

The Sports Council Trust Company

Company number 2517615

Charity number 803779

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2022 – 2023

For the period 1 April 2022 to 31 March 2023

The Sports Council Trust Company

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

(SI 2009/476)

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The Trustees present their Annual Report on the affairs of The Sports Council Trust Company together with the accounts and auditor's report for the year ended 31 March 2023.

Strategic Report

Structure, governance and management

Constitution of The Sports Council Trust Company

The Sports Council Trust Company ("the Charity") is a company limited by guarantee (Company number 2517615). It is governed by its Memorandum and Articles of Association and is a registered charity with the Charity Commission (Charity number 803779).

The sole member and parent body for the financial years presented in this report was The English Sports Council (ESC) operating as Sport England.

The operating and governance framework between ESC (the Parent) and the Charity (the Subsidiary), is outlined in the Parent/ Subsidiary Memorandum, effective from 1 May 2012 and last updated in December 2012, between the two parties.

Organisational structure

The Charity is administered by a Board of Trustees that regularly meets to discuss the objectives and activities of the Charity. The directors of the Charity are its Trustees. During the financial year ending 31 March 2023 the Board met 4 times.

The Board is composed of a Chair and 8 Trustees as of 31 March 2023. You can find more details about each Trustee on page 14.

The Chair is responsible for the management of the Charity's operations. In order to ensure we are best placed to meet our strategic goals, the Chair delegates authority for the day-to-day administration to officers of Sport England. This is done through Service Level and Agency Agreements (SLA) that include the provision of staff to manage the operational contracts of the National Sports Centres (NSCs). This means that the Charity has no employees.

Objectives and Activities

The Charity was founded to preserve and safeguard the physical and mental health of communities across the UK. We do this by promoting physical recreation (including sports) and education, as well as providing facilities that are available to members of the public.

During 2022/23 the Charity focused on:

- Increasing participation in sport and physical activity by providing a range of activity opportunities to the public through the National Sports Centres (NSCs)
- Creating, improving and maintaining world class training facilities at the NSCs
- Ensuring that the NSCs continue to promote holistic sports development programmes
- Safeguarding the NSC's business recovery from the impact of Covid-19 and the current economic climate
- Awarding grants to local sporting and community organisations
- Monitoring the performance of our investments and available funding

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims, objectives, and achievements, and in planning future activities.

Our strategy

We achieve our public benefit purpose through the management and operation of facilities that every member of the community can benefit from.

During the year, the Charity continued to own three NSCs:

- Bisham Abbey National Sports Centre (Bisham)
- Lilleshall National Sports Centre (Lilleshall)
- Plas y Brenin the National Centre for the Outdoors (PYB)

We also own the Redgrave and Pinsent Rowing Lake (the Rowing Lake), which is currently leased to British Rowing.

These four facilities are uniquely placed to help us achieve our primary goal of helping members of the public play more sport and enjoy the many benefits of regular physical activity. By giving people access to high quality sports facilities, we are helping make communities happier, healthier and better connected. The NSCs also provide elite sports men and women world-class places to train for international sporting competitions, helping to further increase the sporting prestige of the UK around the world.

We have four main strategic objectives:

- Support the delivery of a National Governing Body-driven sporting system which can accommodate and develop talent at community, club and elite level.
- Enhance talent development and world class performance by providing a mix of high-quality sports facilities and support in a unique sporting environment.
- Foster effective coach development, research, innovation and inspiration by delivering programmes and activities that have a significant impact on sporting activities and its availability.
- Ensuring effective operation of the NSCs, through the development of commercial and community participation activities, without impacting our ability to achieve our other objectives.

We deliver against our four objectives through management contracts let in 2011, which run for a 15-year period. The Charity's Board oversaw the tendering process and letting of the contracts while the Sport England Board gave approval for us to enter the contracts in 2011. Bisham and Lilleshall are operated on behalf of the SCTC by Serco Leisure. PYB is operated by Mountain Training Trust (MTT).

The National Sport Centres

Our NSCs and Rowing Lake are unlike other facilities in the UK's sporting landscape. They not only provide world class training facilities for the country's Olympic and Paralympic athletes; they also provide the places and spaces for local communities to be active and participate in sport and physical activity.

As active environments, the NSCs are recognised nationally and increasingly internationally, as examples of best practice for integrating sport and physical activity with other services like health, education, and training. They are not just about providing a place to train, but a hub for community activity.

Our NSCs are an important part of Sport England's reputation as a leader across the sport and leisure sector. Sport England's role as the client of three sector leading facilities (on behalf of The Sports Council Trust Company) provides credibility within the market. This is particularly true in relation to Sport England's strategic role working with Local Authorities, Trusts and Operators to drive continual improvement in local leisure provision. This role was critical during 2020-22 as public leisure provision continued to be severely impacted by the Covid-19 pandemic. The NSC's formed part of

Sport England's strategic response providing leadership and best practice to support Local Authority public leisure services as they continued to recover from the impact of the pandemic and protect vital services to enable people to be physically active.

This kind of collaboration is a crucial part of what makes the NSCs so special. They're a leading example of partnership and cross sector/partner relationships working towards shared strategic objectives and local outcomes. Our partners consistently reference the strength of the partnership to help them achieve their own objectives – contributing to Sport England's wider role in supporting the sector and encouraging collaboration to maximise local community outcomes.

As part of the Elite Training Centre network, the NSCs are among the 18 Centres that host world class Olympic and Paralympic programmes. The partnership of National Governing Bodies, UK Sport institute (UKSI), UK Sport and Sport England works together to make the country's elite training environments more effective, contributing to a more sustainable elite sport system.

The four NSCs that are owned by the Charity are:

Bisham Abbey

Based in Berkshire, Bisham is a compact site which accommodates a range of water sports, football, rugby, tennis, hockey and public community use.

It features a community fitness centre, studios and health suite, squash courts, indoor and outdoor tennis courts, two grass pitches, two artificial pitches and an elite strength and conditioning gym and Intensive Rehabilitation Unit operated by UKSI.

The site is supported by modern accommodation, catering facilities and a 12th century Abbey which forms the centrepiece of the site. It is home to England Hockey, UKSI, Living Tennis, FAB Academy, British Rowing, RFU talent development teams and is extensively used by the local community.

Lilleshall

In the heart of Shropshire, Lilleshall has a range of sports facilities spread throughout the substantial grounds. These include a dedicated indoor and outdoor archery range, gymnasium, nine grass pitches, two artificial grass pitches and a UKSI strength and conditioning area.

Supporting the sports facilities, Lilleshall has over 250 modern bedrooms and catering facilities for use by members

of the public and athletes. A dedicated modern office building co-locates several NGB Head offices including British Gymnastics, UKSI and Archery GB. The centre is home to partners including GB Hockey, Home Office, the Royal British Legion, Crossbar Coaching and extensively used by the local community.

Plas y Brenin

PYB is managed by MTT, a charity established for the advancement of outdoor recreation generally practised in cliff and mountain environments. MTT is committed to providing first class outdoor training at the most affordable price.

Located in Snowdonia, PYB provides a focal point for a year-round programme of mountain sports courses and outdoor activities. The centre's facilities include two climbing wall areas, an abseil tower, canoe training pool and a low rope course. The centre is an important resource for the British Mountaineering Council, Birmingham City University, GB Orienteering and British Cycling.

Redgrave and Pinsent Rowing Lake

Transferred to ownership of the Charity in 2006, the facility is a purpose built, internationally recognised 2,100m rowing lake set on the River Thames. The facilities include clubhouse, boat store, gymnasium, offices, catering and conferencing facilities.

British Rowing leases the Rowing Lake and boathouse from us and undertakes an extensive programme of rowing development and training. The facility continues to be the single most important factor underpinning the training and preparation for the GB Rowing Team for major international competition.

SCTC Coronavirus and current economic climate Response

Continued recovery from Covid-19 as well as the economic instability caused by the Ukraine conflict had a significant impact upon the financial performance of all the NSCs during 2022/23. Sport England provided financial support to help the operators with business recovery, the current economic climate and business transformation activity. This was critical in enabling all facilities and services at each centre to remain fully operational for elite, community and commercial activity.

Commercial and elite throughput at Bisham and Lilleshall showed the biggest increases since the pandemic, whilst community throughput at both sites showed steady growth.

Commercial throughput at both sites exceeded pre-pandemic figures with Bisham recording almost three times the figures of 2019.

Demand stabilised throughout the year for governing body leadership, skills and training courses. Grassroot course demand was lower than anticipated. However, forward bookings for the first period of next year is looking healthier. MTT delivered their winter course programme including Scotland courses, International Mountain Leader and the Paddle sports programme. Commercial bookings and activity were lower than target and this will be a focus for MTT next year.

Building on the lessons learnt during 2020/21, a pragmatic and collaborative approach was maintained by the SCTC and Sport England as the most appropriate way to respond to the unprecedented impact placed upon the NSC contracts and the operators themselves. All parties approached discussions positively with a focus on understanding impact, mitigation measure and identifying how all parties could contribute to supporting

the NSCs business recovery following the pandemic.

Our Performance

The performance of the NSCs is managed by Sport England through a Service Level and Agency Agreement (SLA) with The Sports Council Trust Company.

The requirements in the contracts set ambitious standards to meet the NSC strategic objectives. A balanced scorecard and set of Key Performance Indicator's (KPIs) are used to continually measure performance.

The key performance measures we use range across three categories:

- Internal business processes
- Continuous improvement
- Customer perspective

The operators of our NSCs are required to perform in the top quartile nationally on the National Benchmark Service and QUEST, Sport England's recommended tools for continuous improvement in the leisure industry.

These measures are clearly linked to the aims of the Charity and ESC's objectives of increasing participation nationally.

Overall contract performance standards have been successfully delivered in line with the increased

operations of the NSCs. Under continued challenging circumstances due to the current economic climate Serco and MTT have met, and at times exceeded, their contractual performance standards with no deductions or performance failures during 2022/23. Both operators maintained excellent results in external quality assurance, customer and facility management audits providing assurance that the assets continued to be well managed and maintained.

What we have achieved

The proactive approach taken by SCTC, Sport England, Serco and MTT enabled a valuable contribution towards our objectives to be made.

We remain focused on our duty to promote the success of SCTC and achieve its charitable purpose as described in the Objectives and Activities section on page 2.

Community, Club and Elite; examples NSC contributing to uniting the movement

Bisham hosted Powerhouse Games, together with the charity, Power2Inspire and Get Berkshire Active. The event brought together volunteers from Visa, school children and sports stars to compete in a range of sports, including walking football, blind

football, new age kurling, sitting volleyball, sitting netball, zonal basketball, goalball, Kwik cricket, tri-golf, short tennis and boccia. Olympic gold medallist rower Paul Bennett, World Champion rower Ollie Cook, double World Champion motorcyclist and winter Paralympian Talan Skeels-Piggins and Paralympic swimmer Katie Crowhurst were amongst a whole host of sports stars who attended.

The Bisham-based over 60's 'Primetimers' class, initially aimed at attracting new gym and class members has continued to thrive, with additional classes introduced to meet increasing demand for the popular classes. The aim of the classes was to engage and maintain physical and social activity in the older demographic and these are now currently regularly attracting 20 people training 3 times per week.

The Spanish national women's football team selected Bisham as the training base during the Women's European Championships. This was a successful commercial event that helped inspire local girls to participate in football. Bisham FAB academy has seen an increase in interest and attendance in their evening community youth training sessions with FAB running an all-girls session every Thursday

providing a friendly platform to encourage more girls to participate.

The sailing school at Bisham is now the largest inland Royal Yachting Association (RYA) training centre in the UK and a RYA Sailability Centre of Excellence. The Sailing School provides training to children from 8 years to adults in sailing and motor boating skills. The school founded the Charity "Rivertime Accessible Boating Thames" eight years ago, which specialises in providing access to water sports for the severely disabled. The sailing school has strong links with local and regional special needs schools enabling children with significant support requirements to access and participate regularly in water activities.

Bisham and Lilleshall provided support to Ukrainian refugees, offering the facilities to enable local Ukrainians to get together and socialise. Bisham also hosted a community barbeque, inviting Ukrainian families with their local host families. Over 80 guests attended and enjoyed river craft activities. Bisham has a number of Ukrainians working onsite and the team are working closely with them to provide as much support as possible. Archery GB at Lilleshall hosted the 'Shropshire Supports Refugees Archery Event'. This offered refugees who have settled in Shropshire the opportunity to

experience the sport in the UK and to give them access to clubs to continue their interest. The event attracted around 40 children aged from 4 to 21 years from Syria and Afghanistan, with soft arrows provided for the younger attendees.

Lilleshall provided a green space for a health and wellbeing initiative with Boho Collective, a nature-focused parent/toddler group providing outdoor activities and socialisation. The programme is aimed at adults who have experienced lifestyle changes through bringing up children. 10 weekly sessions were held, with an average of 15 attending each session. Serco worked with the organisation to ensure risk assessments and health and safety checks were completed on time. They also helped to select the right target audience of adults who live in remote areas as they were most likely to be experiencing social isolation. The success of the programme has ensured it will be repeated in the spring.

PYB delivered a pilot Mountain Training Lowland training course to Experience Community CIC staff and volunteers in Leeds. The course was designed in collaboration with Experience Community (EC) with the specific purpose to allow wheelchair users to become qualified as lowland leaders.

The aim of Experience Community CIC is to make the outdoors accessible to wheelchair users. The qualification enables the EC leaders /volunteers to provide outdoor experiences in their local communities. Six EC volunteers and leaders were trained and are now working towards their assessment.

In collaboration with Canoe Wales MTT delivered the #ShePaddle event in 2022 where 70 mixed ability female paddlers from all over the UK attended a weekend of paddle sports activities. The success of this event has led to further summer events with the aim of increasing female participation in paddle sport activities.

Unique Sporting Environment

Capital and lifecycle investment programmes were delivered as planned during 22/23 delivering c.£4m to maintain and enhance the infrastructure of the NSCs.

At **Bisham** we undertook extensive maintenance, refurbishment and improvement safety works in response to a number of independent surveys, replaced the 3G football surface and in addition changed the type of surface to accommodate both football and rugby activity, refurbished the public gym changing rooms, redeveloped the main sports centre office into a hybrid environment and installed a new

pontoon on the river edge enabling more customers to access the water safely.

At **Lilleshall** we undertook extensive maintenance and improvement safety works in response to a number of independent surveys, replaced the roof of Ford Hall, (a listed building), replaced the gymnasium hall heating system and enhanced parking facilities by the synthetic surfaces. A new £3.6m Archery facility is due to complete before this winter's Archery season, enabling elite athletes to make the best possible preparations for next year's Paris Olympics. The collaboration approach between Sport England, UK Sport, Serco and Archery GB to delivering this facility will mean Archery GB will remain a long-term key partner. The Royal British Legion, Sport England and Serco officers are progressing plans to develop a National Rehabilitation Centre. The programme is well aligned to our strategic objectives addressing equality and diversity, health and wellbeing and economic growth for communities of servicemen and women and their families.

At **PYB** we undertook refurbishment and improvement safety works in response to several independent surveys and replaced a heating system.

Coach Development, Research, Innovation and Inspiration

Our contribution to this strategic priority is largely delivered through PYB our National Centre for the outdoors. People being more active outdoors is one of the largest growth areas and our work supports the whole sector to promote, encourage, and develop increased participation in the outdoors.

During this year:

- PYB contributed towards talent development through delivering top end qualifications, with the provision of places across climb (Mountain Training), paddle (British Canoeing) and bike (British Cycling) schemes. Candidates are trained to directly coach, instruct and lead others across a variety of abilities and age ranges and in a wide range of settings such as adventure businesses, outdoor and activity centres, schools and club volunteers.
- Direct support was provided by PYB to Mountain Training UK, the BMC, British Cycling and British Canoeing, with PYB instructors attending a range of technical and development groups focused on coaching standards and safe working practices.

- PYB joined forces with eight of the UK leading outdoor organisations (The Association of British Climbing Walls, The British Mountaineering Council, The Camping and Caravanning Club, The National Indoor Climbing Awards Scheme, Mountain Training, The Outdoor Industries Association and Ramblers) to understand and improve diversity in the adventure activities sector. The group commissioned Leeds Beckett University to conduct the research who produced a comprehensive research report 'Your Movement Matters'.

Plans for future periods

Our operating plan provides for:

- Working collaboratively with Serco and MTT to ensure the operators can provide vital opportunities for community, talent development and elite participation
- Responding to the significant financial challenges presented by inflationary rises, cost of living, and demand led pressures to ensure the NSCs continue to contribute to SCTC and wider Sport England strategic objectives to ensure everyone can experience the benefits of being active

- Re-designing service provision and outcomes to respond to changing needs to support the local community and outdoor sector to re-engage with sport and physical activity contributing to wider physical, social and mental outcomes. Supporting talented athletes and NGB World Class Olympic and Paralympic programmes, specifically supporting preparations for Paris 2024
- Continuing to be an example of best practice and innovation to support the wider public sector sport and physical sector
- Exploring and implementing initiatives to further reduce energy consumption and work towards achieving net zero carbon across the NSC portfolio
- Exploring the options for the extension to the Management Contracts at the NSCs

Green Initiatives

We continued to put in place measures to increase the sustainability of the entirety of our operations this year.

Sport England appointed an environmental sustainability consultant to support the move towards understanding the NSC environmental impact and how it can be reduced. The aim is to work with operators and partners to find ways to

reduce the NSC overall carbon footprint.

Construction of the new Archery facility began during this period and will include several green initiatives; south-facing solar panels on the roof along with additional battery storage to ensure the benefit is gained all year-round. Hot water will be generated via air source heat pumps which are located externally to avoid the building requiring any kind of gas supply. The heat pumps ensure that the building increases its energy efficiency and reduces its carbon footprint.

MTT retained accreditation of the Green Dragon Environmental Standard. This standard is awarded to organisations that demonstrate effective environmental management and take action to understand, monitor and control the impacts that their operations have on their surroundings.

The Biomass heating system at Lilleshall continues to significantly reduce the site's reliance upon oil (Fossil Fuel) as the main source of energy.

Directors' Report

Financial review

Our operational activities, including grant making, are funded by property income and returns from the investment fund (see note 9). Asset investment activities are funded from gifts of assets from Sport England. Total income for the year was £2.9 million (2022: £2.8 million). These resources were invested into the NSCs for the Charity to achieve its objectives as set out on page 2.

Separate funds are maintained to identify and account for the principal funding sources of the Charity. The details of these funds are set out in notes 12 and 13. None of these funds are in deficit.

Net expenditure for the year is £1.7 million (2022: £1.8 million). The small increase in income of £0.1 million from £2.8 million was offset by similar loss on investments.

We generated a small operational surplus on our day-to-day activities in the year of £3,000 (2022: £8,000) as shown in the table below, after awarding community grants (see note 4) of £30,000 (2022: £52,000).

	2023 £'000	2022 £'000
Property income	1,353	1,602
Investment income	27	23
Charitable activities	(4,610)	(4,686)
Add back:		
Depreciation	3,282	3,284
Impairment (reversal)	(124)	(310)
Gifts in kind	75	94
Loss on disposal	-	1
Operating Surplus	3	8

The value of our funds increased to £120.6 million from £113.7 million as set out in note 6. The increase is mainly due to increase in value of Land & buildings carrying value of £8.8 million and Gifted Assets of £1.5 million, offset by depreciation of £3.3 million.

The financial position of the Charity is supported by ESC as per note 1.15.

We have management policies in place to cover grants, investment, and reserves as set out below.

Future developments

See **Plans for future periods** and **Green Initiatives** in the **Strategic Report**

Grants policy

We accept applications from not-for-profit organisations supporting the sporting activities of disadvantaged people including young people, people with disabilities, lower socio-economic groups and ethnic minority groups.

Awards are given to either encourage sports participation, subsidise the cost of taking part or provide facilities and equipment.

86% of the funding available was utilised through a partnership with Get Berkshire Active which focuses on working with early years and family support service providers to improve the pathway for physical development through school.

Investment policy

Our investment policy relating to the portfolio of equity investments is to:

- achieve the best financial return within an acceptable level of risk and a target level of income determined annually
- maintain the real capital value of the funds whilst generating a sustainable level of investment income to contribute to the

ongoing activities including grant-making

- where appropriate, we may choose to use capital to supplement its grant making activities

Our investment funds were invested in the Sarasin Endowments Fund managed by Sarasin & Partners from 2020/21. The investment manager maintains a balanced portfolio which achieves lower volatility than a pure equity investment and provides us with quarterly reports and updates on key issues, and ad-hoc reporting as and when required.

During 2020/21 the contract for the investment manager was re-procured and the reappointment of Sarasin & Partners was approved by the Trustees in April 2021.

Reserves policy

Our financial position is supported by ESC.

Our aim is to maintain a level of unrestricted reserves equating to at least three months of expenditure. We consider that this level will provide sufficient funds to meet our operational expenditure, and to provide a contingency against unforeseen expenditure. The investment fund is also available for liquidity purposes if

required, although, these assets are not intended for sale.

Our reserves policy defines reserves as restricted or unrestricted.

Restricted reserves are those which cannot readily be realised and used for an alternative purpose other than that specified; principally these are in relation to fixed assets gifted from ESC or funded by ESC's Lottery Fund.

Restricted reserves at 31 March 2023 amounted to £118 million (2022: £111.1 million).

Unrestricted reserves are where the use of these funds is not restricted and can be applied to the ongoing operational aspects of the organisation.

Unrestricted reserves at 31 March 2023 amounted to £2.6 million (2022: £2.6 million).

Trustees of the Charity during the year were:

- Graeme Dell (Chair)
- Dave Cove (Resigned on 22 July 2022)
- Andrew Watson (Resigned on 22 July 2022)
- Robin Black (Appointed on 20 April 2022)
- Simon Burnett (Appointed on 20 April 2022)
- Ross Gissane (Appointed on 01 Feb 2023)

- Sajid Hussain (Appointed on 01 Feb 2023)
- Harry Kutty (Appointed on 01 Feb 2023)
- Rachel Moffat (Appointed on 01 Feb 2023)
- Joanne Simpson (Appointed on 01 Feb 2023)
- Robert Wadsworth (Appointed on 01 Feb 2023)

All appointments to the Charity for the position of Chair, Trustee and Company Secretary are made by ESC and are in accordance with:

- The Parent/ Subsidiary Memorandum
- The Memorandum and Articles of Association of the Charity
- ESC's Recruitment and Selection Guidelines: Subsidiary Boards

Upon appointment, Trustees receive corporate governance, financial and legal information in relation to the Charity in the form of its Memorandum and Articles of Association and other governance and policy documents, the annual report, management accounts, Charity Commission guidance and the Seven Principles of Public Life.

A robust induction programme is in place which provides newly appointed Trustees with an overview of the governance and operations of the Charity and ESC.

The Company Secretary Richard Mabbitt

Registered Office, Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF

Banker, Barclays Bank Plc, London Corporate Banking, 1 Churchill Place, London, E14 5HP

Solicitor, Hewitsons, Kildare House, 3 Dorset Rise, London, EC4Y 8EN

Investment Manager, Sarasin & Partners LLP, 100 St. Paul's Churchyard, London EC4M 8BU

Auditor, The Comptroller and Auditor General, National Audit Office, 157 – 197 Buckingham Palace Road, Victoria, London SW1W 9SP

Trustees' Responsibility Statement

The Trustees are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The accounts are required by law to give a true and fair view of the state of affairs of the company at the year end and of the results of the company for that year. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis, as per note 1.15, of accounting unless they either intend to liquidate the company or to cease operations

or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to

Trustees' Responsibility Statement

establish that it has been
communicated to the auditors.

The Trustees as Company Directors
approve the Strategic Report and the
Directors' Report included as part of
the Trustees' report on pages 1 to 15.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Graeme Dell', with a long horizontal stroke extending from the bottom of the signature.

Graeme Dell

Chair

13 July 2023

The certificate and report of the Comptroller and Auditor
General to the members of The Sports Council Trust Company
and to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of The Sports Council Trust Company for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000. The Financial Statements which comprise The Sports Council Trust Company's

- Statement of Financial Position as at 31 March 2023;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of The Sports Council Trust Company's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of The Sports Council Trust Company in accordance with the ethical

The certificate and report of the Comptroller and Auditor
General to the members of The Sports Council Trust Company
and to the Houses of Parliament

requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Sports Council Trust Company's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

The other information comprises information included in the Trustees' Annual Report and Trustees' Responsibility Statement, but does not include the financial statements and my auditor's certificate and report thereon. The Trustees are responsible for the other information.

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

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

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

The certificate and report of the Comptroller and Auditor General to the members of The Sports Council Trust Company and to the Houses of Parliament

I have nothing to report in this regard.

Opinion on other matters

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

- the Trustee's Annual Report, including the Strategic Report and Directors' Report, and the Trustees' Responsibility Statement have been prepared in accordance with applicable legal requirements; and
- the information given in the Trustee's Annual Report, including the Strategic Report and Directors' Report, and the Trustees' Responsibility Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of The Sports Council Trust Company and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustee's Annual Report, including the Strategic Report and the Directors' Report, and the Trustees' Responsibility Statement.

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

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

Responsibilities of the Trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Sports Council Trust Company from whom the auditor determines it necessary to obtain audit evidence.

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- Preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- Ensuring such internal controls are in place as Trustees determine are necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- Preparing the Trustees' Annual Report in accordance with the Companies Act 2006 and the Charities Act 2011; and
- assessing The Sports Council Trust Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law.

My objectives are to obtain reasonable assurance about whether

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of The Sports Council Trust Company's accounting policies.
- inquired of the management, and those charged with governance, including obtaining and reviewing supporting documentation relating to The Sports Council Trust Company's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Sports Council Trust Company's controls relating to The Sports Council Trust Company's

compliance with the Companies Act 2006, Charities Act 2011 and Managing Public Money.

- Inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of The Sports Council Trust Company's framework of authority as well as

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other legal and regulatory frameworks in which The Sports Council Trust Company operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Sports Council Trust Company. The key laws and regulations I considered in this context included the Companies Act 2006, the Charities Act 2011, Managing Public Money and the Government Resources and Accounts Act 2000.

Audit response to identified risk

To respond to identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Board of Trustees concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and internal audit reports; and
- in addressing the risk of through management override of controls, I tested the appropriateness of

journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of my certificate.

Other auditor's responsibilities

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

I communicate with those charged with governance regarding, among

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other matters, the planned scope
and timing of the audit and
significant audit findings, including
any significant deficiencies in internal
control that I identify during my
Report.

I have no observations to make on
these financial statements.

Gareth Davies

17 July 2023

**Comptroller and Auditor General
(Statutory Auditor)**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Statement of Financial Activities for the year ended 31 March 2023

(Including Income and Expenditure Account)

	Note	2023 Restricted £'000	2023 Unrestricted £'000	2023 Total £'000	2022 Total £'000
Income from					
Donations and legacies	2	1,459	75	1,534	1,204
Other trading activities	3	-	1,353	1,353	1,602
Investments		-	27	27	23
Total		1,459	1,455	2,914	2,829
Expenditure on					
Charitable activities	4	(3,105)	(1,505)	(4,610)	(4,686)
Total		(3,105)	(1,505)	(4,610)	(4,686)
Net (Losses)/ gain on investments	9	-	(52)	(52)	18
Net expenditure		(1,646)	(102)	(1,748)	(1,839)
Other recognised gains					
Gains on revaluation of fixed assets	12/13	8,552	114	8,666	7,228
Net movement of funds		6,906	12	6,918	5,389
Reconciliation of funds					
Total funds brought forward		111,119	2,594	113,713	108,324
Total funds carried forward	6	118,025	2,606	120,631	113,713

The Statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure relate to continuing activities.

The notes on pages 28 to 47 form an integral part of these accounts

Statement of Financial Position as at 31 March 2023

Company number 2517615, Charity number 803779

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	7	92	139
Tangible assets	8	119,330	112,317
Investments	9	814	865
Total fixed assets		120,236	113,321
Current assets			
Debtors	10	948	1,058
Cash at bank		580	577
Total current assets		1,528	1,635
Liabilities: amounts falling due within one year			
Creditors	11	(579)	(689)
Provisions	17	(554)	(554)
Total current liabilities		(1,133)	(1,243)
Net current assets		395	392
Net assets		120,631	113,713
The funds of the charity			
Restricted capital funds		62,899	63,342
Restricted revaluation reserve		55,126	47,777
Total restricted funds	12	118,025	111,119
Unrestricted income funds		1,689	1,761
Unrestricted revaluation reserve		917	833
Total unrestricted funds	13	2,606	2,594
Total charity funds	14	120,631	113,713

The accounts are exempt from the requirements of Part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit) of that Act.

The accounts on pages 25 to 47 were approved by the Board of Trustees and were signed on its behalf by:



Graeme Dell
Chair
13 July 2023

The notes on pages 28 to 47 form an integral part of these accounts

Statement of Cash Flow for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flow from operating activities			
Net cash (used in)/provided by operating activities	15	(24)	(29)
Net cash provided by/ (used in) operating activities		(24)	(29)
Cash flow from investing activities			
Income from investments		27	23
Net cash provided by/ (used in) investing activities		27	23
Change in cash balances in the reporting period		3	(6)
Changes in cash balances during the year			
Balance at 1 April		577	583
Change in cash balances in the reporting period		3	(6)
Balance at 31 March		580	577

The notes on pages 28 to 47 form an integral part of these accounts

1 Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS 102) Second Edition issued October 2019 effective from January 2019, FRS 102, and the Companies Act 2006.

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

The principal accounting policies adopted in the preparation of the accounts are set out below.

1.2 Income

Income from donations and legacies includes gifted assets, gifts in kind, and grants.

The value of gifts of assets is based on the amount actually expensed by the donor.

The value of gifts in kind is based on a reasonable estimate of the value of time spent on the administration service provided to the Charity by The English Sports Council (ESC).

Grants are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Other trading activities is made up of freehold and leasehold income which is recognised on a receivable basis.

Income from investments is recognised on a receipt basis due to the timing of statements from the investment fund. The accounting treatment adopted materially matches income accrued.

1.3 Charitable activities

Community grants awarded are recognised in the period in which the grant is approved and communicated to the award recipients.

All other charitable activity expenditure is recognised when a liability is incurred.

Governance costs include those costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and financial requirements.

The provision of facilities costs is set out in note 4. Costs are allocated to activities directly or to location or usage.

Costs directly related to activities are general administration costs of the Charity. Location costs are costs incurred in connection with freehold and leasehold property occupied by ESC, Mountain Training Trust and British Rowing. Usage costs relate to depreciation, and impairments on tangible fixed assets. Support costs in relation to making community grant awards are not material.

1.4 Dividends

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

1.5 Intangible assets

Intangible assets predominantly comprise software installed and utilised in our computer systems. Software is amortised on a straight-line basis over three years. The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are expensed in year. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost.

1.6 Tangible fixed assets

Tangible fixed assets funded by the Lottery grant from ESC were paid for directly by the Charity and funds drawn down from ESC against the Lottery grant. All other capital works

are paid for by ESC and the assets gifted to the Charity.

Land and buildings

Full valuations are carried out by external experts quinquennially for land, buildings and bund, supplemented by annual indexation.

The last full valuation of land and buildings was carried out as at 31 March 2019.

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

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

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

Artworks and antiques

Artworks and antiques are valued by external experts. Valuations are derived with reference to the retail market (at the valuation date) and the probable cost of replacing the items when compared with items in a similar condition. The last full

valuation of artworks and antiques was carried out as at 31 March 2019, this is carried out every five years.

Equipment and leasehold improvements

Other property, plant and equipment have not been revalued as fair value is not considered to be materially different to depreciated historic cost.

The capitalisation threshold is £1,000 and assets purchased below the capitalisation threshold are usually expensed in year, except for grouped assets.

Grouped assets are assets, which individually, are less than £1,000 however together they form a single collective asset.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land and artworks and antiques, at rates calculated to write off the cost or valuation, less estimated residual value evenly over its expected useful life as follows:

Buildings (as advised by external expert)	Unexpired life, maximum of 60 years
Bund (as advised by external expert)	40 years as advised by external expert
Leasehold improvement	Expected life of lease
Equipment	5 years

Impairment reviews are undertaken annually. No depreciation is charged in the year of acquisition or construction. A full year's depreciation is charged in the year of disposal.

1.7 Property operating leases

Payments made under operating leases (rental agreements) are recognised in the Statement of financial activities on a straight-line basis over the term of the lease. Lease incentives (e.g., rent-free periods) are recognised as an integral part of the total lease expense, over the term of the lease.

1.8 Dilapidations

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

1.9 Investments

Subsequent to purchase, listed stocks and shares are measured at fair value through other comprehensive income based on reference to the market in which they exist and are not held for trading.

There are no investments other than those set out in note 9.

1.10 Debtors

Debtors are recognised at fair value, which represents the value of settlement.

1.11 Creditors and provisions

These are recognised when there is a present obligation from a past event that will probably result in a transfer of funds to a third party which can be measured or reliably estimated.

1.12 Funds

Details of all restricted and unrestricted funds are provided in notes 12 and 13.

Restricted funds: These funds are earmarked by the donor for specific purposes.

Unrestricted funds: These funds comprise general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the Charity and which have not been designated for other purposes.

1.13 Taxation

No taxation is chargeable on the Charity's activities which are of a charitable nature, and thus outside the scope of corporation tax.

1.14 Use of estimates and judgement

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

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates are made in relation to tangible fixed assets held by the National Sports Centres including the valuation and revaluation, dilapidation, impairment and depreciation of Land and Buildings, the valuation of artwork and antiques and the value of gifts in kind.

1.15 Going concern

The financial position of the Charity is supported by ESC. The ESC is the major provider of funds through the gifting of assets and provision of deficit funding for the NSCs' operations. The Charity does not usually commit to any capital expenditure that requires funding from its own resources. After making enquiries of the management of ESC, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of the financial statements.

Accordingly, the Charity continues to adopt the going concern basis in preparing these accounts

2 Donations and legacies

	2023 £'000			2022 £'000		
	Restricted	Un- restricted	Total	Restricted	Un- restricted	Total
Gifts of fixed assets	1,459	-	1,459	1,110	-	1,110
Gifts in kind administration service	-	75	75	-	94	94
Total	1,459	75	1,534	1,110	94	1,204

Gifts of fixed assets and gifts in kind administration service are from ESC.

3 Other trading activities

	2023 £'000	2022 £'000
Property Income	1,353	1,602

The income above is from property occupied by ESC, Mountain Training Trust, and British Rowing. It includes rent, rates, service charges and other property costs such as repairs, maintenance, and legal costs.

4 Charitable activities

	2023 £'000			2022 £'000		
	Restricted	Un- restricted	Total	Restricted	Un- restricted	Total
Community grants awarded						
Get Berkshire Active	-	39	39	-	45	45
Wycombe Wanderers	-	-	-	-	7	7
S&E Trust						
More Leisure Community Trust	-	(9)	(9)	-	-	-
Total community grants		30	30	-	52	52
Governance costs (note 5)						
Trustees' expenses	-	2	2	-	-	-
Audit fees	-	22	22	-	17	17
Total governance costs	-	24	24	-	17	17
Provision of facilities¹						
Costs directly related to activities						
ESC administration charge	-	29	29	-	28	28
Gift in kind administration charge	-	75	75	-	94	94
Sub-total	-	104	104	-	122	122
Locations costs						
Property costs	-	1,287	1,287	-	1,522	1,522
Legal and professional	-	7	7	-	(2)	(2)
Sub-total	-	1,294	1,294	-	1,520	1,520
Usage						
Depreciation	3,228	54	3,282	3,234	50	3,284
Loss on disposal	-	-	-	1	-	1
Impairment (reversal)/charge	(123)	(1)	(124)	(309)	(1)	(310)
Sub-total	3,105	53	3,158	2,926	49	2,975

4 Charitable activities (continued)

		2023		2022			
		£'000		£'000			
Restricted	Restricted	Un- restricted	Total	Restricted	Un- restricted	Total	
Total provision of facilities	3,105	1,451	4,556	2,926	1,691	4,617	
Total charitable activities	3,105	1,505	4,610	2,926	1,760	4,686	

All income and expenditure relating to the National Sports Centres management contract are accounted for by the ESC including any performance-based bonus. The ESC funds the operational deficit of the National Sports Centres which was £6 million in 2023 (2022: £5 million). This included £1.1 million (2022: £2.2 million) of Covid-19 related financial assistance to the operators (see pages 5 to 6).

¹Provision of facilities costs are allocated as set out in the accounting policies note 1.3.

5 Governance and staff costs

The Charity employed no staff in 2022 and 2023.

ESC provides a financial and administration service to the Charity, under the terms of a service level agreement, for which a charge is made (note 2).

Five Trustees (2022: none) were paid travel during the year of £2,000 (2022: Nil)

The Trustees did not receive fees or allowances for the year (2022: Nil) either directly from the Charity or the parent body ESC.

The audit fees for the year were £22,000 (2022: £17,000). There were no fees for non-audit work in 2023 and 2022.

6 Reconciliation of the movement in funds

	2023 £'000	2022 £'000
Net assets at 1 April	113,713	108,324
Capital investment		
Gifted assets (ESC)	1,459	1,110
Other movements		
Net revaluation of fixed assets	8,790	7,538
Depreciation	(3,282)	(3,284)
Operational surplus/(deficit)	3	8
Increase/ (decrease) in value of investments	(52)	18
Loss on disposal	-	(1)
Net assets at 31 March	120,631	113,713

7 Intangible fixed assets

	Software £'000	Total £'000
Cost / Valuation		
At 1 April 2022	139	139
Additions	-	-
At 31 March 2023	139	139
Amortisation and impairments		
At 1 April 2022	-	-
Charge for the year	(47)	(47)
At 31 March 2023	(47)	(47)
Net Book Value		
At 31 March 2022	139	139
At 31 March 2023	92	92

Assets are valued in accordance with the accounting policy note 1.5.

8 Tangible fixed assets

	Land	Buildings and bund	Assets under Construction	Leasehold improvement	Equipment	Artworks and antiques	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost / Valuation							
At 1 April 2022	20,557	121,647	-	1,168	2,375	827	146,574
Disposals	-	-	-	(974)	(24)	-	(998)
Gifted assets	-	1,206	238	-	15	-	1,459
Revaluation	(347)	9,013	-	-	-	-	8,666
Additions	-	-	-	-	-	-	-
At 31 March 2023	20,210	131,866	238	194	2,366	827	155,701
Depreciation and impairments							
At 1 April 2022	12	(31,011)	-	(1,080)	(2,216)	38	(34,257)
Charge for year	-	(3,132)	-	(43)	(60)	-	(3,235)
Impairment reversal	-	124	-	-	-	-	124
Disposals	-	-	-	974	23	-	997
At 31 March 2023	12	(34,019)	-	(149)	(2,253)	38	(36,371)
Net Book Value							
At 31 March 2022	20,569	90,636	-	88	159	865	112,317
At 31 March 2023	20,222	97,847	238	45	113	865	119,330

The net book value of revalued assets under historic cost is as follows: Land £3,649k (2022: £3,649k); Buildings and bund £59,198 (2022: £59,652k)

Assets are valued in accordance with the accounting policy note 1.6.

The last full valuation of land, buildings and bund was carried out as at 31 March 2019 by Gerald Eve LLP, a regulated firm of Chartered Surveyors which provides expert advice in asset valuations and surveying. The valuation was prepared in accordance with the requirements of the RICS Valuation Global Standard 2017 and

8 Tangible fixed assets (Continued)

the UK national standards and guidance set out in national supplement (November 2018 edition), and Financial Reporting Standard (FRS) 102.

The valuation of the non-specialised properties was undertaken on a Fair Value basis, on the assumption of continuation of the existing use. Specialised properties were valued by reference to Depreciated Replacement Cost (DRC). The replacement build cost rates used in DRC valuations are based on knowledge of the current costs of constructing general and specialised sport facility accommodation as well as information from Building Cost Information Service (BCIS) and other published cost data. Existing buildings are valued as they stand using Gross Internal Floor areas (GIAs) by reference to the cost of providing either modern equivalent assets capable of delivering the required service provision or for the listed structures as historically important assets.

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

There is a collection of artworks, furniture and fittings at Bisham Abbey that date from the 16th century. The historical significance of these assets classifies the collection as Artworks and antiques. The collection was last valued as at 31 March 2019 by Sotheby's.

9 Investments

Listed stocks and securities	2023 £'000	2022 £'000
Market value at 1 April	865	848
Adjustment of value as at 1 April	1	(1)
Disposal	-	-
Revaluation of investment	(52)	18
Market value at 31 March	814	865

Investments as at 31 March 2023 represents holdings in the Sarasin Endowments Fund. The holding is classified as 'not held for trading.'

The historical cost of the asset at 31 March 2023 was £0.7 million (2022: £0.7 million).

10 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade debtors	9	-
Prepayments	-	273
Accrued income	385	231
Total	394	504
Amounts falling due after more than one year		
ESC	554	554
Total	554	554
Total	948	1,058

11 Creditors

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade Creditors	15	32
ESC	112	121
Deferred income	-	273
Accruals	452	263
Total	579	689

12 Restricted capital funds

	Reval- uation reserve (land and buildings)	ESC GIA Funded assets ¹	ESC Lottery funded assets ²	Capital ³	Other ⁴	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	41,821	38,085	24,934	96	882	105,818
Gifted assets	-	1,110	-	-	-	1,110
Revaluation	7,117	-	-	-	-	7,117
Impairment reversal	-	213	83	-	13	309
Depreciation	-	(2,109)	(1,109)	(2)	(14)	(3,234)
Amortisation of reserve	(1,073)	711	361	-	1	-
Disposal of fixed assets	(88)	88	-	-	-	-
Loss on disposal	-	(1)	-	-	-	(1)
Grant received in the year	-	-	-	-	-	-
Balance at 31 March 2022	47,777	38,097	24,269	94	882	111,119
Gifted assets	-	1,459	-	-	-	1,459
Revaluation	8,552	-	-	-	-	8,552
Impairment reversal	-	103	13	-	7	123
Depreciation	-	(2,248)	(962)	(3)	(15)	(3,228)
Amortisation of reserve	(1,203)	848	353	-	2	-
Transfers	-	-	-	-	-	-
Loss on disposal	-	-	-	-	-	-
Grant received in the year	-	-	-	-	-	-
Balance at 31 March 2023	55,126	38,259	23,673	91	876	118,025

ESC receives funding from two sources, Exchequer Grant-in-Aid (GIA) and the National Lottery Distribution Fund. These two sources of funding are required to be accounted for separately.

¹ESC GIA Funded assets

This fund supports the initial acquisition and subsequent funding of tangible fixed asset additions at the National Sports Centres and is funded by ESC's Exchequer Grant-in-Aid.

12 Restricted capital funds (Continued)

²ESC Lottery funded assets

This fund also supports the initial acquisition and subsequent funding of tangible fixed asset additions at the National Sports Centres and was funded by ESC's National Lottery Distribution Fund.

³Capital

This fund supports improvements to facilities at the National Sports Centres and was donated by the Lawn Tennis Association.

⁴Other

All income and expenditure relating to the National Sports Centres management contract are accounted for by the ESC including any performance-based bonus. The ESC funds the operational deficit of the National Sports Centres which was £6 million in 2023 (2022: £5 million). This included £1.1 million (2022: £2.2 million) of Covid-19 related financial assistance to the operators (see page 5).

This fund is made up of facilities at Lilleshall funded by The Royal British Legion (TRBL) which are used for TRBL beneficiaries and Ministry of Defence personnel (£0.6 million) as well as the proceeds from the sale of Ashlands House, Crewkerne (£0.3 million) held as investments (note 9 and 14).

13 Unrestricted income funds

	Revaluation reserve (land and buildings)	Other ¹	Total
	£'000	£'000	£'000
Balance at 1 April 2021	748	1,758	2,506
Amortisation of reserve	(26)	26	-
Revaluation	111	-	111
Depreciation	-	(50)	(50)
Profit/(loss) on revaluation	-	1	1
Operational deficit	-	8	8
Revaluation of investments	-	18	18
Balance at 31 March 2022	833	1,761	2,594
Amortisation of reserve	(30)	30	-
Revaluation	114	-	114
Depreciation	-	(54)	(54)
Profit/(loss) on revaluation	-	1	1
Operational deficit	-	3	3
Revaluation of investments	-	(52)	(52)
Balance at 31 March 2023	917	1,689	2,606

¹Other

This fund is made up of movements in investment revaluations (note 9), depreciation on unrestricted assets and accumulated annual surpluses.

14 Reconciliation of net assets between funds

	Intangible Fixed asset £'000	Tangible fixed assets £'000	Invest- ments £'000	Other assets £'000	Total 2023 £'000	Total 2022 £'000
	£'000					
Restricted funds						
Revaluation reserve	-	55,126	-	-	55,126	47,777
ESC Funded assets	-	38,257	-	-	38,257	38,097
ESC Lottery fund	-	23,674	-	-	23,674	24,269
Capital	-	92	-	-	92	94
Other	-	876	-	-	876	882
Total	-	118,025	-	-	118,025	111,119
Unrestricted funds						
Revaluation reserve	-	916	-	-	916	833
Other	92	389	814	395	1,690	1,761
Total	92	1,305	814	395	2,606	2,594
Total funds	92	119,330	814	395	120,631	113,713

15 Net cash flow from operating activities

	2023 £'000	2022 £'000
Net expenditure	(1,748)	(1,839)
Gifted assets	(1,459)	(1,110)
Impairment (reversal)/charge	(124)	(310)
Net (gains)/losses on investments	52	(18)
Investment income	(27)	(23)
Depreciation	3,282	3,284
Decrease / (increase) in debtors	110	(305)
(Decrease) / increase in creditors	(110)	112
Increase in provisions	-	179
Loss on disposal	-	1
Total	(24)	(29)

16 Commitments under operating leases

	2023 £'000	2022 £'000
Not later than one year	240	518
Between two and five years	662	95
Total	902	613

All the Charity's commitments under leases to pay rentals are shown above. These leases relate to offices occupied by ESC and all costs are recharged to ESC. Future commitments are expected to be met through their occupation of the properties. The rental income for the year amounted to £0.8 million (2022: £0.8 million) all of which was receivable from ESC. Note 8 sets out in the Leasehold Improvement column the capital value held in relation to the properties leased to ESC.

17 Provisions

	Total £'000
Balance at 1 April 2022	554
Balance at 31 March 2023	554
Amounts falling due within one year	554
Total	554

The provision is dilapidations for Bloomsbury Street. The lease expired in November 2022 with no option to extend. A provision of £0.2million was made in 2015 to cover the costs of dilapidations. In March 2020, a dilapidations assessment was commissioned and undertaken by the Building Surveying team of the Bloomsbury Street property management company, Avison Young. This report indicated an increase of the cost of dilapidations to £375k. In February 2022 a further dilapidation assessment was undertaken which indicated an increase of the cost of Dilapidation to £554k.

All the above costs will be funded by ESC and thus accrued income has been recognised in these accounts (note 10).

There are no contingent liabilities or contingent assets for the current year (2022: Nil).

18 Value added tax

The Charity is in a group VAT registration scheme with ESC and is jointly and severally liable for all group VAT liabilities. No VAT is charged on transactions between fellow members of the VAT group. Any irrecoverable VAT incurred by the Charity is met on its behalf by ESC.

19 Capital commitments

The 2022/23 commitments represent a construction contract to deliver a new Archery Facility at the Lilleshall National Sports Centre, this amounted to £3,362k.

20 Parent body rights over assets

Grants made by ESC to the Charity since June 1990 were made on the basis that any tangible fixed assets acquired by such grants should be available for clawback (return of sale proceeds to the Exchequer and Lottery) in the event of disposal or change of use.

On 5 October 1994, the Charity Commission granted an Order under the Charities Act 1993 by which the Charity must repay to ESC the whole proceeds of sales of fixed assets, or such part as represents public funds, sold on or after 1 April 1989, which were originally purchased in whole or in part with funds provided by the Exchequer.

21 Derivatives and other financial instruments

The Charity relies mainly on grant, donation, and property funding to finance its operations. Other than cash resources and items such as debtors and creditors that arise from its operations, it holds no other financial instruments other than the investments referred to in note 9, nor enters into derivative transactions.

The return from investments is not material and therefore the Charity is not exposed to significant market risk. The Board regularly undertakes reviews to mitigate the risks of performance of this instrument.

The Charity performs all transactions in Sterling and therefore has no currency exchange risk. The Charity does not enter into any forward foreign currency contracts or similar financial instruments. The Charity does not borrow money and therefore has no exposure to interest rate risk or liquidity risk in this regard. Cash balances are held in commercial bank accounts and attract market rates of interest. The Charity does not enter into any interest rate swaps or similar financial instruments.

22 Related party transactions

The Charity has a close working relationship with its parent body ESC. ESC is the Charity's main provider of funds enabling the Charity to carry out its charitable objectives. It also provides a financial and administrative service to the Charity through a gift in kind (note 2) and an annual charge of £29,000 (2022: £28,000).

ESC gifts fixed asset additions to the National Sports Centres the details of which are set in note 2. In 2023 this amounted to £1.5 million (2022: £1.1 million).

Included within note 3 in other trading activities are recharges to ESC for property costs, repairs and legal and professional costs in respect of properties occupied by ESC. The amounts included in note 3 are set out below plus the amounts outstanding at the end of the financial year for these recharges.

	2023	2022
	£'000	£'000
Income	1,315	1,602
Amount owing from ESC	(442)	(433)

22 Related party transactions (Continued)

Trustees are selected from a variety of backgrounds and experience. Where conflicts of interest occur, these are declared at each meeting and a Trustee will absent him/herself from any decisions related to the item in question. If the Chair has a conflict another Trustee will chair the meeting when the item is discussed. There were no transactions where a Trustee declared a current or past interest relating to the Charity's activities.

23 Security

ESC was granted a mortgage debenture on 21 December 2006 incorporating a charge over all the Lottery grant funded assets provided for The Rowing Lake. This mortgage debenture was novated to The Sports Council Trust Company on 29 March 2012.

24 Ultimate parent body

The charity's parent body is ESC known as Sport England and is the Government agency that works to make sure everyone can experience the benefits of sport and physical activity. The results of The Charity are consolidated in the accounts of ESC. The accounts of ESC Group are available from its registered office at Sport Park, 3 Oakwood Drive, Loughborough, Leicestershire, England, LE13 3QF.

25 Post balance sheet events

There have been no material post balance sheet events and the annual report and accounts were authorised for issue on the date of certification by the Comptroller and Auditor General.

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