space. In all cases the charges to the Lottery distribution activity have been calculated on a full cost recovery basis in accordance with HM Treasury's *"Managing Public Money"*.

1.13 Investment

There are no fixed asset or trade investments. Bank interest is included in the Statement of Comprehensive Net Expenditure.

1.14 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.15 Restricted Cash Asset

Yorkshire 2019 Limited has an asset of CHF 3.55m in an escrow account established and operated by Pinsent Masons LLP on behalf of Yorkshire 2019 Limited and the Union Cycliste Internationale (UCI).

This is in line with the agreement between the UCI and Yorkshire 2019 Limited to host the 2019 UCI Road World Championships.

The cash held in the escrow account is subject to contractual restrictions and therefore it has been separated from the Cash and Cash Equivalent balance on the Statement of Financial Position.

Further information on the asset is available in note 11 to the accounts.

1.16 Value Added Tax

UK Sport is registered for VAT and makes supplies for both business and non-business purposes. Business supplies are subject to VAT at the standard rate. Recovery of input VAT is restricted by non-business activities and a suitable methodology has been agreed with HMRC.

EIS is part of the same VAT group as UK Sport and makes supplies for both business and non-business purposes. Supplies made in the course of business are both standard rated and exempt. Recovery of input VAT is therefore subject both to a partial exemption calculation and business/non-business apportionment in accordance with the methodologies agreed with HM Revenue and Customs (HMRC).

1.17 Standards Issued But Not Yet Effective

For the period commencing 1 April 2019 IFRS 16 will be adopted, the impact of this new standard is currently being looked into.

1.18 Foreign Currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are retranslated to sterling at the rate prevailing on the balance sheet date. The resulting unrealised gain or loss on translation is recorded in Other Comprehensive Expenditure.

2. Grant-in-Aid

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Received from DCMS-Revenue	49,735	37,431	49,735	37,431
Received from DCMS-Capital	3,801	1,152	3,801	1,152
Total	53,536	38,583	53,536	38,583

A total of £53.536m (2015/16, £38.583m) Grant-in-Aid was made available and drawn down during the year. The increase is a result of the Comprehensive Spending Review and the Grant-in-Aid provided for Yorkshire 2019 Limited.

3. Other Operating Income

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Funding for International Programme	-	40	-	40
Costs Apportioned to UK Sport Lottery Account	2,019	2,111	2,019	2,111
Other	804	847	793	842
English Institute of Sport	-	-	8,192	7,989
Total	2,823	2,998	11,004	10,982

UK Sport is required to apportion between its Grant-in-Aid and National Lottery distribution activities, the costs of services provided from its Grant-in-Aid budget that are directly and demonstrably attributable to the National Lottery distribution functions and vice versa. The costs apportioned to the National Lottery distribution activities are paid from the UK Sport Lottery Fund to the Grant-in-Aid account.

4. Staffing and Management

4.1 Staff Costs

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Wages and Salaries (including performance related pay)	4,027	3,898	16,563	15,708
Other Staff Costs	223	247	223	270
Social Security Costs	499	413	1,807	1,382
Current Service Costs	918	990	3,498	3,992
Administration Expense Relating to Pension Scheme	19	21	52	56
Total Staff Costs	5,686	5,569	22,143	21,408

4.2 Average Number of Staff During the Year (Full Time Equivalent Values)

	2016/17	2015/16
Employees		
UK Sport	77	73
English Institute of Sport	355	342
Total	432	415
Other Staff (Full Time Equivalent Values)		
UK Sport	5	4
English Institute of Sport	-	1
Total	5	5

Other staff numbers include agency and seconded staff.

4.3 Report of Civil Service and Other Compensation Schemes – Exit Packages

EXIT PACKAGE COST BAND	UK Sport		Group	
	2016/17	2015/16	2016/17	2015/16
< £10,000	-	-	20	-
£10,001 – £20,000	-	-	2	-
£20,001 – £30,000	-	-	2	-
£60,000 – £70,000	-	1	-	1
Total Number of Exit Packages	-	1	24	1
Total Value of Exit Packages	£0	£60,000	£127,741	£60,000

5. Grants and Other Operating Costs

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
National Support – Grants				
Sports Bodies	37,311	26,132	20,926	9,437
Performance	5	1	5	1
International Representation	662	884	662	884
Yorkshire 2019 Limited	4,441	-	-	-
	42,419	27,107	21,593	10,322
National Support – Other Costs				
Performance	5,521	5,249	5,511	5,230
Communications	527	413	527	413
International Representation	50	28	50	28
English Institute of Sport	-	-	7,941	9,328
Yorkshire 2019 Limited	-	-	4,441	-
	6,098	5,690	18,470	14,999
Finance and Management Services				
HQ Office Costs	2,636	2,819	2,636	2,819
Depreciation/Amortisation	571	581	1,629	1,647
	3,207	3,400	4,265	4,466
Total	51,724	36,107	44,328	29,787

6. Operating Result

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
This is stated after charging:				
Travel, Subsistence and Hospitality:				
Chair and Members	20	11	20	11
Employees	575	556	2,020	1,886
Consultants' Fees and Legal Fees	122	190	816	1,266
Contracted Labour	223	245	223	245
Performance Programme Delivery – Specialist Services	1,828	1,736	1,817	1,736
International Programme Delivery – Specialist Services	53	64	53	64
Operating Lease – 21 Bloomsbury	499	421	499	421
Provisions Provided for in Year	–	–	69	–
Operating Lease: EIS Property	–	–	1,543	1,568
Operating Lease: Plant and Equipment	–	–	15	25
Depreciation	250	243	997	1,035
Amortisation	321	338	632	612
Loss on Disposal of Tangible Assets	–	–	8	172
Loss on Disposal of Intangible Assets	4	–	12	–
Auditor's Remuneration for Audit Work	34	37	47	52

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

7. Investment Income

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Interest Receivable	1	1	2	4

8. Taxation

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Corporation Tax Payable	–	–	–	1

UK Sport has reached agreement with HMRC that payments to charitable entities may be treated as a charge on income under S.330 ICTA 1988 and offset in full against taxable investment income. Accordingly, no corporation tax liability arises.

9.a UK Sport – Property Plant and Equipment

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other Equipment £'000	Total £'000
At Cost						
At 01/04/16	940	113	528	86	49	1,716
Additions	-	32	103	9	-	144
Disposals	-	-	(105)	(3)	-	(108)
At 31/03/17	940	145	526	92	49	1,752
Depreciation						
At 01/04/16	303	30	436	76	49	894
Charge for Year	103	19	115	13	-	250
Depreciation on Disposal	-	-	(105)	(3)	-	(108)
At 31/03/17	406	49	446	86	49	1,036
Net Book Value						
At 31/03/16	637	83	92	10	-	822
At 31/03/17	534	96	80	6	-	716

9.b Group – Property Plant and Equipment

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other Equipment £'000	Assets Held Under Finance Leases £'000	Total £'000
At Cost							
At 01/04/16	1,273	5,818	1,838	86	49	70	9,134
Additions	1	910	184	9	-	-	1,104
Disposals	(79)	(609)	(184)	(3)	-	-	(875)
At 31/03/17	1,195	6,119	1,838	92	49	70	9,363
Depreciation							
At 01/04/16	611	4,180	1,545	78	49	51	6,514
Charge for Year	109	602	254	13	-	19	997
Depreciation on Disposal	(79)	(603)	(182)	(3)	-	-	(867)
At 31/03/17	641	4,179	1,617	88	49	70	6,644
Net Book Value							
At 31/03/16	662	1,638	293	8	-	19	2,620
At 31/03/17	554	1,940	221	4	-	-	2,719

9.1.a UK Sport – Intangible Assets

	Information Technology £'000
At Cost	
At 01/04/16	1,987
Additions	710
Disposals	(313)
At 31/03/17	<u>2,384</u>
Amortisation	
At 01/04/16	1,264
Charge for Year	321
Amortisation on Disposal	(309)
At 31/03/17	<u>1,276</u>
Net Book Value	
At 31/03/16	<u>723</u>
At 31/03/17	<u>1,108</u>

Within the closing net book value there are £0.602m (2015/16, £0.153m) of assets under the course of construction which are yet to be depreciated.

9.1.b Group – Intangible Assets

	Information Technology £'000
At Cost	
At 01/04/16	3,452
Additions	1,173
Disposals	(423)
At 31/03/17	<u>4,202</u>
Amortisation	
At 01/04/16	1,827
Charge for Year	632
Amortisation on Disposal	(411)
At 31/03/17	<u>2,048</u>
Net Book Value	
At 31/03/16	<u>1,625</u>
At 31/03/17	<u>2,154</u>

Within the closing net book value there are £0.602m (2015/16, £0.153m) of assets under the course of construction which are yet to be depreciated.

10. Trade and Other Receivables

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Trade Receivables	256	338	869	867
Other Receivables	201	152	95	162
VAT	37	–	47	–
Prepayments and Accrued Income	1,623	2,325	2,202	3,361
Total	2,117	2,815	3,213	4,390

All amounts fall due within one year.

11. Cash and Cash Equivalents

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Balance at 1 April	598	917	1,221	1,833
Net Change in Cash and Cash Equivalents	(129)	(319)	3,469	(612)
Foreign Exchange Gain on Cash and Cash Equivalents	–	–	10	–
Balance at 31 March	469	598	4,700	1,221

Government Banking Services

Balances Held with Government Banking Services	250	397	250	397
Balances Held with Restricted Escrow Account				
– Current Asset	–	–	2,636	–
– Non Current Asset	–	–	200	–
Balances Held with Commercial Banks	219	201	1,614	824
Total	469	598	4,700	1,221

Yorkshire 2019 Limited holds a balance Restricted Escrow Account. The balance will be used to meet contractual obligations entered into by Yorkshire 2019 Limited.

12. Trade and Other Payables

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Trade Payables	532	465	1,925	1,234
Other Payables	33	–	39	101
Corporation Tax	–	–	–	1
Other Taxation and Social Security	192	221	707	992
Accruals and Deferred Income	1,366	1,254	4,793	1,853
Finance Lease Agreements	–	–	–	18
Total	2,123	1,940	7,464	4,199

All amounts fall due within one year.

13. Provision for Liabilities

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Opening Balance	234	234	234	234
Provision Made in Year	-	-	69	-
Provision Paid in Year	-	-	-	-
Provision Released in Year	-	-	-	-
Closing Balance	234	234	303	234

Provision has been made in the accounts in the prior year for the anticipated cost of making good any dilapidations at 21 Bloomsbury Street, London, WC1B 3HF at the end of the tenancy agreement.

The provision made in the year relates to redundancies in the EIS.

14. Reconciliation of Operating Deficit to Cash Generated from Operations

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Net Expenditure Before Taxation and Interest	(54,587)	(38,678)	(55,467)	(40,213)
Depreciation/Amortisation of Property Plant and Equipment	571	581	1,629	1,647
Loss on Disposal of Intangible and Tangible Fixed Assets	4	-	20	172
Decrease/(Increase) in Receivables	698	(286)	1,177	(1,027)
Increase/(Decrease) in Payables	330	(376)	3,457	64
Decrease in Provisions	-	-	69	-
Pension Scheme: Non Cash Movement	319	417	1,492	2,062
Net Cash Outflow from Operations	(52,665)	(38,342)	(47,623)	(37,295)

15. Financial Instruments

UK Sport has adopted IFRS 7 Financial Instruments and has undertaken a review of major contracts to identify transactions that require disclosure. The majority of financial instruments relate to contracts for non-financial items in line with UK Sport's expected purchase and usage requirements and UK Sport therefore is exposed to limited credit, liquidity or market risk.

Liquidity Risks

In the year £53.536m or 83% (2015/16, £38.583m or 78%) of the Group's income derived from DCMS Grant-in-Aid and £0m or 0% (2015/16, £0.0m or 0%) from the Lottery Distribution Fund. The remaining balance of £11.004m or 17% (2015/16, £10.982m or 22%) derived from other operating activities. UK Sport is satisfied that it has sufficient liquid resources to cover amounts due within one year.

Interest Rate Risks

Cash balances, which are drawn down as Grant-in-Aid to pay grant commitments and operating costs, are held in a Government Banking Service account and drawn down into UK Sport's current account as necessary. Therefore, UK Sport is not exposed to material interest rate risk. The Group's closing cash balance was £1.864m (2015/16, £1.221m).

Foreign Currency Risk

During the year ended 31 March 2017 cash was placed into an escrow account in Swiss Francs, this was in line with contractual obligations. The balance is subject to exchange rate variances.

16. Superannuation Scheme – UK Sport

The majority of staff at UK Sport (Grant-in-Aid and Lottery) are members of the London Pension Fund Authority (LPFA) Superannuation Scheme. UK Sport is one of several employers whose staff are scheme participants, and data given in this note refers to the whole scheme and to the identified UK Sport portion of it. There is a generic scheme for staff covered by the accounting policy note 1.10.

The amounts disclosed in these accounts are the portion deemed apportioned to the Grant-in-Aid funded part of the scheme. All scheme members are or were employees of UK Sport. Thus the pension deficit recorded in the Lottery Accounts would become part of the Grant-in-Aid pension deficit if in the future there were no further Lottery Revenues and the fund wound up.

The Pension Scheme is of the defined benefit type and is funded by employees and employers at actuarially determined rates. The employer's contribution for the year amounted to £0.446m or 12.0% of pensionable pay (2015/16, £0.429m or 12.0%). An additional pension contribution of £0.172m (2015/16, £0.164m) was also made to reduce the pension liability in respect of prior years.

The scheme is subject to triennial valuations by the consulting actuaries to the LPFA and the latest valuation was at 31/03/16, with the next formal valuation due at 31/03/19, with results expected in late 2019. The actuarial method used is market related, based on average yields and market values in the 12 months leading up to the valuation date.

International Accounting Standard IAS19 issued by the International Accounting Standards Board requires that the following information, which has been prepared for us by Barnett Waddingham (the Consulting Actuaries to the LPFA) for this purpose, be disclosed in these accounts with respect to the scheme.

16.1 Pension Commitments

Financial Assumptions

	2016/17	2015/16
	%	%
Price Increases	3.6	3.4
Salary Increases	4.2	4.3
Pension Increases	2.7	2.5
Discount Rate	2.8	3.8

Average Future Life Expectancies at Age 65:

	Males	Females
	(years)	(years)
Current Pensioners	22.2	24.5
Future Pensioners	24.5	26.8

16.2 Fair Value of Employers Assets

	31/03/17	31/03/16
	£'000	£'000
Equities	11,312	7,019
LDI/Cashflow Matching	–	1,532
Target Return Funds	4,037	3,214
Infrastructure	1,006	828
Commodities	–	68
Property	974	539
Cash	1,768	1,911
Total Fair Value of Assets	19,097	15,111
Present Value of Scheme Liabilities	(35,562)	(25,856)
Net Pension Liability	(16,465)	(10,745)

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

	31/03/17	31/03/16
	%	%
Equities	59	46
LDI/Cashflow Matching	–	10
Target Return Funds	21	21
Infrastructure	5	5
Commodities	–	–
Property	5	4
Cash	10	13

16.3 Amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2016/17	2015/16
	£'000	£'000
Current Service Cost	918	990
Net Interest on the Defined Liability	396	401
Administration Expenses	19	21
Total	1,333	1,412

16.4 Re-measurements in Other Comprehensive Income:

	2016/17	2015/16
	£'000	£'000
Return on plan assets in excess of interest	2,588	(641)
Other actuarial gains	111	–
Change in financial assumptions	(8,515)	2,433
Change in demographic assumptions	142	–
Experience loss on defined benefit obligation	634	51
Re-measurements	(5,040)	1,843

16.5 Changes in the present value of the defined benefit obligation:

	2016/17 £'000	2015/16 £'000
Opening defined benefit obligation	25,856	26,539
Current service cost	918	990
Interest cost	984	926
Change in financial assumptions	8,515	(2,433)
Change in demographic assumptions	(142)	-
Experience (gain) on defined benefit obligation	(634)	(51)
Estimated benefits paid net of transfers in	(265)	(420)
Contributions by scheme participants	355	330
Unfunded pension payments	(25)	(25)
Closing defined benefit obligation	35,562	25,856

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

	2016/17 £'000	2015/16 £'000
Opening fair value of employers assets	15,111	14,738
Interest on assets	588	536
Return on assets less interest	2,588	(641)
Other actuarial gains	111	-
Administration expenses	(19)	(21)
Contributions by employer including unfunded	653	615
Contributions by scheme participants	355	331
Estimated benefits paid net of transfers in including unfunded	(290)	(447)
Closing fair value of employer assets	19,097	15,111

16.7 A History of Experience Gains and Losses is shown below:

	2016/17 £'000	2015/16 £'000	2014/15 £'000	2013/14 £'000	2012/13 £'000
Fair Value of Employer Assets	19,097	15,111	14,738	13,503	12,614
Present Value of Defined Benefit Obligation	(35,562)	(25,856)	(26,539)	(20,864)	(19,172)
Deficit	(16,465)	(10,745)	(11,801)	(7,361)	(6,558)
Experience Losses on Assets	-	-	-	-	-
Experience Gains/(Losses) on Liabilities	634	51	(6)	1,701	(38)

1. In order to assess the actuarial value of the London Pensions Fund Authority Pension Fund's liabilities as at 31/03/17, Barnett Waddingham have rolled forward the actuarial value of the liabilities reported as at the latest formal valuation, allowing for the different financial assumptions required under IAS19. In addition, they have also considered the effect of contributions paid into, and estimated benefits paid from, the Fund by UK Sport and its employees.

2. It is not possible to assess the accuracy of the estimated liability as at 31/03/17 without completing a full valuation. However Barnett Waddingham are satisfied that the approach of rolling forward the previous valuation to 31/03/17 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions and the structure of the liabilities is substantially the same as the latest formal valuation.

3. To calculate the asset share we have rolled forward the assets allowing for investment returns, contributions paid into and estimated benefits paid from, the Fund by and in respect of the employer and its employees.

The Actuarial Valuation for IAS 19 purposes has been allocated between the Lottery and Exchequer (GIA) accounts in accordance with accounting policy note 1.10.

16.8 Sensitivity

The sensitivity of the UK Sport pension liability to changes in assumptions is as follows:

	£'000	£'000	£'000
Adjustment to discount rate	+0.10%	0%	-0.10%
Present value of total obligation	34,720	35,562	36,425
Adjustment to long term salary increase	+0.10%	0%	-0.10%
Present value of total obligation	35,669	35,562	35,456
Adjustment to pension increases and deferred revaluation	+0.10%	0%	-0.10%
Present value of total obligation	36,318	35,562	34,824
Adjustment to mortality age rising assumption	+1 Year	None	-1 Year
Present value of total obligation	36,810	35,562	34,358

17. Superannuation Scheme – EIS

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 £1.440m (2015/16, £1.394m).

Following advice of the consulting actuaries to the LPFA as at 31st March 2013 the English Institute of Sport Limited's employer contributions (as a percentage of pensionable salary) were increased from 9.1% to 12%.

A valuation for IAS 19 purposes as at 31st March 2017 was carried out by a qualified independent actuary. The assumptions used by the actuary for IAS 19 valuation purposes were:

17.1 Pension Commitments

Financial Assumptions:	2016/17	2015/16
	%	%
Price Increases	3.6	3.4
Salary Increases	4.2	4.3
Pension Increases	2.7	2.5
Discount Rate	2.8	3.9
Average Future Life Expectancies at Age 65:	Males	Females
	(years)	(years)
Current Pensioners	22.3	24.8
Future Pensioners	24.6	27.0

17.2 Fair Value of Employer Assets

	31/03/17	31/03/16
	£'000	£'000
Equities	19,912	11,714
LDI/Cashflow Matching	-	2,556
Target Return Portfolio	7,101	5,364
Infrastructure	1,769	1,381
Commodities	-	113
Property	1,713	900
Cash	3,109	3,188
Total Market Value of Assets	33,604	25,216
Present Value of Scheme Liabilities	(65,757)	(38,782)
Net Pension Liability	(32,153)	(13,566)

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

	31/03/17	31/03/16
	%	%
Equities	59	46
LDI/Cashflow Matching	-	10
Target Return Portfolio	21	21
Infrastructure	5	5
Commodities	-	-
Property	5	4
Cash	10	13

17.3 Amounts recognised in the Statement of Comprehensive Net Expenditure account:

	2016/17	2015/16
	£'000	£'000
Service Cost	2,580	3,001
Net Interest on the Defined Liability	501	470
Administration Expenses	33	35
Total	3,114	3,506

17.4 Re-measurements recognised in Other Comprehensive Income:

	2016/17	2015/16
	£'000	£'000
Return on plan assets in excess of interest	4,372	(1,034)
Other actuarial gains on assets	811	-
Change in financial assumptions	(20,600)	3,688
Change in demographic assumptions	(326)	-
Experience loss on defined benefit obligation	(1,195)	-
Re-measurements	(16,938)	2,654

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

	2016/17	2015/16
	£'000	£'000
Opening defined benefit obligation	38,782	37,102
Current service cost	2,580	3,001
Interest cost	1,527	1,317
Change in financial assumptions	20,600	(3,688)
Change in demographic assumptions	326	-
Experience loss on defined benefit obligation	1,195	-
Estimated benefits paid in excess of transfers in	(189)	172
Contributions by scheme participants	936	878
Closing defined benefit obligation	65,757	38,782

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

	2016/17	2015/16
	£'000	£'000
Opening fair value of employers assets	25,216	23,005
Interest on assets	1,026	847
Return on assets less interest	4,372	(1,034)
Other actuarial gains/(losses)	811	-
Administration expenses	(33)	(35)
Contributions by employer including unfunded	1,465	1,383
Contributions by participants	936	878
Estimated benefits paid plus unfunded net of transfers in	(189)	172
Closing fair value of employers assets	33,604	25,216

17.7 History of Experience Gains and Losses

	2016/17	2015/16	2014/15	2013/14	2012/13
	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	33,604	25,216	23,005	19,520	17,394
Present Value of Defined Benefit Obligation	(65,757)	(38,782)	(37,102)	(24,347)	(17,765)
Deficit	(32,153)	(13,566)	(14,097)	(4,827)	(371)
Experience Losses on Assets	-	-	-	-	-
Experience Losses on Liabilities	(1,195)	-	-	(1,305)	-

17.8 Sensitivity:

The sensitivity of the EIS pension liability to changes in assumptions is as follows:

	£'000	£'000	£'000
Adjustment to discount rate	+0.10%	0%	-0.10%
Present value of total obligation	63,706	65,757	67,876
Adjustment to long term salary increase	+0.10%	0%	-0.10%
Present value of total obligation	66,124	65,757	65,395
Adjustment to pension increases and deferred revaluation	0.10%	0%	-0.10%
Present value of total obligation	67,509	65,757	64,064
Adjustment to mortality age rising assumption	+1 Year	None	-1 Year
Present value of total obligation	67,871	65,757	63,709

18. Group Pension Amounts

	Note	2016/17 £'000	2015/16 £'000
Pension Liabilities UK Sport	16.2	(16,465)	(10,745)
Pension Liabilities EIS	17.2	(32,153)	(13,566)
Total Group Pension Liabilities		(48,618)	(24,311)
Pension Scheme Re-measurements UK Sport	16.4	(5,040)	1,843
Pension Scheme Re-measurements EIS	17.4	(16,938)	2,654
Total Group Pension Re-measurements		(21,978)	4,497
Net Interest on the Defined Liability UK Sport	16.3	(396)	(401)
Net Interest on the Defined Liability EIS	17.3	(501)	(470)
Total Net Interest on the Group Defined Liability		(897)	(871)

19. Commitments Under Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Obligations under operating leases comprise:				
Buildings				
Not later than one year	406	389	704	1,687
Later than one year not later than five years	1,750	1,720	2,251	1,989
Later than five years	264	701	264	701
Other				
Not later than one year	-	-	9	16
Later than one year not later than five years	-	-	6	10
Later than five years	-	-	-	-
Total	2,420	2,810	3,234	4,403

20. Grant Commitments

On the undertaking that funds are to be provided by DCMS, UK Sport at 31/03/17 had entered into commitments to pay grants to governing bodies in respect of their approved programmes in the following years (these commitments at 31/03/17 have not yet been recognised in the Statement of Comprehensive Net Expenditure Account nor Statement of Financial Position).

	UK Sport		Group	
	2016/17 £'000	2015/16 £'000	2016/17 £'000	2015/16 £'000
Amounts falling due during 2016/17	-	21,525	-	21,525
Amounts falling due during 2017/18	32,041	953	11,102	953
Amounts falling due during 2018/19	39,844	479	22,086	479
Amounts falling due during 2019/20	37,560	-	20,006	-
Amounts falling due during 2020/21	22,745	-	4,926	-
	132,190	22,957	58,120	22,957

21. Contingent Liabilities

During the year ended 31 March 2017 Yorkshire 2019 Limited entered into a contract entitling a third party to a Performance Security in the event of debts or liabilities caused by Yorkshire 2019 Limited. This security amounted to £0.2m as at 31 March 2017.

22. Capital Commitments

As at 31/03/17 UK Sport had capital commitments of £68,695 for software development costs (31/03/16, £17,308).

23. Events After the Reporting Period

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.

24. Related Party Transactions

UK Sport is an Arm's Length Body sponsored by DCMS. DCMS is regarded as a related party. During the period of 01/04/2016 to 31/03/2017, UK Sport had various material transactions with DCMS and with the Sports Councils for the home countries.

As a matter of policy and procedure, Board and Committee members, Award Panel members and staff maintain publicly available registers of interests and declare any interests and declare any direct interests in grant applications made to UK Sport and any commercial relationships with the Council. If any member has an interest in an application, they exclude themselves from the grant appraisal discussion and decision process within the Council.

The following table details UK Sport's related party transactions for the year which are on an arm's-length basis.

Related Party	Nature of Transaction	Amounts (£)
John Dowson (Board Member of UK Sport) – Chair of UK Boccia Federation	Services provided to UK Sport	2,500
	Grant funding to UK Boccia Federation	114,281
Nick Bitel (Board Member of UK Sport) – Chair of Sport England	Recharged expenditure from Sport England	13,793
	Contribution to programme costs charged to UK Sport	102,984
	Grant funding to Sport England	40,000
	Services provided by UK Sport	600
Nick Bitel (Board Member of UK Sport) – Family member a member & Licenses Coach at Lawn Tennis Association (LTA)	Athlete Medical Scheme fees charged to LTA	25,707
	Delegate Fees charged to LTA	975
Nick Bitel (Board Member of UK Sport) – Commercial Interests in Rugby Football Union (RFU)	Services Provided to UK Sport	292
	Services Provided by UK Sport	12,775
Nick Bitel (Board Member of UK Sport) – Commercial Interests in England & Wales Cricket Board (ECB)	Services Provided to UK Sport	222
	Services Provided by UK Sport	12,000
Lis Astall (Board Member of UK Sport) – Chair Member Council of British Equestrian Federation	Grant Funding to British Equestrian	1,430,386
	International Partnership Programme	49,500
	Delegate Fees Charged to British Equestrian	1,000
Lis Astall (Board Member of UK Sport) – Member of Royal Yachting Association (RYA)	Grant funding to RYA	1,717,543
	Services provided to UK Sport	50,800
	Services provided by UK Sport	2,200

Related Party	Nature of Transaction	Amounts (£)
Sarah Springman (Board Member of UK Sport) – Member, Patron of and former Chair (2007-2012) of British Triathlon	Grant Funding to British Triathlon Association	232,570
	Contribution to programme costs charged to UK Sport	62,268
	International Partnership Programme	11,000
	Delegate Fees charged to British Triathlon	2,400
Sarah Springman (Board Member of UK Sport) – Member of British Rowing	Grant funding to British Rowing	3,240,359
	Services provided to UK Sport	82,008
	Delegate Fee Charged to British Rowing	2,400
Neil Chugani (Board Member of UK Sport) – Member of British Rowing. CEO and Board Director of British Rowing from February 2014 to January 2015	Grant funding to British Rowing	3,240,359
	Services provided to UK Sport	82,008
	Delegate Fee Charged to British Rowing	2,400
John Steele (Observer on UK Sport's Board) – Director & Owner of Unforgiving Minute Ltd	Services provided to UK Sport	5,485
John Steele (Observer on UK Sport's Board) – Chair of English Institute of Sport Chelsea Warr (Director of UK Sport) – Director of English Institute of Sport Simon Timson (Former Director of UK Sport) – Former Director of English Institute of Sport Rodney Carr (Chair of UK Sport) – Director of English Institute of Sport John Craig Hunter (Audit Committee Member of UK Sport) – Director of English Institute of Sport	Grant funding to English Institute of Sport	16,384,440
	Services provided to UK Sport	30,967
	Recharged expenditure from EIS	15,000
	Recharged expenditure to EIS	485,936
John Steele (Observer) – Executive Director of Sport at Loughborough University	Services provided to UK Sport	26,082
Rodney Carr (Chair of UK Sport) – Former CEO, Performance Director and Coach at the Royal Yachting Association (RYA)	Grant funding to RYA	1,717,543
	Services provided to UK Sport	50,800
	Services provided by UK Sport	2,200
Simon Morton (Director of UK Sport) – Director of Yorkshire 2019 Limited	Payments made on behalf of Yorkshire 2019	4,551,724
	Recharge of Expenditure to Yorkshire 2019 Limited	63,424
	Grant funding to Yorkshire 2019 Limited	4,441,000
Simon Morton (Director of UK Sport) – Director of London 2017 Ltd	Services provided to UK Sport	20,225
Mel Young (Board Member of UK Sport) – Chair of Sport Scotland	Services Provided to UK Sport	13,000
	Recharge Expenses to UK Sport	1,372
John Craig Hunter (Audit Committee Member of UK Sport) – Director at British Swimming	Grant Funding to British Swimming	1,536,204
	Services Provided by UK Sport	4,725

Related Party	Nature of Transaction	Amounts (£)
Simon Timson (Director at UK Sport) – Vice President of British Bobsleigh & Skeleton Association	Grant Funding to British Bobsleigh	438,906
Simon Timson (Director of UK Sport) – Former employee at England & Wales Cricket Board (ECB)	Services Provided to UK Sport Services Provided by UK Sport	222 12,000
Nicola Roche (Board Member of UK Sport) – Trustee designate of Dame Kelly Holmes Trust	Services Provided to UK Sport	4,750
Nicola Roche (Board Member of UK Sport) – Occasional Independent Panel Member for DCMS Public Appointments	Grant in Aid received from DCMS	53,536,000

25. Subsidiary Undertakings

English Institute of Sport

UK Sport was given responsibility for the EIS in April 2006.

The following results of EIS have been included in the consolidated results:

	2016/17	2015/16
	£'000	£'000
Statement of Comprehensive Net Expenditure		
Income	24,225	24,596
Administrative Expenses	(25,442)	(26,249)
Operating Deficit before Interest and Taxation	(1,217)	(1,653)
Interest Receivable	1	3
Interest Payable and Similar Charges	(505)	(474)
Deficit on Ordinary Activities Before Taxation	(1,721)	(2,124)
Tax on Surplus on Ordinary Activities	-	(1)
Deficit for the Financial Year	(1,721)	(2,125)
Re-measurement of the Net Defined Benefit Liability	(16,938)	2,654
Total Comprehensive Net (Expenditure)/Income for the Year	(18,659)	529
	2016/17	2015/16
	£'000	£'000
Statement of Financial Position		
Property Plant and Equipment	2,002	1,797
Intangible Assets	1,045	901
Current Assets	2,700	2,436
Payables: Falling Due Within One Year	(2,739)	(2,463)
Total Assets less Current Liabilities	3,008	2,671
Deferred Income	(3,066)	(2,726)
Provision for other liabilities	(69)	-
Net Liabilities Excluding Pension Liability	(127)	(55)
Defined Benefit Pension Scheme Liability	(32,153)	(13,566)
Net Liabilities Including Pension Liability	(32,280)	(13,621)
Reserves		
Revenue Reserve	(32,280)	(13,621)

The above figures have been presented on a gross basis as per the EIS annual accounts prior to intercompany eliminations and alignment adjustments.

26. Subsidiary Undertakings

Yorkshire 2019 Limited

Yorkshire 2019 Limited will produce one set of accounts covering a period of 17 months to 31 March 2018. The results for the period from incorporation to 31 March 2017 have been included in the consolidated results of the UK Sport group.

	2016/17 £'000
Statement of Comprehensive Net Expenditure	
Income	4,441
Operating and Administrative Expenses	(4,441)
Deficit for the period	-
Unrealised foreign exchange gain	36
Total Comprehensive Net Expenditure for the period	36
	2016/17 £'000
Statement of Financial Position	
Restricted cash	2,836
Current Assets	11
Current Liabilities	(2,811)
Total Assets less Liabilities	36
Reserves	
Revenue Reserve	36

The above figures have been presented on a gross basis prior to inter-company eliminations taking place within the group accounts.



**The United Kingdom Sports Council
Lottery Distribution Fund
Accounts for the Year Ended
31 March 2017**

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the United Kingdom Sports Council Lottery Distribution Fund for the year ended 31 March 2017 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Change in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the United Kingdom Sports Council Lottery Distribution Fund's affairs as at 31 March 2017 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited 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 Report and Accountability 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 and the parts of the Remuneration and Staff Report and the Parliamentary Accountability Disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

4 July 2017

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

Statement of Comprehensive Net Expenditure for the Year Ended 31/03/17

	Note	2016/17 £'000	2015/16 £'000
INCOME			
National Lottery Share of Proceeds	2	74,325	87,705
Investment Returns from NLDF	2	242	358
Interest Receivable		2	4
Other Operating Income		28	-
Total		74,597	88,067
EXPENDITURE			
Accrued Grant Awards	3	5,960	2,765
Accrued Grant De-commitments	3	(1,310)	(979)
Other Grant Payments	5	78,561	90,161
Staff Costs	6	2,276	2,108
Amortisation	9	20	20
Other Operating Costs		496	456
Costs Apportioned from UK Sport Grant-in-Aid Account		2,019	2,111
Total		88,022	96,642
DECREASE IN LOTTERY FUNDS BEFORE TAXATION		(13,425)	(8,575)
Net Interest on the Pension Liability	12.3	(112)	(114)
DECREASE IN LOTTERY FUNDS		(13,537)	(8,689)
Other Comprehensive Expenditure			
Pension Scheme Re-measurements	12.4	(1,438)	524
Total Comprehensive Net Expenditure		(14,975)	(8,165)

All activities are to continuing activities.

The notes on pages 68 to 78 form part of these accounts.

Statement of Changes in Equity for the Year Ended 31/03/17

	Note	2016/17		2015/16	
		Revenue Reserve £'000	Pension Reserve £'000	Revenue Reserve £'000	Pension Reserve £'000
Balance Brought Forward		49,045	(3,051)	57,486	(3,326)
Retained Deficit for the Year		(13,537)	-	(8,689)	-
Pension Scheme Re-measurements	12.4	-	(1,438)	-	524
Transfer from the Pension Fund		210	(210)	248	(248)
Other Movements		-	11	-	(1)
Balance at 31 March		35,718	(4,688)	49,045	(3,051)

The notes on pages 68 to 78 form part of these accounts.

Statement of Financial Position as at 31/03/17

	Note	31/03/17 £'000	31/03/16 £'000
NON CURRENT ASSETS			
Intangible Assets	9	26	39
Total Non Current Assets		26	39
CURRENT ASSETS			
Investments – Balance at NLDF	2	41,586	57,479
Trade and Other Receivables	10	31	45
Cash and Cash Equivalents	14	2,323	635
Total Current Assets		43,940	58,159
CURRENT LIABILITIES			
Trade and Other Payables	11	(176)	(444)
Grant Awards Falling Due Within One Year	3	(4,878)	(6,264)
Total Current Liabilities		(5,054)	(6,708)
Net Current Assets		38,886	51,451
Non Current Assets plus Net Current Assets		38,912	51,490
NON CURRENT LIABILITIES			
Grant Awards Falling Due After One Year	3	(3,194)	(2,445)
Pension Liability	12.2	(4,688)	(3,051)
Total Non Current Liabilities		(7,882)	(5,496)
Total Assets less Liabilities		31,030	45,994
EQUITY			
Pension Reserve	12.2	(4,688)	(3,051)
Revenue Reserve		35,718	49,045
Total Equity		31,030	45,994

The notes on pages 68 to 78 form part of these accounts.



Liz Nicholl CBE
Chief Executive and Accounting Officer
The United Kingdom Sports Council
28 June 2017



Amanda (Lis) Astall
Acting Chair
The United Kingdom Sports Council
28 June 2017

Statement of Cash Flows for the Year Ended 31/03/17

	Note	2016/17 £'000	2015/16 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Cash Generated from Operations	13	1,686	107
Interest Received		2	4
Net Cash Flow from Operating Activities		1,688	111
Net Increase in Cash and Cash Equivalents in the Year		1,688	111
Cash and Cash Equivalents at 1 April		635	524
Cash and Cash Equivalents at 31 March	14	2,323	635

The notes on pages 68 to 78 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Accounting Policies

1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2016/17 Government Financial Reporting Manual (FReM) and in a form directed by the Secretary of State with consent of Treasury in accordance with section 35(3) of the National Lottery etc. Act 1993.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of UK Sport Lottery for the purpose of giving true and fair view has been selected. The particular policies adopted by UK Sport Lottery are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Without limiting the information given, the accounts meet the requirements of the Companies Act 2006, the International Accounting Standards issued or adopted by the International Accounting Standards Board, the Treasury guidance on the accounts of Arm's Length Bodies and the National Lottery etc. Act 1993 insofar as those requirements are appropriate to the UK Sport Lottery Fund.

The accounts have been prepared under the accruals convention and, as such, all income and expenditure is taken into account in the financial period to which it relates.

The accounts cover the year to 31/03/17, in compliance with section 35 of the National Lottery etc. Act 1993.

Separate accounts have been prepared for the UK Sport operations funded from Grant-in-Aid, in accordance with the instructions issued by the Secretary of State. Consolidated accounts have not been prepared.

There are no standards and interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the group.

The financial statements have been prepared on a going concern basis.

1.2 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make key judgements, assumptions and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Pension costs recognised within UK Sport's accounts are subject to estimation. The key assumptions applied by the actuary are set out in note 12.

1.3 Grant Commitments

Grants payable are charged to the Statement of Comprehensive Net Expenditure on an accruals basis. The reporting of grants has been aligned with the FReM. Where the recognition criteria is met, commitments are reflected in the Statement of Financial Position as a liability and where they do not meet the criteria are disclosed as other grant commitments in note 4.

Note 3 provides more detail relating to those grant commitments which have been recognised as liabilities at the Statement of Financial Position date.

1.4 Intangible Assets

The intangible assets of UK Sport are computer software and software licenses. Intangible assets are initially measured at cost and amortised on a straight line basis over their useful lives.

Amortisation on intangible assets is charged over their useful economic life on the following basis:

Computer Software 3-5 years
Software Licenses over the life of the license

A full year of amortisation is charged in the year of acquisition and none in the year of disposal.

1.5 Pension Costs

The pension liabilities and assets are recorded in line with IAS 19, with a valuation undertaken by an independent actuary. IAS 19 measures the value of pension assets and liabilities at the end of each reporting period, determines the benefits accrued in the year and the interest on scheme assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Comprehensive Net Expenditure and the net interest on the pension liability is shown in the Statement of Comprehensive Net Expenditure. The change in the value of the assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Equity. The resulting pension liability or asset is shown on the Statement of Financial Position.

Further information on the pension scheme is available in note 12 to the accounts. Details about the valuation of the pension fund and the recharges are also in note 12.

1.6 Charges to and from UK Sport

UK Sport is required to apportion between its Grant-in-Aid and National Lottery distribution activities the costs of services provided from its Grant-in-Aid budget that are directly and demonstrably used on UK Sport Lottery Fund functions and vice versa. The costs apportioned to the National Lottery distribution activities are paid from the UK Sport Lottery Fund to the Grant-in-Aid account. The apportionment of the costs has been determined in the manner most appropriate to the particular service, for example staff numbers, staff time or floor space. In all cases the charges to the National Lottery distribution activity have been calculated on a full cost recovery basis in accordance with HM Treasury's *"Managing Public Money"*.

1.7 Value Added Tax

The making of Lottery awards is deemed to be a non-business activity. Accordingly VAT is not charged on grants made and input tax is not recovered but treated as an additional expense of the item to which it relates.

1.8 Investments

The funds attributable to the Lottery Fund, whilst they are within the National Lottery Distribution Fund, are invested by the National Debt Commissioners, and interest accrued is credited to the balance available for distribution.

Capital sums are distributed in accordance with the provisions of the National Lottery etc. Act 1993. Interest earned on the sums invested is apportioned to each of the National Lottery Distributors on the basis of their percentage share of the total remaining National Lottery Distribution Fund at the time the interest is received.

1.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term high liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. National Lottery Distribution Fund

During the year under review the UK Sport Lottery Fund has received and drawn down the following sums:

	2016/17	2015/16
	£'000	£'000
Balance Brought Forward	57,479	69,165
Share of Net Operator Proceeds	74,325	87,705
Investment Returns from NLDF	242	358
Available for Distribution	<u>132,046</u>	<u>157,228</u>
Funds Drawn Down	(90,460)	(99,749)
Balance Carried Forward	<u>41,586</u>	<u>57,479</u>

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to UK Sport 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 being available for distribution by UK Sport in respect of current and future commitments.

Funds are withdrawn from the NLDF into the bank account of the UK Sport Lottery Fund in order to meet payments falling due from suppliers and awards to recipients on a monthly basis.

The market value carried forward at 31/03/17 is £41.586m (31/03/16, £57.479m).

The NLDF balance decreased during the year 2016/17 to stand at £41.586m at 31/03/17, representing 17% of outstanding commitments made at that point.

3. Accrued Grant Awards

	2016/17	2015/16
	£'000	£'000
Accrued Awards Brought Forward	8,709	11,769
Awards Made in the Year	5,960	2,765
De-commitments Made in the Year	(1,310)	(979)
Total Accrued Grant Awards	<u>13,359</u>	<u>13,555</u>
Accrued Grant Awards Met in the Year	(5,287)	(4,846)
Accrued Grant Awards Carried Forward	<u>8,072</u>	<u>8,709</u>

Accrued Grant Awards by Year

	2016/17	2015/16
	£'000	£'000
Amounts Falling Due During 2016/17	–	6,264
Amounts Falling Due During 2017/18	4,878	1,913
Amounts Falling Due During 2018/19	2,048	532
Amounts Falling Due During 2019/20	853	–
Amounts Falling Due During 2020/21	293	–
Total	<u>8,072</u>	<u>8,709</u>

Accrued awards made in the year are shown as expenditure, but during the year some commitments will be made and paid in the same year, or de-committed, which accounts for the difference between outstanding accrued commitments at 31/03/16 and actual amounts paid in 2016/17.

4. Other Grant Commitments

	2016/17	2015/16
	£'000	£'000
Amounts Falling Due During 2016/17	–	83,759
Amounts Falling Due During 2017/18	65,699	5,376
Amounts Falling Due During 2018/19	53,487	2,646
Amounts Falling Due During 2019/20	51,032	–
Amounts Falling Due During 2020/21	66,134	–
	<u>236,352</u>	<u>91,781</u>

The accounting policies applied for National Lottery funding require commitments to be accrued in the accounts when an offer has been made, commitments are free of performance related conditions and are free from conditions under the control of UK Sport. Other grant commitments do not meet this requirement and have therefore not been accrued. Revenue can only be recognised when funds are made available within the NLDF. To provide appropriate financial security for grantees, UK Sport commits funds for a period of up to four years with the expectation that actual funds will be available from future National Lottery revenue to meet future years' expenditure.

5. Lottery Grant Payments

	2016/17	2015/16
	£'000	£'000
Accrued Grant Payments		
Major Events	4,919	4,446
International Relations	368	400
	<u>5,287</u>	<u>4,846</u>
Other Grant Payments		
Athletes	17,033	16,266
National Governing Bodies and Partners	61,528	73,895
	<u>78,561</u>	<u>90,161</u>
Total Grant Payments	<u>83,848</u>	<u>95,007</u>

6. Staff Costs

	2016/17	2015/16
	£'000	£'000
Wages and Salaries	1,763	1,632
Social Security Costs	224	164
Current Service Costs	283	305
Administration Expense Relating to Pension Scheme	6	7
Total Employee Costs	<u>2,276</u>	<u>2,108</u>

7. Average Number of Staff During the Year (Full Time Equivalent Values)

The average number of staff employed on a full time equivalent basis during the year were as follows:

	2016/17	2015/16
UK Sport	31	29
Average Staff Numbers	31	29

8. Lottery Funds

	2016/17	2015/16
	£'000	£'000
The Lottery Fund is stated after charging for: External Auditors' Remuneration for Audit Work	28	28

No payments were made to the auditors for non-audit work.

9. Intangible Assets

All intangible fixed assets are computer software.

	£'000
Cost	
At 01/04/16	644
Additions	7
At 31/03/17	651
Amortisation	
At 01/04/16	605
Charge for Year	20
At 31/03/17	625
Net Book Value	
At 31/03/16	39
At 31/03/17	26

10. Trade Receivables

	2016/17	2015/16
	£'000	£'000
Trade Receivables	7	1
Prepayments	24	11
Other Receivables	-	33
Total	31	45

All amounts fall due within one year.

11. Trade Payables

	2016/17	2015/16
	£'000	£'000
Trade Payables	47	90
Accruals and Deferred Income	129	354
Total	176	444

12. Superannuation Scheme

The majority of staff of UK Sport (Grant-in-Aid and Lottery) are members of the London Pension Fund Authority (LPFA) Superannuation Scheme. UK Sport is one of several employers whose staff are scheme participants, and data given in this note refers to the whole scheme and to the identified UK Sport portion of it. There is a generic scheme for staff covered by the accounting policy note 1.5 above.

All staff are contractually employed by UK Sport. Whether they work on Lottery related matters or not does not affect the terms and conditions of their employment or of their pension entitlement. If in the long term they were still employed by UK Sport but the Lottery accounts continued with Pension Fund deficits, then the employees, regardless of the Lottery nature of their employment, would still be entitled to look to the Grant-in-Aid accounts to ensure their pension entitlement was met. However under IAS 19 it is the economic entity which suffers the charge to its Statement of Comprehensive Net Expenditure that must make disclosure of that relevant portion of the shared fund.

The pension is of the defined benefit type and is funded by employees and employers at actuarially determined rates.

Employer's contribution for the period amounted to £0.191m or 12% of pensionable pay (2015/16, £0.178m or 12%).

The share charged to these accounts is a proportion of the amount paid by UK Sport in total.

The scheme is subject to triennial valuations by the consulting actuaries to the LPFA and the latest valuation was at 31/03/2016. A valuation as at 31/03/19 is due, with results expected to be reported in late 2019. The actuarial method used is market related, based on average yields and market values in the 12 months leading up to the valuation date.

International Accounting Standard (IAS19) issued by the International Accounting Standards Board requires that the following information, which has been prepared by Barnett Waddingham (the Consulting Actuaries to the LPFA) for this purpose, be disclosed in these accounts with respect to the scheme.

12.1 Pension Commitments

Financial Assumptions	2016/17	2015/16
	%	%
Price Increases	3.6	3.4
Salary Increases	4.2	4.3
Pension Increases	2.7	2.5
Discount Rate	2.8	3.8

Average Future Life Expectancies at Age 65:	Males	Females
	(years)	(years)
Current Pensioners	22.2	24.5
Future Pensioners	24.5	26.8

12.2 Fair Value of Employer's Assets

	Fund Value at 31/03/17 £'000	Fund Value at 31/03/16 £'000
Equities	3,212	1,983
LDI/Cashflow Matching	–	433
Target Return Portfolio	1,143	909
Infrastructure	285	234
Commodities	–	19
Property	276	153
Cash	500	540
Total Fair Value of Assets	5,416	4,271
Present Value of Scheme Liabilities	(10,104)	(7,322)
Net Pension Liability	(4,688)	(3,051)

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

	31/03/17 %	31/03/16 %
Equities	59	46
LDI/Cashflow Matching	–	10
Target Return Portfolio	21	21
Infrastructure	5	5
Commodities	–	–
Property	5	4
Cash	10	13

12.3 Amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2016/17 £'000	2015/16 £'000
Service Cost	283	305
Net Interest on the Defined Liability	112	114
Administration Expenses	6	7
Total	401	426

12.4 Re-measurements in Other Comprehensive Income

	2016/17 £'000	2015/16 £'000
Return on plan assets in excess of interest	732	(181)
Other actuarial gains	31	–
Change in financial assumptions	(2,421)	691
Change in demographic assumptions	40	–
Experience gain on defined benefit obligation	180	14
Re-measurements	(1,438)	524

12.5 Changes in the present value of the defined benefit obligation:

	2016/17	2015/16
	£'000	£'000
Opening defined benefit obligation	7,322	7,497
Current service cost	283	305
Interest cost	278	262
Change in financial assumptions	2,421	(691)
Change in demographic assumptions	(40)	-
Experience gain on defined benefit obligation	(180)	(14)
Estimated benefits paid net of transfer in	(82)	(130)
Contributions by scheme participants	110	102
Unfunded pension payments	(8)	(8)
Closing defined benefit obligation	10,104	7,322

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

	2016/17	2015/16
	£'000	£'000
Opening fair value of employer's assets	4,271	4,171
Interest on assets	166	137
Return on assets less interest	732	(184)
Other actuarial gains	31	-
Administration expenses	(6)	(7)
Contributions by employer including unfunded	202	189
Contributions by scheme participants	110	102
Estimated benefits paid net of transfers in including unfunded	(90)	(137)
Closing fair value of employer's assets	5,416	4,271

12.7 History of Experience Gains and Losses

	2016/17	2015/16	2014/15	2013/14	2012/13
	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	5,416	4,271	4,171	3,823	3,624
Present Value of Defined Benefit Obligation	(10,104)	(7,322)	(7,497)	(5,900)	(5,375)
Deficit	(4,688)	(3,051)	(3,326)	(2,077)	(1,751)
Experience Losses on Assets	-	-	-	-	-
Experience Gains/(Losses) on Liabilities	180	14	(2)	485	(11)

1. In order to assess the actuarial value of the London Pensions Fund Authority Pension Fund's liabilities as at 31/03/17, Barnett Waddingham have rolled forward the actuarial value of the liabilities reported as at the latest formal valuation, allowing for the different financial assumptions required under IAS19. In addition, they have also considered the effect of contributions paid into, and estimated benefits paid from, the Fund by UK Sport and its employees.

2. It is not possible to assess the accuracy of the estimated liability as at 31/03/17 without completing a full valuation. However Barnett Waddingham are satisfied that the approach of rolling forward the previous valuation to 31/03/17 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions and the structure of the liabilities is substantially the same as the latest formal valuation. A valuation as at 31/03/19 is due, with results expected to be available in late 2019.

3. To calculate the asset share we have rolled forward the assets allowing for investment returns, contributions paid into and estimated benefits paid from the Fund by and in respect of the employer.

The Actuarial Valuation for IAS 19 purposes has been allocated between the Lottery and Exchequer (GIA) accounts in accordance with accounting policy note 1.5.

12.8 Sensitivity

The sensitivity of the pension liability to changes in assumptions is as follows:

	£'000	£'000	£'000
Adjustment to discount rate	+0.10%	0%	-0.10%
Present value of total obligation	9,865	10,104	10,349
Adjustment to long term salary increase	+0.10%	0%	-0.10%
Present value of total obligation	10,134	10,104	10,074
Adjustment to pension increases and deferred revaluation	+0.10%	0%	-0.10%
Present value of total obligation	10,319	10,104	9,894
Adjustment to mortality age rising assumption	+1 Year	None	-1 Year
Present value of total obligation	10,458	10,104	9,762

13. Reconciliation of Increase in Lottery Funds Before Taxation to Net Cash Inflow from Operating Activities

	2016/17	2015/16
	£'000	£'000
Decrease in Lottery Funds Before Taxation	(13,425)	(8,575)
Decrease/(Increase) in Receivables	14	(6)
Decrease in Payables	(905)	(3,134)
Amortisation of Intangible Assets	20	20
Interest Receivable	(2)	(4)
Decrease in NLDF	15,893	11,685
Pension Scheme: Non Cash Movement	98	135
Purchase of Fixed Assets	(7)	(14)
Net Cash Inflow from Operating Activities	<u>1,686</u>	<u>107</u>

14. Change in Cash and Cash Equivalents

	2016/17	2015/16
	£'000	£'000
Opening Cash Balance	635	524
Net Cash Inflow including interest received	1,688	111
Cash and Bank Balances at Year End	<u>2,323</u>	<u>635</u>

15. Financial Instruments

UK Sport Lottery Fund has adopted IFRS 7 Financial Instruments and has undertaken a review of major contracts to identify transactions that require disclosure. The majority of financial instruments relate to contracts for non-financial items in line with DCMS's expected purchase and usage requirements and DCMS therefore is exposed to limited credit, liquidity or market risk.

Liquidity Risks

In the year £74.57m or 99.95 % (2015/16, £88.063m or 99.99%) of the UK Sport Lottery Fund's income was derived from the National Lottery. The remaining income is derived from Interest on Deposits and Sundry Income. In previous reports, UK Sport considered that the Lottery Fund's ability to meet the Award Commitments and other liabilities in the short and longer term is dependent on adequate sales revenue from the National Lottery and on the contingency arrangements in place with DCMS in the event that the National Lottery revenue falls short of the amounts required.

Interest Rate Risks

The financial assets of the Fund are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. UK Sport has no control over the investment of Funds in the National Lottery Distribution Fund or the associated interest rate risks.

At the balance sheet date the market value of UK Sport's share of investment in the National Lottery Distribution Fund was £41.586m (2015/16, £57.479m). In the year the average return on these investments was 0.42% (2015/16, 0.57%). Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in a deposit account. The cash balance at the year-end was £2.323m (2015/16, £0.635m). The Fund is not exposed to significant interest rate risks.

Foreign Currency Risk

The Fund is not exposed to material foreign exchange risks.

16. Contingent Liabilities

There was a transfer of responsibilities for the English Institute of Sport from Sport England to UK Sport in 2006, as part of the transfer there was also a NLDF balance transfer of £5m which under the terms of the transfer may be payable back to Sport England at a future point in time.

This would depend on a review being undertaken and UK Sport not being put "under excessive financial risk or pressure."

17. Capital Commitments

As at 31/03/17, the Lottery Fund had made no commitments to purchase further capital equipment (31/03/16, £nil).

18. Related Party Transactions

UK Sport is a Arm's Length Body sponsored by DCMS. DCMS is regarded as a related party. During the period of 01/04/2016 to 31/03/2017, UK Sport had various material transactions with DCMS and with the Sports Councils for the home countries.

As a matter of policy and procedure, Council members, Award Panel members and staff maintain publicly available registers of interests and declare any interests and declare any direct interests in grant applications made to UK Sport and any commercial relationships with the Council. If any member has an interest in an application, they exclude themselves from the grant appraisal discussion and decision process within the Council.

The following table details UK Sport's related party transactions for the year which are on an arm's-length basis:

Related Party	Nature of Transaction	Amounts (£)
John Dowson (Board Member of UK Sport) – Chair of UK Boccia Federation	Grant Funding to UK Boccia Federation	600,000
Sarah Springman (Board Member of UK Sport) – Member, Patron of and former Chair (2007-2012) of British Triathlon	Grant Funding to British Triathlon	2,078,517
Sarah Springman (Board Member of UK Sport) – Member of British Rowing	Grant Funding to British Rowing	4,504,996
Neil Chugani (Board Member of UK Sport) – Member of British Rowing. CEO and Board Director of British Rowing from February 2014 to January 2015	Grant Funding to British Rowing	4,504,996
Lis Astall (Board Member of UK Sport) – Chair Member Council of British Equestrian Federation	Grant Funding to British Equestrian Federation	2,877,624
Lis Astall (Board Member of UK Sport) – Member of Royal Yachting Association (RYA)	Grant Funding to RYA	4,594,806
Rodney Carr (Chair of UK Sport) – Former CEO, Performance Director and Coach at the Royal Yachting Association (RYA)	Grant Funding to RYA	4,594,806
Simon Timson (Director at UK Sport) – Vice President of British Bobsleigh & Skeleton Association	Grant Funding to British Bobsleigh & Skeleton Association	2,696,467
Simon Morton (Director of UK Sport) – Director of London 2017 Ltd	Grant Funding to London 2017	1,329,000
Mel Young (Board Member of UK Sport) – Chair of Sport Scotland	Grant Funding to Sport Scotland	1,434,286
John Craig Hunter (Audit Committee Member of UK Sport) – Director at British Swimming	Grant Funding to British Swimming	6,819,151

19. Events After the Reporting Period

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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