



# ANNUAL REPORT 2022-23



**The United Kingdom Sports Council  
Grant-in-Aid and National Lottery Distribution Fund  
Annual Report and Accounts 2022-23**

**For the year ended 31 March 2023**

**POWERING SUCCESS.  
INSPIRING IMPACT.**



# **The United Kingdom Sports Council**

## **Grant-in-Aid and National Lottery Distribution Fund Annual Report and Accounts 2022-23**

**For the year ended 31 March 2023**

Presented to Parliament pursuant to Sections 34(3) and 35(5) of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998, and the National Lottery Act 2006).

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## INTRODUCTION BY THE CHAIR

The launch of the new Sport Strategy by the DCMS in the Summer of 2023 was an important and immensely encouraging moment. It is clear from the strategy that the Government is closely aligned with the work carried out by UK Sport in 2022-23 and beyond. In particular, it continues to recognise the important place that Olympic and Paralympic sport occupy in the life of our nation, and the many ways in which high performance sport has the potential to deliver events with meaningful social impact.

With the clock counting down to the Paris Games next Summer, we are hugely excited about the prospect of the British public being able to enjoy seeing brilliant athletes perform. We are hopeful that the relatively short journey across the Channel and convenient timings for television broadcast will enable British fans to get behind our athletes and enjoy the wonderful spectacle of the Games, whether in person or from the comfort of their living rooms.

With an enormous amount of work going on behind the scenes to support Games-time success, we are looking forward to seeing British athletes competing and achieving their dreams, winning medals and inspiring the next generation of Olympians and Paralympians.

With so many more athletes now determined to use their platforms to advocate for positive social change, we have been proud to support the first participants of the Powered by Purpose programme. 86% of athletes on the World Class Programme want to use their platform to make a difference to society, and working with the True Athlete Project we are striving to harness the power of sport as a force for good and to empower athletes to make a difference for a cause that they care deeply about.

On the field of play, some magnificent performances from British athletes delivered extraordinary sporting moments and showed highly encouraging signs ahead of Paris. A host of sports delivered outstanding individual and team performances at World Championships, and we were all inspired by the Commonwealth Games in front of home crowds in Birmingham.

Over the last year, the UK has continued to showcase our world-leading ability and expertise when it comes to hosting and delivering major events. With sporting events bouncing back from the pandemic, the UK hosted 12 events across 25 cities in 2022, enabling 2.7 million people to attend a major sporting event.

As well as providing extraordinary sporting moments that reach, unite and inspire the nation, hosting major sporting events delivers huge economic and social benefits to the entire UK and enhances our reputation on the world stage.

Particular highlights included the historic UEFA Women's Euro 2022, which saw the Lionesses win the trophy on home soil and usher in an exciting period of development and growth for women's and girl's football. The Rugby League World Cup delivered a truly pioneering social impact programme off the pitch, driving positive change in communities across the UK, as well as a truly inclusive approach on the field of play with the men's, women's and wheelchair tournaments taking place concurrently.

We were all delighted to see the Commonwealth Games in Birmingham and it is exciting that the city will be building on this legacy and hosting the European Athletics Championships in 2026. It is vital that we capitalise on the benefits of a momentous year of sporting events and continue to attract and host the very best global sporting events that deliver so many benefits to our country and so much return on investment for funding provided by the UK Government and The National Lottery.

One of our three ambitions is a commitment to keep winning and winning well, and ensuring the highest standards of conduct, ethics and athlete welfare is an integral part of our strategy.

The publication of UK Sport and Sport England's response to The Whyte Review in January 2023 was an important moment, committing to action across five key areas to strengthen safeguarding for everyone involved in sport. This action continues to be closely monitored.

Russia's invasion of Ukraine continues to cast a shadow over the world of sport, impacting NGBs, athletes, events and international federations. Our thoughts remain with the Ukrainian people affected by the ongoing conflict. We are working closely with colleagues across Government, National Governing Bodies and the wider high-performance sporting community to best manage how this is affecting sport.

As preparations gear up for the Paris 2024 Games, we were pleased to confirm an additional £4 million of funding into Summer Olympic and Paralympic sport, with increased investment across 33 sports. Our focus now is on supporting sports with their final preparations for Paris 2024, while also looking ahead to Milan-Cortina 2026, Los Angeles 2028 and beyond, laying the foundations for our 'greatest decade'.



**Dame Katherine Grainger DBE**  
**Chair**  
The United Kingdom Sports Council

8 December 2023

## PERFORMANCE REPORT

### 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 and Structure

UK Sport are the UK's trusted high-performance experts, powering our greatest athletes, teams, sports, and events to achieve positive success. Our purpose is to lead high-performance sport to enable extraordinary moments that enrich lives.

We receive funding from the National Lottery Distribution Fund together with Grant-in-Aid from the Department for Culture, Media, and Sport (DCMS).

Funding is distributed through the UK Sport Group which comprises UK Sport and the UK Sports Institute (UKSI) – formerly named The English Institute of Sport. While UK Sport primarily provides strategic investment to National Governing Bodies (NGBs) and elite athletes, UKSI provides sport science, medicine, technology, and engineering services to elite athletes predominantly in World Class Programme (WCP) funded sports.

UK Sport has six departments: Performance, Sporting System and Events, People, Engagement and External Affairs, Business Services and Strategy and Operational Excellence.

## PERFORMANCE OVERVIEW

UK Sport launched its 10-year strategic plan in 2021 with a clear mission to 'create the greatest decade of extraordinary sporting moments, reaching, inspiring and uniting the nation'.

Our strategy focuses on achieving three central ambitions, which are summarised below along with some of the key progress made and challenges faced in these areas in 2022-23:

### Keep winning and win well

We will power a broader range of champions and medallists than ever before; winning with integrity and ensuring the nation's exceptional talent has the opportunity to be the best they can be.

Following a comprehensive post-Games review, July 2022 saw UK Sport announce funding for eight winter sports for the Milan-Cortina cycle across three funding streams. This was the culmination of a project that set out to create a bespoke investment approach for winter sports for the first time. It included a simpler process for a smaller cohort of sports, centred on a collaborative approach and the specific value that winter sports could add to the system. An initial investment of £24.2 million was allocated to support UK Sport's ambition to become an ever-greater force in winter sport, with an additional £4.8 million of funding for Skeleton announced in September 2022.

The increase from six sports for the Beijing cycle to nine reflects UK Sport's ambition to power a broader range of sports and champions who reflect the diversity of British society. Among the

Progression Sport stream, investment into British Ice Skating and Ice Hockey UK marks the start of a programme of support in the long-term potential of these sports. In total, six sports are in line to receive Progression Sport funding to enhance their domestic winter sport pathway infrastructure. This funding stream will be delivered in partnership with sportscotland and Sport England, with the long-term aim of growing a more accessible and sustainable pathway of support that enables more high potential athletes to emerge.

The continued support provided by Government and The National Lottery enables UK Sport to look to the athletes of the future who are targeting success at Milan-Cortina and beyond. In addition to nearly £29 million being invested into the winter sports, £5 million from The National Lottery will support athletes with their living and sporting costs via Athlete Performance Awards.

British athletes continued to deliver extraordinary sporting moments on the world stage across Summer Olympic and Paralympic sport in the lead-up to the Paris 2024 Games. In Athletics, GB secured seven medals and delivered five individual medallists for the first time since 2011 through fantastic performances at the World Championships in Oregon. Canoeing, Cycling, Diving, Judo, Modern Pentathlon, Sailing, Swimming, Taekwondo, Shooting and Triathlon teams all delivered medal success at various World Championships, with Britain's rowers winning our first world titles since 2015. Boxing and Rowing also delivered outstanding performances as did Gymnastics and Equestrian, securing Paris team qualifications.

British Paralympic athletes across Boccia, Para Archery, Para Badminton, Para Equestrian, Para Rowing, Paralympic Shooting, Para Triathlon and Visually Impaired Judo achieved success at World Championship events, while outstanding displays in Para Canoe, Para Cycling, Para Swimming, Para Table Tennis, Para Taekwondo, Powerlifting and Wheelchair Fencing saw British athletes exceed expectations – a very encouraging sign ahead of the Paris Games next Summer.

As preparations gear up for the Games, following the Summer sports 2022 Annual Review, in February 2023 UK Sport confirmed an additional £4 million of funding into Summer Olympic and Paralympic sport. Increased investment across 33 sports prioritises activities, requirements and support that will have a direct impact on Paris 2024 qualification and helping athletes to prepare for the Games. Within this additional £4 million, 26 World Class Programmes will benefit from £3.5 million of extra investment. A further £500K of investment across Progression sports will support long-term medal potential and National Squads Support Fund sports to support the costs associated with forming and fielding squads for competition on the Olympic and Paralympic qualification pathway.

Within this National Squad Support Fund investment stream, in November 2022 UK Sport awarded Breaking GB £135K to support the qualification of British breakers in the build-up to the Paris 2024 Games. The investment is targeted at a cohort of athletes with ambitions to secure one of up to four places on the British team for the sport's Olympic debut. This illustrates UK Sport's commitment to supporting a wide range of sports and athletes across the Olympic and Paralympic high-performance community. We saw the immense success of new freestyle sports at the Tokyo Games, including Skateboarding and BMX Freestyle, which captured the imagination of the public and produced memorable, iconic sporting movements. We hope this award will support British breakers in providing inspirational moments for new and existing fans alike.

British athletes produced some excellent performances at the 2022 Commonwealth Games in front of a home crowd in Birmingham. Team England won a record 176 medals, finishing second to Australia on the final medal table, with a haul of 57 golds just one short of the record set in Glasgow in 2014. Team Scotland finished the Games with 13 golds out of a total of 51, easily bettering their previous record for medals apart from in Glasgow in 2014. Wales finished with 28 medals, including 8 golds, with Northern Ireland securing 7 golds out of 18 total medals.

In January 2023, UK Sport and Sport England published its response to The Whyte Review, committing to action across five areas to strengthen safeguarding for everyone involved in sport.

Within The Whyte Review policy response, 19 commitments span coaching and workforce support, performance athlete support, good governance, dispute resolution and creating safer environments for participants. These commitments include the continued development of the Safeguarding Case Management Programme to enable organisations to access support in relation to safeguarding, and the funding of a national network of welfare officers to promote good practice and safe sport on a local level.

Within the commitments, it was confirmed that Sport Integrity, the independent disclosure and investigations service which was launched in May 2022 as a pilot, will become mandatory for all UK Sport funded sports.

The response to The Whyte Review and the package of reforms contained therein incorporates change in areas where Sports Councils have agency and jurisdiction. UK Sport remains in ongoing conversation with Government around wider reforms in the sector to continue to strengthen safeguarding and welfare for everyone involved in sport and to ensure that all sport is safe, welcoming and inclusive for all.

## Grow a thriving sporting system

We will support our sporting community across the UK to be ever-more collaborative; setting a diverse, ethical and sustainable agenda for tomorrow.

The world of sport is changing at a faster rate than ever. The impact of Covid-19, increasing financial pressures, regulatory responsibilities, technological advances, rising expectations of fans, and evolving societal needs are only some of the major challenges that sports face every day. In the face of the uncertain and complex national and international sporting landscape, it has become ever more vital that sports bodies are able to deliver organisational excellence and resilience across a multitude of areas, which include and go beyond governance. These include organisational strategy, EDI (equality, diversity and inclusion), sport integrity, digital and commercial growth, people development, and membership. We believe this is integral not only to the long-term health of sport, but also to sustaining high-performance success.

In 2022-23, UK Sport launched a dedicated programme of insight and support centred on the health of National Governing Bodies (NGBs) and how they can best operate within a connected and thriving sporting system. UK Sport has developed and launched the Organisational Health Tool, covering four thematic areas: Strategy and Growth; People and Skills; Standards and Risk; Relevance and Impact. This is a self-reflective tool to help NGBs and other partners improve their organisational health.

Alongside this, an NGB Development Fund available for partners was made available. The NGB Development Fund provides financial support to enable partners to take action in changing their organisation's health across the four areas of the Organisational Health Tool.

To improve connectivity in the system, UK Sport and the Home Country Sports Councils (HCSCs) have begun a process of agreeing an effective programme of strategic collaboration in areas of shared interest. These include a specific focus on systemic reform, equality, diversity and inclusion, and integrity, as well as oversight of other areas of collaboration to improve the connectivity and health of the sporting system. Further details will be confirmed in 2023-24.

A standards framework is under development within which EDI, governance, safeguarding and integrity will be reviewed, rationalised and embedded, so that NGBs can more clearly see and understand the standards underpinning our funding partnership and how these will be regularly assured and enhanced to support their organisation (and as a safeguard to our investment).

As part of this, all NGBs were asked to submit by 30 April 2023 evidence against seven new or revised requirements in the Code for Sports Governance (including a requirement for a Welfare and Safety lead on the Board; evidence of decision-making that factors in Environmental Social Governance; and evidence of People Plans), as well as update their Governance Action Plans against all other existing requirements. Compliance against these standards will be reviewed in 2023-24.

As part of our scenario planning on the sustainability of the UK sporting system, in November 2022, UK Sport hosted a gathering of all Chairs and CEOs of NGBs, as well as Home Country Sports Councils, British Olympic Association, UKSI and British Paralympic Association representatives. Together we discussed the macro-challenges facing the administrative infrastructure of British Olympic and Paralympic Sport, and how we can navigate these challenges together. Working groups of Chairs and CEOs were established in January 2023 to look at the most pressing themes, delve into detail around the core issues and make specific recommendations around how to move forward. A Steering Group of external partners and UK Sport was also formed to synthesise the working groups' recommendations into a 'system master plan' which was reviewed by Chairs and CEOs in July 2023. This plan seeks to set out the scale of structural reform needed over the next 25 years and the way we will work together across the system to sustain success. The proposed actions and subsequent pilots will progress in 2023-24.

We work proactively with our partners in Government to demonstrate the broad value, impact, and importance of investing in Olympic and Paralympic sports and the hosting of Major Events in the UK. We also maintain a strong relationship with the National Lottery which remains a core supporter and funding partner. In support of our shared objectives, we work with them and the wider UK sporting system to ensure our ongoing success in high-performance sport is powered by sustained investment and economic sustainability.

The UK Sports Institute plays a key role in supporting the objectives of UK Sport. The name of this body, previously The English Institute of Sport, was changed during the financial year to reflect more closely its role in the UK high-performance system. The UKSI continues to provide sport science, medicine, technology and support services to elite athletes, primarily in UK Sport-funded Olympic and Paralympic sports.

We continue to work with Government and sporting partners on challenging and complex policy issues such as transgender athlete participation in sport and the impact of the Russia-Ukraine crisis on elite sport, while leading fan engagement work in support of our long-term system master planning work and sports relevancy and revenue generation agenda. Having paused for a while, discussions on a UK-wide Sports Diplomacy Strategy have now restarted, seeking to strengthen the UK's influence as a global power and force for good through the platform of sport.

We invest in international relations and influencing strategies (IRIS) with almost 40 funded sports, recognising the importance of maintaining and expanding the UK's position as a world-leading, influential player in delivering our strategic ambitions, and using our expertise and influence to shape the future of performance sport on the world stage. We ensure the UK maintains its strong voice within International Federations by supporting high levels of UK senior representation, remaining on track to meet our target of 70% of UK Sport funded Olympic and Paralympic sports having a senior representative from the UK in either their International or Continental Federation, with 45% overall female representation. We support a pipeline of (gender equal) British leaders of tomorrow through our International Leadership Programmes (ILP) and soon-to-be-launched Female Mentoring Programme. We bring the international community together to focus on the important issues of today, including, in March 2023, uniting our International Relations community around athletes' voice via our International Relations Seminar with IOC member, Kirsty Coventry, and IPC member, Chelsey Gotell, as guest speakers.

We seek to use our international influence to drive meaningful and positive reform to the global sporting system, with all new IRIS having to consider EDI and environmental sustainability objectives. We have worked closely with GB Boxing and other National Governing Bodies to support

them in addressing governance issues within their sports. We are supporting the UK's Presidency of the International Working Group on Women and Sport to maximise UK Sport's investment, including around women's leadership in sport, and using the hosting of major women's sporting events to promote gender equality in sport and society. We continue to support International Development projects – including the GAPS (Gather, Adjust, Prepare and Sustain) programme for para-athletes and coaches at the Commonwealth Games in Birmingham 2022 – and have secured from the International Paralympic Committee preferred partner status to establish new International Federations for World Para Athletics and World Para Swimming in the UK

## Inspire positive change

We will contribute to a happier, prouder and more connected society, using the power and platform of sport to inspire positive change.

Over the last financial year, UK Sport has facilitated the hosting of 12 major sporting events in 25 UK towns and cities. Looking ahead, over the financial year, UK Sport has worked with its event hosting partners to secure 21 events for future years and has live bids for the UK and Ireland to host the 2028 UEFA Men's Euros and the 2026 Tour de France Grand Départ. To date, £18.3 million of National Lottery funding and £17 million of Government investment has been committed to UK Sport's events hosting programme.

UK Sport commissioned a new report, The Value of Events, in January 2022 which analysed the impact, including societal and environmental, of 12 UK Sport funded-events, on the country and communities in which they were hosted. In total these events received £21.9 million investment from UK Sport and generated a cumulative economic impact of £132 million, helping to support the equivalent of 1,600 full-time jobs across the UK.<sup>1</sup>

### **UEFA Women's EURO 2022**

UK Sport worked with The FA to bring the event to the UK, supporting throughout the whole lifecycle of the tournament including the feasibility, bidding, and delivery phases. With more than 87,000 spectators attending the final, and an additional 17 million watching on TV, the tournament has created more than 416,000 new opportunities for women and girls to engage with grassroots football. In addition, the Government has announced a substantial package for school sport, including football, after players issued an open letter to the then prime ministerial candidates, requesting that every girl in England has an equal right to access football in schools.

### **Rugby League World Cup 2021 (RLWC)**

Supporting the bid and managing the Government's investment, UK Sport helped the RLWC deliver its first integrated tournament which included parity of coverage on the BBC for the women's, wheelchair and men's tournaments. UK Sport also invested £55K into its International Development Programme which supported developing Rugby League nations to deliver the sport in a better way to more people – 13 nations have taken part so far. More than 350 volunteers with social care needs were trained and involved in supporting the tournament, as part of the event's inclusive volunteer programme. In addition, the RLWC used its platform to run a first-of-its-kind Mental Fitness and Awareness programme. This reached 9,674 young athletes and 386 coaches across UK, and 92% of participants said they had a better understanding of mental health having taken part in the programme.

<sup>1</sup> Excludes data for Commonwealth Games economic impact, jobs, investment.

The World Rowing Coastal Championships and Beach Sprint Finals became the first rowing event of its type to achieve ISO20121 (International Organization for Standardization) certification in sustainable events. The AJ Bell 2022 World Triathlon Championship Series further showcased the UK's commitment to delivering a sustainable future for sport by becoming the first global World Triathlon event to achieve a Gold Certificate of Sustainability.

In October 2022, UK Sport became a signatory of the UN Sports for Climate Action Framework, under which we are committed to halving our carbon emissions by 2030 and achieving net-zero by 2040. We followed this by launching an Environmental Sustainability Strategy, which harnesses the power of top-level sport to advocate for positive change and requires sports' governing bodies to analyse their environmental impacts and develop a plan to reduce them.

Using the Birmingham 2022 Commonwealth Games as a platform, UK Sport supported the launch of the UK's hosting of the International Working Group for Women & Sport (IWG) to international leaders in sport, driving awareness and understanding of its role and value to their objectives in powering positive change in gender equality in sport across the world. We are delighted the UK is hosting the IWG over the next four years and believe this is a major opportunity to play a leading role in driving forward progress in gender equality and equality across sport, both domestically and internationally.

UK Sport partnered with The GAPS programme, the sport for social purpose initiative developed by the Commonwealth Games Federation (CGF) and Griffith University and provided training for more than 100 athletes and coaches to address the lack of representation of para-athletes from low-income countries in the Commonwealth and promote disability inclusion in their countries in the lead up to the Commonwealth Games. As a result, 50 athletes from 20 Commonwealth Games Associations qualified for the Games, entering 58 events. Six GAPS athletes were appointed flag bearers and nine medals were won – one gold, four silver and four bronze.

A total of 319 World Class Programme athletes competed at the Games in Birmingham under the colours of their home nations and, between them, they won 178 medals.

In partnership with the True Athlete Project, a learning and development programme pilot – Powered by Purpose – was launched to help 20 UK Sport funded athletes discover their purpose and use their platform and voices to become agents for social change. The six-month programme included a series of workshops, peer-to-peer learning and mentorship, with all participants now viewing themselves as having the skills and resources to address social challenges. A second cohort of athletes will begin the programme in late 2023 and we expect them to feel similarly empowered to drive change on societal issues ranging from mental health and physical activity to sustainability.

In collaboration with the BOA and BPA, UK Sport commissioned foundational research to help the high-performance sport sector to boost fan engagement by broadening and diversifying the fanbase. The research segments the population by attitudes and behaviours towards sport and identifies those who are already fans, as well as those who can be targeted to increase their engagement, along with detailed insights on how to engage these audiences through the right messaging, content and media outlets. The research is being cascaded to sports to help inform their communication plans to drive engagement with Olympic and Paralympic sport as a whole.

As ever, UK Sport would like to thank the Government and The National Lottery for their unwavering support of our work, the entire Olympic and Paralympic sporting family of organisations, individuals and athletes for their dedication and teamwork, and the many major and mega event hosting partners in cities and regions across the UK for their partnership and collaboration.

## Key Risks and Issues

Our organisational risk appetite is carefully assessed and reviewed to reflect the nature and type of work across our organisation and within our teams, and therefore the appropriate level of risk-taking. 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 us to work with agility and accept a degree of risk. When required this is done in a calculated and informed way, taking into account implications and benefits, prior to decisions being taken.

We have closely monitored the impact of inflationary pressures and cost of living challenges on UK Sport priorities, across a range of streams including overall levels of income, athletes and governing bodies. This has also exacerbated existing risks around financial viability of NGBs, our ability to secure and run events, and retention of talent within the High- Performance system.

We are also continuing to manage the consequences for UK Sport and its partners of Russia's invasion of Ukraine. This includes the risk of boycotts and potential disruption at the Paris Games (as well as prior qualifying events), and the associated instability for athletes and sports.

The publication of the Whyte Review in June 2022 has underlined that the highest standards of ethics and integrity within NGBs and WCPs remain an absolute fundamental of our work and our expectations of how everyone within the system should act. Ensuring that the new Sport Integrity function can respond when these cases arise is a key enabler of maintaining confidence and trust in this vital area, and this is expressed in our ambition to "Keep Winning and Win Well".

Other material risks are captured in UK Sport's risk register, which is used as a key tool to inform decision making. Mitigating actions are considered and developed to minimise risks where appropriate and are updated on a regular basis. Further details about the significant risks managed during 2022-23 are provided in the Governance Statement.

## Performance Analysis

UK Sport is held to account by DCMS against a set of Key Performance Indicators (KPIs). These KPIs are agreed between UK Sport and DCMS at the start of, and for the duration of, the current funding agreement. At the beginning of each year, formal targets for each KPI are agreed for the year between UK Sport and DCMS, with the results of previous years published on UK Sport's website. UK Sport attends formal quarterly meetings with DCMS where progress against KPIs and the corresponding targets is discussed, monitored, and agreed. Risks which link to UK Sport not achieving the targets against these KPIs are included in the Corporate Risk Register and closely monitored.

The following table sets out our performance against the 2022-23 targets. Several of these relate to either new or significantly re-focused areas of work, and the RAG ratings therefore reflect progress two years into a 10-year Strategic Plan.

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Ambition	Objective	Focus Area	Indicator	Key Performance Indicator for the Funding Agreement period.	2022-23 Year End Performance vs Annual Milestone Target.
Keep winning and win well.	Top 5 in the Summer Olympic and Summer Paralympic tables in Paris and beyond.	Deliver a broader range of champions and medalists (Olympic Summer).	Achievement of Summer Olympic Milestone Targets.	>75% of invested programmes delivering outcomes within their agreed Milestone Target (MST) range (14 of 18).	83% (15 of 18) 'exceeded' or 'achieved' their MSTs (or 94% if including 'partial' - 17 of 18).
		Deliver a broader range of champions and medalists (Paralympic Summer).	Achievement of Summer Paralympic Milestone Targets.	>75% of invested programmes delivering outcomes within their agreed MST range (14 of 18).	88% (14 of 16) 'exceeded' or 'achieved' their MSTs (or 94% if including 'partial' - 15 of 16).  Note – two sports (Athletics and Wheelchair Basketball) did not have MSTs due to no events held and a postponement respectively.
Keep winning and win well.	An ever-greater force in Winter Olympic and Winter Paralympic sport.	Deliver a broader range of champions and medallists (Olympic Winter).	Achievement of Winter Olympic Milestone Targets	75% of invested programmes delivering outcomes within their agreed MST range (3 of 4).	100% (3 of 3 sports) that have concluded their MST events 'exceeded' their target.  Note – as of 31 March, Curling events had yet to conclude.
		Deliver a broader range of champions and medallists (Paralympic Winter).	Achievement of Winter Paralympic Milestone Targets.	50% of invested programmes delivering outcomes within their agreed MST range (1 of 2).	100% (2 of 2) 'exceeded' or 'achieved' their MSTs.
Keep winning and win well.	A diverse group of athletes winning medals across the Olympics, Paralympics and World Championships.	Power a diverse, inclusive team.	Increased diversity of funded athlete cohorts meeting World Class Programme (WCP) standards.	% increase in the overall diversity of funded athletes meeting WCP standards and within specific WCPs vs. the 2021 baseline.	The World Class Programme (WCP) athlete cohort has now been benchmarked against an equivalent age-matched data set from the recently released 2021 Census (made available February 2023). Hypotheses for change, and recommendations for future action, are currently being drawn up.

<b>Keep winning and win well.</b>	Ever-more athlete, sport and public confidence in the way we win.	Win with integrity.	Upholding the highest standards of Ethics, Integrity, and Athlete Welfare.	Increase the number of athletes having a positive experience within their high-performance programme versus the mid-2022/23 baseline, based on formal feedback.	Of the survey respondents (36 WCP, 605 athletes) 77% reported having a positive experience in their WCP. This data (representing 2 years) will now provide a baseline moving forwards.
				Increase the number of staff having a positive experience within their high-performance programme versus the 2022/23 baseline, based on formal feedback.	Of the survey respondents (36 WCP, 715 staff) 87% reported having a positive experience in their WCP. This data (representing 2 years) will now provide a baseline moving forwards.
				Increasing % of athlete and staff confidence in sports upholding the highest standards of ethics, integrity, and welfare.	27 NGBs have signed up to the new independent disclosure and complaints service (Sport Integrity). The platform is going from strength to strength, in terms of case-management and feedback from sports. Whyte Review policy commitments were launched in Quarter 4 and the plans to address the 19 requirements are moving forward. Culture Feedback Survey questions will also capture this data for athletes and athlete support personnel, allowing a baseline to be established.
<b>Grow a thriving sporting system</b>	Organisational Health is stronger across the sports we invest in.	Enable sustained success.	Alternative Income levels.	A cross-sport revenue generation plan is agreed across the principal bodies and is on track to increase and diversify the overall funds available to the system.	Wide reaching hypotheses for relevancy and revenue generation have been agreed on with final recommendations due July 2023. Whilst ambitions for a paradigm-shifting revenue generation model for O&P Sport remain high, this will be a secondary priority until the relevancy issue is tackled.

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<b>Grow a thriving sporting system</b>		Enable sustained success.	Strengthen long-term Organisational Health (OH) across the sports we invest in.	100% of funded bodies meet minimum OH standards or are actively working through an escalation plan where falling short of those standards.	The standards management/assurance programme is underway, with review of evidence and compliance against the requirements in the Code for Sports Governance. Publication of Whyte Review commitments is shaping the approach to standards in integrity and wider areas, with clear deliverables expected in 2023/24.
<b>Inspire positive change</b>	We are securing and hosting exciting global sporting events that reach new audiences and uplift communities.	Showcase extraordinary sporting moments.	Diversity in events.	Stage and/or secure 42 strategically targeted international sporting events in the Paris Cycle across 39 locations ensuring geographic reach of events is maximised.	33 funded events have been secured in 40 towns and cities across the UK.  15 funded events have been successfully staged to dates in 27 towns and cities.
<b>Inspire positive change</b>	We are securing and hosting exciting global sporting events that reach new audiences and uplift communities.	Showcase extraordinary sporting moments.	Scale and Reach of Events	Directly engage between 2.5m and 3m (range) spectators through attendance at Government funded major sporting events.	15 events staged to date in this cycle (4 in 2021/22, 11 in 2022/23) -confirmed figure to date from 9 events 1,146,909. This figure will increase following confirmation of attendance figures at all events.
			Number of international sporting events secured and staged	Ensure the UK maintains a bid success ratio in the range of 70-90%.	11 bids to date this cycle-9 wins and 2 losses. 82% bid success ratio.
			Economic impact of events	Funded events generate direct economic impact to host economies of at least £180m.	11 events staged in 2022/23 – economic impact figures received for 8 events, totaling £91m.

<b>Inspire positive change</b>	Olympic and Paralympic sport continues to inspire and unite our nation.	Inspire and unite more people, more often.	Levels of inspiration versus Tokyo Cycle baseline.	Sustain levels of inspiration against the Tokyo 2020 cycle baseline; at least 58% of the public agree that they feel inspired by Olympic and Paralympic athletes as people, whether they win medals or not.	April 2023 survey indicates 64% agree.
<b>Inspire positive change</b>				Evidence how British Olympic and Paralympic Sports are effectively delivering positive impacts around Physical and Mental Wellbeing, EDI, and Sustainability, both at a local and national level.	The first entries from NGBs on Social Impact Monitoring have seen 39 activities being driven by 9 NGBs, with 200 engaged athletes doing 330 activities across 18 NGBs.  All pinnacle major events have plans in place for 2023, including a major programme across 6 Paralympic Events.

## Social Impact

One of the three ambitions in our Strategic Plan is to contribute to a happier, prouder and more connected society, using the power and platform of sport to inspire positive change. We have identified the key areas of equality, diversity and inclusion, plus wellbeing and sustainability; and it is our intention to walk the walk as high-performance sport so that we can use our voice to inspire others to act.

In addition to this, a key component of our social impact work will be to harness the power and platform of sport. We are working with the organisations, athletes and major events into which we invest to define our expectations and outline the support that we will provide to empower action. This includes embedding social impact expectations into the Organisational Health Framework, developing insight gathering approaches and operating development programmes.

Regarding UK Sport's operations there have been no significant human rights, environmental or social issues arising during 2022-23. UK Sport is an equal opportunity employer which has taken positive action to ensure it meets its legal duties under the Disability Discrimination Act (1995), Disability Equality Duty (2006) and the Equality Act (2010).

UK Sport has appropriate operational policies and procedures in place to meet its legal requirements. Those policies on whistleblowing, anti-corruption and anti-bribery matters were updated during the year.

## Sustainability Reporting

We continue to report against the Greening Government Commitment (GGC) and have undertaken a comprehensive baselining exercise to calculate our carbon footprint for 2021/22 which includes full Scope 3 emissions. We have also mapped a decarbonisation pathway, indicating emissions reductions required to reach a 2030 net zero target ([full emissions report and decarbonisation pathway available online](#)).

In March 2023 we published our first [Environmental Sustainability Strategy](#), laying out our vision to accelerate the progress of high-performance sport in addressing collective environmental impact. With a goal for British high-performance sport and major events to be having a net positive impact on the environment by 2040, we will be working to:

1. Reshape our operations to reduce the negative impact of our own activities.
2. Support people, partners and the sector to embed environmentally sustainable decision making and practices, and to share knowledge and skills.
3. Use our voice, influence and platform to advocate for a thriving sporting system that takes action on environmental sustainability.

We have started implementing the action plan already. Notable projects include support of a sports-specific Carbon Literacy toolkit which has now been launched after development by the Commonwealth Games 2022 and piloting in the sector by UK Sport. This certified training provides individuals with an awareness of the carbon dioxide costs and impacts of everyday activities, and the ability and motivation to reduce emissions on an individual, community and organisational basis. We have also committed to supporting all NGBs in which we invest to measuring their baseline carbon emissions and producing environmental sustainability action plans. This will take place in clusters of sports and a pilot is underway with British Triathlon, England Hockey, British Swimming, UK Athletics and the UK Sports Institute. As during the year we have undertaken a comprehensive exercise to calculate our 21-22 carbon footprint, we have revised the figures for 2021-22 below.

### Greenhouse Gas Analysis

<b>GREENHOUSE GAS EMISSIONS</b>		<b>2022-23</b>	<b>2021-22</b>	
<b>Scope 1 - Direct GHG emissions</b>	Total gross emissions: Scope 1		5	15
	Emissions (tCO2e) from:	Gas	5	15
		Oil	-	-
		Fuel (including LPG)	-	-
		Other	-	-
<b>Scope 2 - Energy indirect emissions</b>	Total gross emissions: Scope 2		12	18
	Emissions (tCO2e) from:	Electricity	12	18
<b>Scope 3 - Official travel emissions</b>	Total gross emissions: Scope 3		208	61
	Emissions (tCO2e) from:	Domestic	93	
		International	115	
<b>Scope 1 &amp; Scope 2</b>	Total Electricity (kWh)		73,845	84,960
	Electricity	Renewable	-	-
		Non-Renewable	73,845	84,960
	Gas (kWh)		29,025	85,523
	LPG (kWh)		-	-
	Other (kWh)		-	-
<b>Scope 1, Scope 2 &amp; Scope 3</b>	Expenditure on energy (£)		14,048	41,600
	Expenditure on accredited offsets (£)		-	-

	Expenditure on official domestic and international business travel (£)	445,942	123,548
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<b>WASTE</b>		<b>2022-23</b>	<b>2021-22</b>	
	Total waste disposed (tonnes)	8.00	8.00	
	Hazardous waste disposed (tonnes)	-	-	
	Non-hazardous waste disposed (tonnes)	Landfill	1.00	1.00
		Recycled	6.00	7.00
		ICT waste recycled, reused and recovered (externally)	-	-
		Composted	-	-
		Incinerated with energy recovery	1.00	-
		Incinerated without energy recovery	-	-
	Total waste disposal cost (£)		2,593	6,348
	Hazardous waste disposal cost (£)		-	-
	Non-hazardous waste disposal cost (£)	Landfill	144	6,156
		Recycled	2,414	192
		ICT waste recycled, reused and recovered (externally)	-	-
		Composted	-	-
Incinerated with energy recovery		35	-	
Incinerated without energy recovery		-	-	

<b>FINITE RESOURCE CONSUMPTION</b>			<b>2022-23</b>	<b>2021-22</b>
	Water consumption (m3) (Office estate)	Supplied	1,806	812
		Abstracted	-	-
		Collected	-	-
	Water consumption (m3)	Supplied	-	-
	(Non-office Estate)	Abstracted	-	-
		Collected	-	-
	Paper consumption (reams) - A4	Supplied	-	5
	Paper consumption (reams) - A3	Supplied	-	-
	Water Supply costs (Office estate) (£)		2,173	3,015
	Water Supply costs (Non-office estate) (£)		-	-
	Paper costs (A4 & A3) (£)		-	-

<b>GGC Sub-Targets (Ultra-low and zero emission vehicles &amp; Air travel)</b>			<b>2022-23</b>	<b>2021-22</b>
<b>Ultra-low and zero emission vehicles</b>	Total Vehicles (Owned, Hired & Leased)		74	28
	% of vehicles categorised as Ultra Low Emission Vehicles (ULEV)		1.0	4.0
<b>International Air Travel</b>	Total: Distance travelled by international business flights (miles)		301,007	78,565
	Disaggregated by category	Long-haul flights	299,058	58,922
		Short-haul flights	1,949	19,643
	Disaggregated by class	Economy	301,007	78,565
		Premium Economy	-	-
		Business	-	-
		First	-	-
<b>Domestic Air Travel</b>	Emissions from domestic business flights (tCO2e)		6	3
	Distance travelled by domestic flights (miles)		53,866	24,485
	Number of domestic flights		67	37

## FINANCIAL STATEMENTS

The Accounts section of this report is separated into two distinct areas in line with statutory requirements, namely Grant-in-Aid and National Lottery Distribution Fund accounts.

They include accounts for UK Sport as well as a consolidated Group position including the UK Sports Institute (UKSI). Accounts for the UKSI are also published separately.

### Policy on Lottery Additionality

With funding derived from two primary sources, Grant-in-Aid and Lottery, UK Sport 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 (although 'Mega' events such as the 2025 Women's Rugby World Cup are increasingly funded through additional exchequer funding). This approach is expected to continue. The World Class Programmes have been funded by a mix of Lottery and Exchequer funding in a proportion determined at the start of each Games Cycle. Our approach has been that once a grant commitment for World Class Programmes has been recorded through the Grants Management System as a proportion of Lottery and Exchequer funding then these allocations will remain in place for the duration of the programme. However, having the ability to replace Lottery grant commitments with Exchequer funding has been necessary to manage fluctuations in income and re-profiling of expenditure within some programmes.

The 'additionality' policy agreed with the Lottery team at DCMS, and the National Audit Office (NAO) provides a clear set of guidelines under which funding can be reallocated:

*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.*

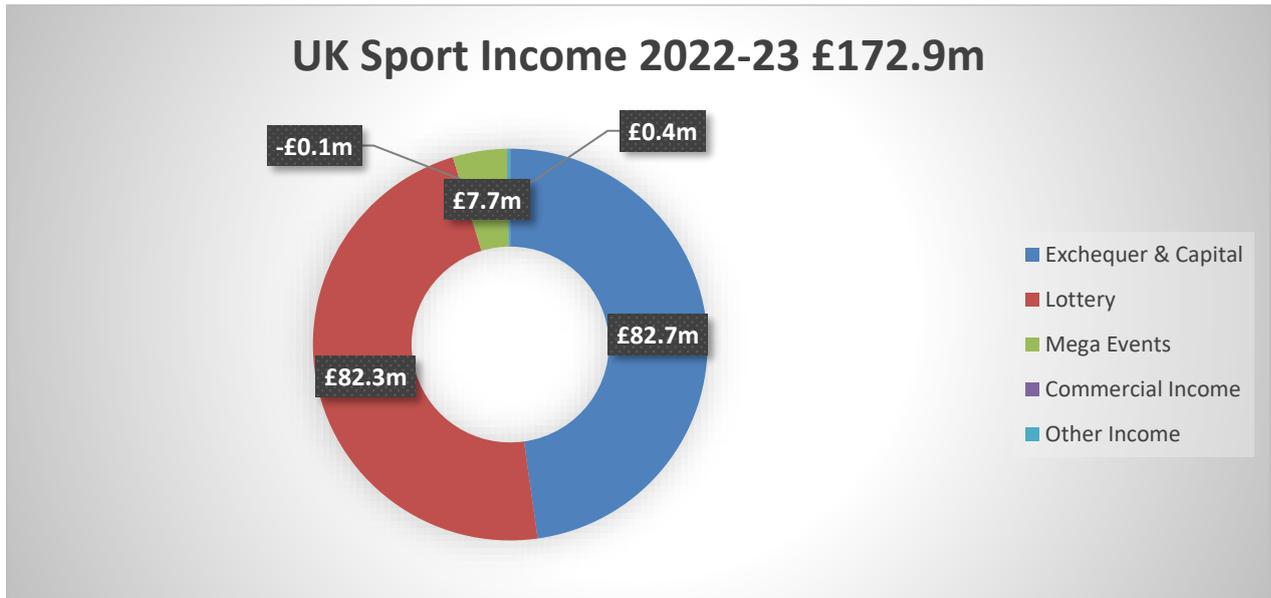
*UK Sport has regard to the principles of additionality and this definition when progressing its investment strategies and programmes. Where appropriate, Lottery funding complements investment strategies such as the World Class Performance Programmes, which are geared to achieving long-term Olympic and 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 fluctuation in planned Exchequer financed activity elsewhere in the business, the awards may be adjusted to reflect a greater proportion of Exchequer funding.*

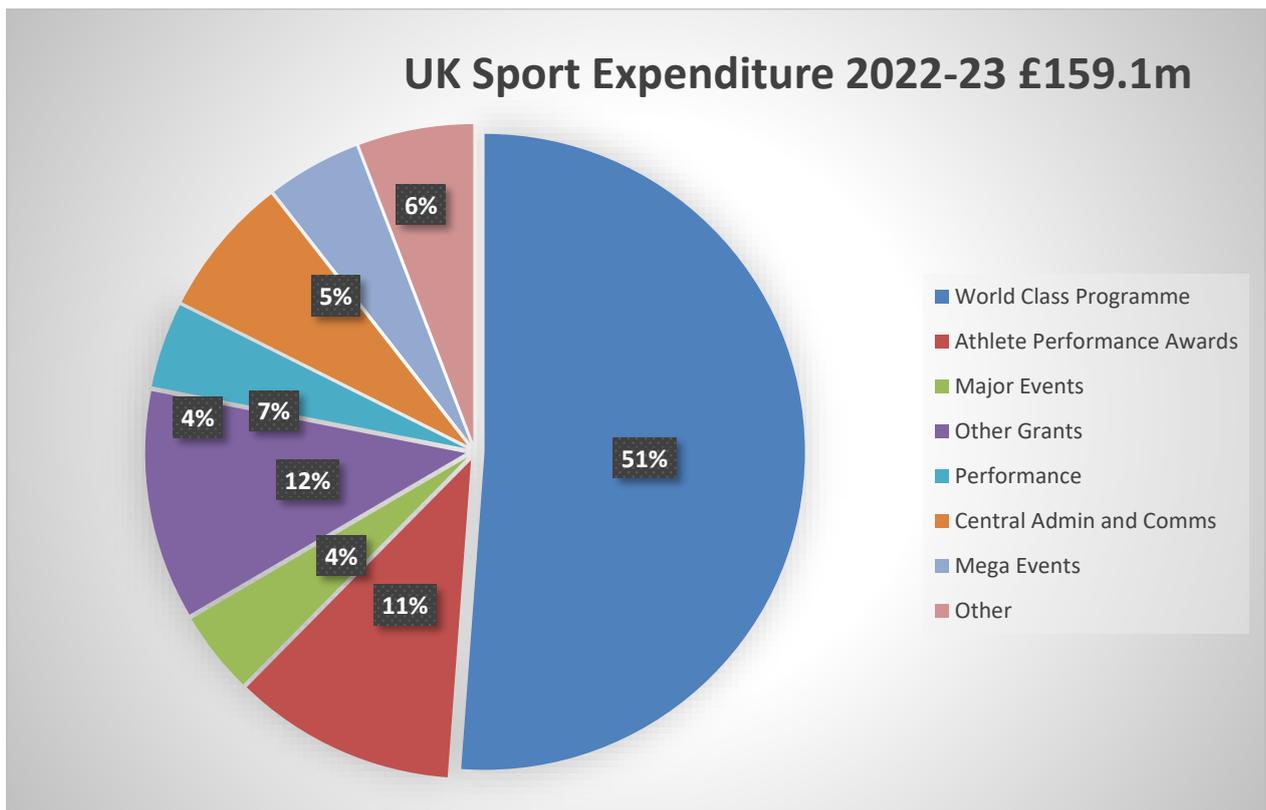
*The Major Events Programme and funding of Athlete Performance Awards are solely Lottery funded. These are prime examples of Lottery funded programmes that are not provided as a statutory responsibility or funded by Government but add real value to the UK's sporting ambitions.*

### Financial Performance

**Total income** of £172.9 million (£139.5 million in 2021-22) was received by UK Sport over the year 2022-23. UK Sport received £82.2 million from the National Lottery Distribution Fund (£82.6 million in 2021-22) and £82.7 million from Exchequer (£56.5 million in 2021-22). £7.7 million additional Exchequer Funding was also provided for mega events, including the 2022 Rugby League World Cup and the 2025 Women's Rugby Union World Cup. No underwrite against shortfalls in Lottery income was required in the year.



Total expenditure of £159.1 million (£148.9 million in 2021-22) during the year is shown below.



Grants for the World Class Programmes and Athlete Performance Awards made up the greatest part of the expenditure incurred.

Total Lottery income during the year has increased our Lottery Reserves balance from £48.8 million to £57.4 million. A large proportion of these reserves will be used to fund ongoing Paris Cycle

activity and we are forecasting to be close to our planned minimum reserve level of £24 million by 31st March 2025.

Administration and operating costs have continued to be monitored closely. Non-ringfenced Exchequer resource outturn was within 0.6% (£0.5 million) of budget, meeting the DCMS target of within 1% (at UK Sport Group level, the outturn was within 0.6% of budget). The DCMS Lottery performance target of 7.75% for administrative spend was also met with a result of 7.22% for the year.

The Statement of Financial Position on the Exchequer Account at 31 March 2023 shows positive overall Taxpayer's Equity of £6.9 million (£23.4 million negative at 31 March 2022). This is offset by a surplus on the Lottery account of £50.2 million (£33.5 million at 31 March 2022) to give a total group position of £57.1 million (£10.1 million in 2021-22). This balance includes a £1.4 million pension asset.

### Expenditure on Consultancy

During 2022-23 expenditure on legal fees and consultancy at UK Sport was £387,127 (2021-22: £1,235,801). The expenditure on consultancy relates to various projects, including advice and support on the organisation's Strategic Projects. Legal costs were particularly high in 2021-22 as they included all costs relating to the Whyte review.

### Funded Athlete Demographics

UK Sport funded **1,092** athletes as at 31 March 2023 (1,059 athletes at 31 March 2022) with the following demographic breakdown:

Gender	Numbers	31/03/2023	31/03/2022
Female	489	45%	47%
Male	600	55%	53%
Prefer not to say	3	0%	-

Age range	Numbers	31/03/2023	31/03/2022
<16	8	1%	0%
16 - 25	558	51%	52%
26 - 44	503	46%	45%
45 - 68	23	2%	3%

<b>Disability</b>	<b>Numbers</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
No	773	71%	72%
Yes	300	27%	27%
Prefer not to say	13	1%	0%
Not Sure	1	0%	-
Blank	5	1%	1%

<b>Ethnicity</b>	<b>Numbers</b>	<b>31/03/2023</b>	<b>31/03/2022</b>
Asian or Asian British	13	1.2%	1%
Black / African / Caribbean / Black British	37	3.4%	3.2%
Mixed / Multiple ethnic groups	67	6.1%	5.9%
White	954	87.4%	87.4%
Other ethnic group	4	0.4%	0.3%
Not Specified	5	0.5%	1.2%
Do not wish to disclose	12	1.0%	0.9%

At the time of reporting, the funded athlete demographics illustrated a marginal increase in total athlete numbers. This is to be expected in the second year of a funding cycle, following a large churn of athletes post-Games.

### **Going Concern**

The financial statements have been prepared on a going concern basis. Grant commitments and other obligations have been entered into on the basis of the continuing receipt of financial provision in the following ways:

1. UK Sport has a statutory entitlement to a set percentage of the National Lottery Distribution Fund in accordance with the National Lottery Act 1993 as amended.
2. Grant-in-Aid financing from DCMS. In Summer 2021 UK Sport secured a positive Comprehensive Spending Review settlement, comprising a 44% increase to the UK Sport

budget from SR20 to 2024-25 to support Team GB and ParalympicsGB athletes to prepare for a successful Paris 2024 Olympic and Paralympic Games.

3. The liabilities shown in the Statement of Financial Position mainly arise from staff membership of the public sector pension scheme (LPFA). These fall within the scope of Section 39 of the Public Service Pensions Act 2013 which allows all future liabilities to be met from the Consolidated Fund.



**Sally Munday OBE**  
**Chief Executive and Accounting Officer**  
The United Kingdom Sports Council

8 December 2023

## ACCOUNTABILITY REPORT

### Corporate Governance Report

#### Directors' Report

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 eleven members, seven independent and four representatives of the Home Nation Sports Councils (Sports England, Sport Wales, Sport Northern Ireland and sportscotland).

Independent Board members are appointed for a fixed term of four years and may be re-appointed for one further term of four years as agreed by the Secretary of State for DCMS. These term lengths were increased from three years through amendment to UK Sport's Royal Charter in November 2020. The Board Chair is serving a second term of four years, expiring 2025. The appointment process set by Government permits representatives (usually the Chair) of the Home Country Sports Councils to automatically sit on the UK Sport Board for the duration of their term.

#### Board membership during 2022-23

Name	Position	Start Date	Term duration
Dame Katherine Grainger DBE	Chair	July 2017	4-year Appointment to June 2021; reappointed to June 2025
Chris Boardman	Member (Chair, Sports Council England)	July 2021	4-year Appointment to July 2025
Mel Young MBE	Member (Chair, sportscotland)	June 2016	4-year Appointment to June 2020. Re-appointed to May 2024
George Lucas	Member (Chair, Sport Northern Ireland)	June 2020	6-month Appointment to January 2021 Re appointed for 4 Years to January 2025
Baroness Tanni Grey-Thompson	Member (Chair, Sport Wales)	July 2022	4-year appointment to July 2026
Chris Pilling	Member	April 2020	4-Year Appointment to April 2024
Sally Bolton OBE	Member	March 2018	4-year Appointment to March 2022, Reappointed to March 2026
Annie Panter	Member	January 2018	4-year Appointment to January 2022. Reappointed to January 2026
Ismail Amla	Member	April 2020	4-Year Appointment to April 2024
Martyn Worsley	Member	March 2018	4-Year Appointment to March 2022. Reappointed to March 2026
Rachel Baillache	Member	Sept 2022	4-year appointment to Aug

Name	Position	Start Date	Term duration
			2026
Rupen Shah	Member	Sept 2022	4-year appointment to Aug 2026

The 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. The minutes of UK Sport Board meetings are made available on the UK Sport website. In the year 2022-23 all Board meetings were held in person.

In addition, during the year Board Members took part in additional meetings such as Board Strategy Sprints and effectiveness reviews, representations from a sport as well as a two day Away Day in March 2023.

The Board has an established Group Audit and Risk Committee (GA&RC) to support them in their responsibilities for issues of risk, control and governance. Its membership comprised:

- Chair, a UK Sport Board member appointed by the UK Sport Board;
- Not less than two other non-executive UK Sport Board members appointed by the UK Sport Board;
- One external member nominated by the UK Sports Institute (UKSI) Board and approved by the UK Sport Board who may be a non-executive member of the UKSI Board; and
- Up to two other external members nominated by the GA&RC and approved by the UK Sport Board.

At least one member has significant recent accounting experience. This Committee has oversight of both UK Sport and UKSI and normally meets four times during the year to advise the Board and Accounting Officers on:

- Strategic processes for risk, control and governance (and the Governance Statement);
- Accounting policies, Annual Report and Accounts.
- Both internal and external audit planned activity, results and effectiveness.
- Adequacy of management response to issues identified by audit activity.
- Level of assurance provided on the management of corporate governance obligations.

Further to this arrangement the Board is advised by a number of additional standing sub-committees:

- **Remuneration and Nominations Committee** – the function of which is to oversee Chief Executive Officer, Deputy CEO and members of the Directors Team (the 'Senior Executives') recruitment, remuneration, employment terms and conditions and severance; and to oversee the structure and size of the Board and be responsible for nominations, as well as reviewing the leadership needs of the organisation. The Committee currently consists of a pool of two UK Sport Board members (including the Chair) the CEO and People Director. The Panel met once in 2022-23.
- **Major Events Panel** – makes recommendations to UK Sport Board on National Lottery investment into major events in addition to providing an assurance

function with regards to some of UK Sport’s larger investments into events, and particularly Mega Events. The panel, currently consisting of two UK Sport Board Members (one of whom acts as the Panel Chair) and four independent members, met seven times during the year.

- **Eligibility Panel** - considers cases under the UK Sport Funding Eligibility Policy to determine the eligibility of Athletes and Athlete Support Personnel to receive public funding and / or publicly funded benefits. The Eligibility Panel, currently consisting of a pool of three UK Sport Board members; three legally qualified Chairs; and three independent members, was convened nine times during the last financial year.

The Register of Interests for members of the Board is publicly available on the UK Sport Website, at the following link [Our Board | UK Sport](#).

## Director Team

Sally Munday leads the Executive team that oversaw 162.4 full time equivalent staff, including 12 full time equivalent fixed term contract staff, across the business as of 31 March 2023.

The director positions held during 2022-23 were:

Name	Position
Sally Munday	Chief Executive and Accounting Officer
Simon Morton	Deputy CEO, Director Sporting System and Events
Sophie du Sautoy	Director of Business Services
Deborah Kester	Director, People
Dr Kate Baker	Director of Performance
Naomi Angell-Hicks	Director of External Engagement and Affairs

UK Sport has a conflict-of-interest policy that requires all members of Staff (including Directors), Workers and Board Members to declare any interests that pertain to themselves or their immediate families which could impact on their role at UK Sport. Declarations are required when Staff, Workers or Board members join the organisation and when circumstances change, as well as an annual confirmation that declarations are accurate and up to date. Any conflicts declared are reviewed with support of Legal and HR where needed, to confirm what mitigating actions, if any, are required to manage the conflict.

## Subsidiary body

### **UK Sports Institute (UKSI) (Previously known as EIS)**

UK Sport has held sole responsibility for The English Institute of Sport (EIS)) since April 2006. In April 2023, the EIS was renamed to UK Sports Institute (UKSI). There were no other changes to the legal structure. Its accounts are approved separately by the Board of UKSI and are subject to external audit by the National Audit Office. UK Sport financial statements are therefore prepared on a consolidated basis.

UK Sport is entitled to appoint three Directors to the Board of UKSI one of whom is appointed as the Chair. John Dowson was appointed as Chair for a four-year term in July 2021. The two other board

positions are currently vacant. In addition, UK Sport has agreed that a Board Member and its Director of Performance are observers on the UKSI Board.

Matt Archibald was appointed as National Director (CEO) in February 2022.

The UKSI is bound by funding agreements which are applied alongside a separate Financial Memorandum. The Group Audit and Risk Committee advises both UKSI and UK Sport Boards through an annual programme of audit reviews agreed by both Boards.

UKSI are a company limited by guarantee, incorporated in England. The address of its registered office is The Manchester Institute of Health and Performance, 299 Alan Turing Way, Manchester, M11 3BS.

## 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. There are robust and specific measures in place to ensure information security applies to such information.

In accordance with the UK General Data Protection Regulations (GDPR), guidance from the Information Commissioner's Office and the Cabinet Office Guidance under the HMG Security Policy Framework (SPF), UK Sport continues to enhance its information and data security policy and procedures. As part of this, all staff are required to undertake online training on information security and the GDPR and have been subject to a wider security education and awareness campaign.

During 2022-23, no personal data incidents occurred within UK Sport, although UKSI formally reported one data incident to the Information Commissioner's office.

Incidents deemed by the Data Controller not to fall within the criteria for reporting to the Information Commissioner's Office, but are considered breaches or 'near misses', are recorded centrally within UK Sport. There was one such incident in 2022-23.

*Table 1: Summary of Other Protected Personal Data Related Incidents in 2022-23*

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices, or paper documents from secured Government premises.	0
II	Loss of inadequately protected electronic equipment, devices, or paper documents from outside secured Government premises.	0
III	Insecure disposal of inadequately protected electronic equipment, devices, or paper documents	0
IV	Unauthorised disclosure	0
V	Other – it was discovered that an athlete account had access to the UKS Knowledge Management System (KMS). Upon further investigation it was established that user had not signed into KMS, so it is our belief that no data was exposed.	1

## Complaints Summary

UK Sport has published a complaints procedure on its website. In 2022-23 there were no complaints about staff. There were 82 complaints in relation to various types of sporting issues (2021-22: 77) –

the issues driving the most complaints relate to athletes funding and the Sports Council Equality Group guidance for Transgender Inclusion in Sport.

Where relevant UK Sport refers complaints directly to the sports organisation involved for resolution or, if appropriate, to the UK Sport's Head of Sport Integrity.

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 or the affairs of sport Governing bodies.

No whistleblowing cases were raised during 2022-23.

## Statement of Accounting Officer's Responsibilities

The Royal Charter and section 35(2) and (3) of the National Lottery etc. Act 1993 require UK Sport to prepare a statement of accounts for both UK Sport and its consolidated Group for each financial year in the form and on the basis determined by the Secretary of State for DCMS 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:

1. Observe the Accounts Direction issued by the Secretary of State for DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
2. Ensure that UK Sport has in place appropriate and reliable systems and procedures to carry out the consolidation process;
3. Make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by subsidiary organisations;
4. 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;
5. Prepare the financial statements on a 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 are set out in "Managing Public Money" published by HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993.

In my role as Accounting Officer, I am supported by the National Director (CEO) of UKSI, who has been appointed as the Accounting Officer for their organisation with reporting responsibilities to myself. They are required to prepare an annual assurance report as well meeting the requirements of their respective governance and financial frameworks.

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 are fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.



**Sally Munday OBE**  
**Chief Executive and Accounting Officer**  
The United Kingdom Sports Council

8 December 2023

## Governance Statement

### Introduction

As Accounting Officer, I am required to prepare an annual governance statement which records the stewardship of UK Sport, drawing together evidence on governance and risk management. The statement is intended to give a clear overview of the dynamics of the organisation and its control structure, providing a sense of potential vulnerabilities and how successful it has been in coping with the challenges faced during the year. The period of this report covers the time from 1 April 2022 until the date of signing the document.

### 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 number of framework documents, most notably our Management Agreement. DCMS are currently working on an updated Management Agreement and Framework Document to issue UK Sport.

UK Sport's constitution is set out in Article 1 of the Royal Charter, with the Secretary of State (and other members of DCMS ministerial team) accounting for the organisation in Parliament. My respective responsibilities as Accounting Officer are set out in Chapter 3 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 2017* and Lottery Financial Directions issued under *Sections 26(3), (3a) and (4) of the National Lottery etc. Act 1993* (as amended by the *National Lottery Act 1998*, and the *National Lottery Act 2006*).

A *Code for Sports Governance* sets out the governance requirements that all organisations funded by Sport England and UK Sport are required to meet. It provides for three tiers of compliance with Tier 3 representing the highest level of compliance. UK Sport is classified as a Tier 3 organisation.

UK Sport's governance framework supports the way in which we work to help deliver our strategy and ensure that the right committees and accountability structure is in place to help us deliver our strategic objectives.

The UK Sport Board takes overall responsibility for the UK Sport strategy, policies and performance. The Board is supported by several committees – the Group Audit and Risk Committee, the Major Events Panel, the Eligibility Panel, and the Remuneration and Nominations Committee. Each of these committees provides challenge and input from a non-executive perspective. Information on the work of the Board, Committees and an assessment of their effectiveness is provided in the following sections.

### UK Sport Board and Committee Effectiveness

The Board met 6 times in 2022-2023 based around business priorities and the annual calendar of Board activity. They also met for Away Days with the UKSI Board and Executive in May 2022 in Manchester and in March 2023 at Loughborough University. All meetings were in person, with some having a hybrid mix of attendance.

The Board was quorate for all meetings in the year. Attendance of Board members was as follows:

2022/23	May	July	Oct	Dec	Feb	Mar			
Katherine Grainger	Y	Y	Y	Y	Y	Y	6	/	6
Chris Boardman	Y	Y	N	Y	Y	Y	5	/	6
Mel Young	Y	Y	Y	Y	Y	Y	6	/	6
Lawrence Conway	Y	N/A	N/A	N/A	N/A	N/A	1	/	1
Tanni Grey-Thompson	N/A	Y	Y	Y	Y	Y	5	/	5
George Lucas	Y	Y	Y	Y	Y	Y	6	/	6
John Dowson	Y	Y	Y	Y	Y	Y	6	/	6
Annie Panter	Y	Y	Y	N	N	PM	3	/	6
Martyn Worsley	Y	Y	Y	Y	Y	PM	5	/	6
Sally Bolton	Y	Y	Y	Y	N	Y	5	/	6
Chris Pilling	Y	Y	Y	Y	Y	Y	6	/	6
Ismail Amla	Y	N	Y	Y	Y	Y	5	/	6
Rachel Baillache	N/A	N/A	Y	Y	Y	Y	4	/	4
Rupen Shah	N/A	N/A	Y	Y	Y	Y	4	/	4

Following Lawrence Conway's departure as Sport Wales Chair in August 2022 (last UK Sport Board Meeting was March 2022), Baroness Tanni Grey-Thompson was appointed to the position from July 2022, attending her first UK Sport Board Meeting that month.

Following a DCMS led recruitment campaign, two new independent members were appointed to commence their roles in September 2022 – Rachel Baillache and Rupen Shah. Rachel also became Chair of the Group Audit and Risk Committee, taking the place of Interim Chair, Chris Pilling.

John Dowson remains an observer on Board, in his capacity of Chair of the UKSI. This is a role he commenced in July 2021.

The Board undertook an internal review of its skills and effectiveness - in line with the requirements of the Code for Sports Governance – in January 2023. Board members had one-to-one meetings with the Chair, reflecting on their performance on the Board and its overall effectiveness. They also completed a questionnaire which posed questions about the effectiveness of the Board and their own skills and experience. The outcomes of these activities were collated into a Board paper which contained an analysis of the effectiveness results and a skills matrix. This helped to shape a discussion session at the May 2023 Board meeting.

Key findings were that members very much enjoyed being part of the UK Sport Board and regarded it as highly effective overall. There was a great deal of praise for members of the Executive. Other feedback was around meeting format, board papers and other general comments and ideas to further improve the Board. An Action Plan was produced to track progress against outcomes of this annual effectiveness exercise. This is regularly reviewed by the Chair.

The Board is supported by advisory bodies including the Group Audit and Risk Committee (GA&RC) for UK Sport and UKSI, the Remuneration and Nomination Committee, Major Events Panel and the Eligibility Panel. Reports of appropriate quality to meet the information needs of both the GA&RC who advises the Board, and the Board themselves have been provided. These have comprised regular updates as well as individual papers on specific issues.

## Group Audit and Risk Committee

The Group Audit and Risk Committee (GA&RC) met four times during the year. Regular agenda items included agreement of the Internal Audit work plan for 2022-23 (produced in conjunction with BDO as Internal Auditors) followed by the outcome of reviews and progress on responding to the recommendations made, review and approval of the External Audit Plan, management of risk, and the review of financial and legal policies and procedures.

In addition, the Committee reviewed the 2021-22 Annual Reports and Accounts and recommended their approval to Board and received deep dive presentations on several risk areas including Succession Planning, UKSI Information Systems Strategy, Environmental Sustainability, Risks in Focus and UKSI and UK Sport Risk Management.

In line with best practice, a review of the GA&RC Terms of Reference (TOR) was conducted in March 2022. The review of the TOR was carried out in line with guidance provided for public bodies, provided in the 'Audit and Risk Assurance Committee Handbook' issued by HM Treasury (March 2016). An amendment was made at the UKS Board in July, to allow an additional independent external member on to the Committee to enable an even greater breadth of skills and expertise across the Committee.

The attendance profile for the Committee in 2022-23 was:

	June 2022	Sept 2022 <i>By email correspondence</i>	Nov 2022	Mar 2023	Overall
Chris Pilling (Interim Chair)	Y	Y	Y	N/A	3/3
Anwar Ahmed	Y	N/A	N/A	N/A	1/1
Vic Luck	Y	Y	Y	Y	4/4
Martyn Worsley	Y	X	Y	Y	3/4
Laura Duncan	Y	Y	X	Y	3/4
Rachel Baillache	N/A	N/A	X	Y	1/2
Rupen Shah	N/A	N/A	Y	Y	2/2
Chika Aghadiuno	N/A	Y	X	Y	2/3
Scott Smith	N/A	Y	Y	Y	3/3

Chris Pilling stepped down as Interim Chair at the November meeting and Rachel Baillache was appointed Chair at the UK Sport Board meeting on 12 October 2022.

Anwar Ahmed's last meeting was June 2022. Following a comprehensive recruitment exercise, Chika Aghadiuno and Scott Smith were appointed to the Committee in September 2022 as Independent Members.

The September meeting of the Committee was unable to be rescheduled following the additional Bank Holiday in September for the Queen's funeral. The papers were therefore reviewed through email correspondence.

The GA&RC carried out its annual review of effectiveness in June 2022, using the National Audit Office Audit Committee effectiveness toolkit. Throughout the 2022-23 year the GA&RC have ensured that points raised during the last effectiveness review have been implemented.

## **Executive Responsibilities**

My responsibilities as Accounting Officer for UK Sport are set out in the DCMS 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 to assist with my management of this.

In my role as Accounting Officer, I attend both Board and Group Audit and Risk Committee meetings to ensure any significant risks or 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 2022 to the date of approval of the annual report and accounts.

For any periods of absence, I have delegated my Accounting Officer responsibilities to the Deputy CEO. I have further been supported in my role as Accounting Officer by the National Director (CEO) of UKSI as the respective Accounting Officer for our wholly owned subsidiary.

## **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 to absorb their potential impact. The organisation's approach to risk flows through its agreed risk appetite, which is considered and approved by the Board. The methodology used to evaluate risk in terms of likelihood and potential impact (through a Risk Heat Map) helps to promote focus on the most significant risks facing the organisation and its subsidiaries. UKSI has adopted an equivalent approach.

To provide evidence-based assurance on the management of risks that threaten the achievement of UK Sport's objectives, a Risk Assurance Framework has been adopted. An assurance mapping exercise takes place each year and was last undertaken in February 2023. As set out in HM Treasury's 'Assurance Frameworks' document (December 2012) the three lines of defence model is 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, our Directors Team. Finally, the third line of defence relates to independent assurance such as internal audit.

We continue to map and challenge the level of assurance in place to manage our risks, and the most recent review during 2022-23 concluded that UK Sport has a range of assurances across most of the key areas of the business. No area was assessed as not having any assurance activity in place, or where it is materially weak. Assurances were found to be well designed, most notably in the first line of defence.

UK Sport's Board is provided with an update of the Corporate Risk register on a quarterly basis and a specific risk management session is held annually. In addition, the Group Audit and Risk committee (GARC) is undertaking a full review of the UK Sport and UKSI risk environment, starting with an initial deep dive which was held in March 2023.

We also continue to review the UK Sport risk appetite. Our approach to risk is driven by our objective of being an expert, agile and courageous model of high performance, as well as our status as a publicly funded body. These factors necessitate a balanced view of risk, based on different factors. For instance, UK Sport is risk averse in areas such as finance and compliance but accepts a more moderate level of risk around the investments through World Class Programmes where delivery is through a third party and has an open appetite for taking well-managed risks where innovation, technology or change is needed for us to deliver our priorities.

## **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. The policies include:

1. Adoption Policy
2. Anti-Fraud, Anti-Corruption and Anti-Bribery
3. Budgetary Control
4. Business Continuity and Emergency Incident
5. Cash Management
6. Delegated Authority
7. Document Retention
8. Fixed Asset
9. Gifts and Hospitality
10. Health and Safety
11. Healthy Lifestyle
12. Field Based Working Policy
13. Information Security
14. Maternity Policy
15. Parental Leave Policy
16. Personal Information
17. Probation Period
18. Procurement Policy and Procedure
19. Recruitment Procedures
20. Safeguarding (Internal and External)
21. Travel and Expenses
22. Whistleblowing

These policies and procedures are regularly reviewed and updated to ensure they reflect both statutory and legislative requirements (and recognised best practice) and remain available to staff through the UK Sport intranet. We continue to review our policies to ensure they reflect UK Sport's flexible ways of working across multiple office locations, and as well as ensuring that they support and encourage our organisational objectives around EDI and sustainability.

## **Government Functional Standards**

We continue to monitor progress in our compliance with the key Government Functional Standards - these set out expected standards and best practice in areas such as finance, commercial, IT and grants. Key leads for each functional standard continue to review and ensure that all mandatory elements are being met and action plans are in place where needed. The key functional standard for UK Sport is the Grants Management standard, where we have carried out an internal audit review against our achievement of requirements, and also carried out a Cabinet Office self-effectiveness review in which we again achieved the 'better' category in July 2022.

## **Fraud**

Fraud is a risk that all organisations face. In recent years UK Sport has undertaken considerable work to assess the risk of fraud, produced a fraud action plan and raised awareness of the risks with all employees.

As part of the 'Counter Fraud Action Plan' all staff are provided with compulsory training and all new starters will have access to it followed by a subsequent assessment afterwards. Annual training is also provided to fraud risk managers (line managers or directors across the UK Sport organisation who are responsible for counter fraud measures within their department or directorate) to identify primary risks within the organisational 'Fraud Risk Assessment'.

UK Sport is assessed by DCMS against the Government counter fraud standard GovS13. These standards set the expectations for management of fraud, bribery and corruption in Government

organisations. In August 2022, DCMS scored UK Sport 87% compliant with the counter fraud standard, being fully compliant with eight standards, partially compliant with four standards and non-compliant with none. Work continues to move us closer to 100% compliance.

This ongoing work and the associated action plans was reported to the June 2023 Group Audit and Risk Committee. During 2022-23 there were no instances of fraud within UK Sport identified.

### **Staff Engagement**

The Culture Feedback Survey (previously the Culture Health Check Survey) was open to staff between 31 October and 18 November 2022. It consisted of 62 questions scored on a rating scale of 1 to 4. The response rate was 82%. The average response rate of customers supplied by our provider is 74%. In total 175 staff were invited and 143 took part. The average score was 3.1 out of a maximum of 4, this again was the same score as last year and in line with average score given to us by the provider. A net promoter score (eNPS) of 19 was recorded, this was lower than last year's score of 32 but still significantly higher than the eNPS benchmark of 5.

Employees agreed that in the following areas UK Sport are doing well:

1. Leadership
2. Flexible Working
3. People Focused

Conversely areas of improvement identified by staff were:

1. Career progression
2. Manageable workloads
3. Pay and reward

It is recognised that much of the value of this type of survey is to engage in the responses and look to improve. Career progression has been worked upon and with the introduction of a refreshed and improved PDP process and the first Learning at Work Week launched by the L&D team. The way we reward staff is also being looked into by ensuring through pay awards we are concentrating where we can on our lower paid staff to ensure they are supported. The results of the survey were shared with all staff, Departments have then been responsible for working on culture plans within their respective teams.

### **Risk Profile**

Where significant risks are recognised, we identify the potential impact, consider scenario plans, and develop mitigating actions. Several key risks have been recognised and managed during 2022-23.

#### ***A worsening macro-economic climate and uncertainty around the National Lottery operator results in fluctuation of available funds and increase in costs***

UK Sport has two main sources of income, derived from Grant-in-Aid (exchequer) and National Lottery proceeds, with planned activity in the Paris cycle reliant upon income meeting projected levels. We therefore have a long-standing item on the risk register relating to the potential volatility of National Lottery receipts, and this risk has been compounded by uncertainty around the change in the Lottery operator, the impact of cost-of-living pressures on player behaviour, and overall levels of income. There are also risks around our exchequer settlement, although UK Sport has greater certainty around levels of funding for the remainder of the Paris cycle, as the 2021 Spending Review provided a 44% increase to the UK Sport budget from SR20 to 2024-25 to support Team GB and ParalympicsGB athletes to prepare for a successful Paris Games.

We have also closely monitored the potential impact of inflationary pressures and cost of living challenges on UK Sport priorities, across a range of streams. These include staff and people costs, our ability to deliver major events, supporting World Class Programmes and Athlete Performance Awards, UK Sport procurement activity, and ensuring the resilience of our key suppliers. We have also assessed the potential for this to exacerbate existing risks around financial viability of NGBs, our ability to secure and run events, and retention of talent within the high-performance system.

### ***Attracting and retaining top talent into the High-Performance System***

This is an inherent risk due to the potential inability to match remuneration and/or career progression opportunities that are available externally, particularly in professional sport or competitor nations. We continue to develop our approach to talent management, including retention and succession planning. UK Sport is continuing to engage in all Performance Director, Head Coach and CEO recruitments to assist sports in securing high quality candidates. Close engagement between UK Sport and sports is also ongoing to support high potential talent, understand likely flight risks and to encourage succession planning. The Paris 2024 Talent Strategy also aims to provide a range of career pathways to attract and retain a diverse and talented pool of candidates.

### ***Integrity and culture of World Class Programmes***

UK Sport continues to develop and invest in its Integrity function which provides central resource and expertise for the high-performance system to strengthen efforts to identify, investigate and learn from issues that threaten its integrity. We continue to work with National Governing Bodies (NGBs) to help the improve the handling of integrity issues within their World Class Programmes (WCPs), as well as working in conjunction with, and investing into, the British Athletes' Commission (BAC) and Sport Resolutions UK (SRUK) to help resolve issues in a constructive and timely manner.

In May 2022 UK Sport launched Sport Integrity, a new independent disclosure and complaints service, to support athletes, coaches and support personnel within the Olympic and Paralympic high-performance community. This has assisted funded National Governing Bodies (NGBs), operating high-performance programmes, to uphold the highest standards of conduct in their sports. [Sport Integrity](#) provides an independent and confidential reporting line and an independent investigation process to deal with allegations of bullying, harassment, discrimination, or abuse, and to allow sports to take the appropriate disciplinary action, as necessary. These services are made available free of charge to funded NGBs. Sport Integrity also forms part of the high-performance community's response to the ['TRARIIS Review'](#) into racism and racial inequality in sport, following its recommendation that an independent and impartial investigatory body be established.

This has been particularly pertinent following the publication of the Whyte Review in June 2022 and ensuring the highest standards of ethics and integrity within NGBs and WCPs remains an absolute fundamental of our work and our expectations of how everyone within the system should act. Ensuring that our Sport Integrity function can respond when these (often historic) cases arise is a key enabler of maintaining confidence and trust in this vital area, and this is expressed in our ambition to 'Keep Winning and Win Well'.

### ***Legal***

There were no significant legal cases involving UK Sport during 2022-23 although a number of legal issues did arise during the course of the year that required the support of the legal team. In particular, a National Governing body decided to appeal a funding decision to Sports Resolution UK via the standard appeal process. UK Sport successfully defended that case without the need for an oral hearing. The Whyte Review into reports of abuse in Gymnastics which was jointly commissioned by UK Sport and Sport England was also published in June 2022.

### ***Russian invasion of Ukraine***

We have continued to ensure compliance with the HM Treasury Notices regarding sanctions against Russia and made checks to ensure UK Sport does not maintain any accounts or holds any funds, investments, donations or economic resources from the persons/organisations listed in the latest HM Treasury Notice on Financial Sanctions, Russia.

In addition, we continue to manage the risk of boycotts and potential disruption at the Paris Games (as well as prior qualifying events) caused by the Russian invasion of Ukraine. This in turn has the potential to cause instability for athletes and sports in Games preparation, as well as threatening the

status of the Games themselves as a pinnacle performance event.

### **Climate change**

We are increasingly seeking to understand and mitigate the risks to UK Sport priorities posed by climate change. These include the risk that the High-Performance System is slow or unable to adapt to the impact of climate change, leading in turn to reduced competitive advantage – for example if the ability to train and compete is constrained. Climate change is likely to have a significant impact on organised sport, including athlete health and performance, spectator safety, the suitability of locations and supporting transport infrastructure for training or event hosting. Our approach will be informed by the UK Sport Environmental Sustainability Strategy, launched in March 2023, which has set a goal for high-performance sport to have a net positive impact on the environment by 2040 and for UK Sport to achieve this by 2030.

### **Subsidiary Companies**

UK Sport has one subsidiary company; the UK Sports Institute (formerly The English Institute of Sport).

#### **UK Sports Institute**

The Group Audit and Risk Committee have oversight of the risk management and risk reporting of UK Sport and UKSI where risk is discussed at every meeting. The UKSI Risk Register is aligned to strategic objectives and is reviewed and updated by the UKSI Senior Leadership Team (SLT) on at least a quarterly basis. This is reported to both the GA&RC and UKSI Board.

Their primary risks during the year were:

#### **Managing Financial position**

Ensuring maximum funding is available to deliver world class services to sports whilst remaining within overall funding constraints is constantly monitored by the Senior Leadership Team, GA&RC and UKSI Board. Monitoring is in place to ensure the organisations stays within its budgetary levels whilst remaining focused on strategic objectives.

#### **Cyber Security**

Ensuring appropriate controls are in place to manage the increasing cyber risks. These include cyber essential accreditation, tailored training for all staff on cyber risk, simulated phishing attacks, multi-factor authentication and attack monitoring.

#### **Staff recruitment and retention**

The recruitment of staff of a sufficient quality and retaining quality staff is of paramount importance to deliver services of a high standard to athletes. To this end, UKSI has implemented a new reward and recognition scheme to benchmark salaries to market rates, has invested in recruitment training for staff, an improved recruitment platform, undertakes an annual staff survey, and acts on the priority messages, and continues to invest in learning and development opportunities.

#### **Duty of care, ethical practice and anti-doping**

UKSI has processes in place to ensure practitioners work within the boundaries of ethical practice, ensure compliance with anti-doping regulations and maintain a duty of care to athletes and each other. These include a professional code, training, technical support, minimum standards on recruitment and ongoing monitoring.

#### **Inflation**

The impact of high inflation on cost base and staff retention is being monitored. Where possible, action is being taken to cap inflationary increases in contracts.

## Independent Assurance

BDO provide independent internal audit assurance to UK Sport and the UKSI. UK Sport is part of a joint arrangement with Sport England and the Heritage Lottery Fund with an aim of optimising the added value that can be delivered through an increased sharing of best practice across the organisation and the wider client pool of the successful internal audit provider.

An audit plan for 2022-23 was agreed by the March 2022 GA&RC although some refinements were made during the year. Audits were undertaken of UK Sport's oversight of the World Class Programmes (WCPs) and internal recruitment processes, as well as reviews of succession planning across both organisations. Reviews of procurement activity and processes were run in both UK Sport and UKSI, in addition to a review of PDMS - medical records keeping in UKSI. Annual follow up exercises were also undertaken to test continued implementation of audit recommendations.

A summary of the internal audit work completed, the recommendations, and assurance ratings is provided below.

UKS Assignments	Design	Effectiveness	Recommendations Priority rating		
			High	Medium	Low
1. Human Resources - Succession Planning/ HPS			-	1	2
2. World Class Programme (WCP) Oversight			-	-	1
3. Recruitment			-	2	-
4. Procurement			-	3	2
5. Follow Up - UKS			-	-	-
<b>TOTAL UKS</b>			-	6	5
<b>UKSI Assignments</b>					
6. PDMS - UKSI			1	1	2
7. Human Resources - succession planning			-	2	2
8. Procurement			-	3	2
9. Follow Up - UKSI			-	-	-
<b>TOTAL UKSI</b>			1	6	6
<b>TOTAL for 2022/23</b>			1	12	11

## Annual Internal Audit Opinion

For 2022-23, BDO have developed a new set of definitions for developing their audit opinion, intended to report on both the design and effectiveness of controls. The new methodology is set out below, along with an explanation of how this corresponds to the definitions previously reported.

New Format (one each for design and effectiveness)		Previous Format		Individual assignment assurances	
Substantial		Green		<span style="color: green;">■</span> (Green)	Overall, there is a sound control framework in place to achieve system objectives and the controls to manage the risks audited are being consistently applied. There may be some weaknesses but these are relatively small or relate to attaining higher or best practice standards.
Moderate		Green	Amber	<span style="color: green;">■</span> <span style="color: orange;">■</span> (Green-Amber)	Generally a good control framework is in place. However, some minor weaknesses have been identified in the control framework or areas of non-compliance which may put achievement of system or business objectives at risk.
Limited		Amber		<span style="color: orange;">■</span> (Amber)	Weaknesses have been identified in the control framework or non-compliance which put achievement of system objectives at risk. Some remedial action will be required.
No		Amber	Red		
No		Red			

The internal audit opinion for the year takes into account the assurance ratings and recommendations of individual assignments completed in 2022-23, management's responsiveness to internal audit recommendations, and the direction of travel with regards to internal control, governance, and risk management.

The opinion for 2022-23 is that the Group have a 'substantial' assurance rating, as there is an *adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.*

This represents the highest rating available under the new format. In 2021-22 UK Sport achieved an overall 'Green-Amber' rating. This would have corresponded to a 'moderate' opinion under the new format, so this year's assessment represents an improvement from that issued in 2021-22. While this partly reflects the smaller number of audits undertaken during 2022-23, it also reflects high levels of assurance arising from each individual assignment and timely implementation of recommendations.

The management actions following internal audit reports and recommendations are monitored at every GA&RC meeting, where progress and timeline for completion are reviewed.

### Code for Sports Governance

UK Sport and UKSI follow the same process as funded organisations to assess and maintain compliance with Tier 3 of A Code for Sports Governance ("the Code"). Both organisations were confirmed as compliant with the Code in October 2017. Since then, UK Sport's Sporting System Team (formerly, the Governance Team) has worked with the organisations' Boards and senior leadership to action areas for further development and ensure continued compliance. UK Sport's Governance Action Plan, detailing the analysis of its compliance with the requirements of the Code, has been published on the UK Sport website.

Over the course of the financial year, the Sporting System Team has worked across the organisation to implement its organisational approach regarding UK Sport's continued compliance with, and beyond, the Code.

The approach is designed to serve a combination of purposes: firstly, to ensure that good governance is cascaded and embedded across the organisation; secondly, to identify opportunities for the Executive and Board to go beyond pure compliance and strive to be an exemplar of good governance in all aspects of its decision-making and operations; and importantly, to ensure the Board has appropriate oversight of its responsibilities under the Code and the fulfilment of them.

This oversight has been achieved through the implementation of quarterly progress meetings between members of the Sporting System Team, Deputy Chief Executive, Chief Executive and Chair. The UK Sport Board receive an annual report regarding the fulfilment of its annual Code requirements,

supplemented by the insights presented at the quarterly progress meetings.

## **Equality, Diversity and Inclusion (EDI)**

Since the publication of the Tackling Racism and Racial Inequality in Sport (TRARIIS) review in June 2021, UK Sport and the HCSCs (Home Country Sports Councils) have continued to be transparent and open about the work we are doing and the progress we are making by publishing regular six-monthly updates in [July 2022](#) and [January 2023](#) recording developments against each of the five commitments relating to people, representation, structures and systems, insights and investments. Whilst we are concerned about the pace of progress, we remain steadfastly determined to drive the transformational change needed to eradicate racism and racial inequality in sport in the UK.

In February 2023, we and Sport England launched the package of support to help Tier 3 funded partners with the creation and implementation of their Diversity and Inclusion Action Plans (DIAPs) as required under the refreshed Code for Sports Governance. We are reviewing our own DIAP as part of this process. Our TRARIIS commitments are incorporated in our DIAP and UK Sport's internal Anti-Racism Group is supporting the leadership in ensuring ongoing focus and delivery.

Also in response to feedback from staff, we held an all staff away day in July 2022 focussed exclusively on EDI. The event was an opportunity to formally introduce our newly appointed Director Diversity Champions, reacquaint staff with the ambitions within our EDI Strategy and DIAP, deep dive into the Culture Health Check feedback about which areas required more focus and raise staff awareness and understanding of disability through a panel Q&A with some of our disabled staff and a Paralympian. After the away day, a number of Employee Resource Groups were formed to help director champions advocate for specific protected characteristics in support of our EDI objectives.

Our internal EDI Working Group maintains regular oversight of our EDI strategy and shares quarterly updates with the Directors Team. This year, since being re-purposed to assume an oversight function, the Group has concentrated effort on establishing robust data baselines for each strategic priority against which we can measure progress. An update was provided to our Board in December 2022, highlighting areas where activity is on track and where further interventions and prioritisation may be required. A further update is due by the Summer 2023.

Externally, we and Sport England have continued to host quarterly meetings for EDI leads within the sporting sector, aimed at educating, awareness-raising and sharing of best practice, addressing common challenges faced by sports and encouraging initiatives that will contribute to delivery of UK Sport's strategy and EDI agenda.

## **Funded Organisation Code Compliance and Independent Assurance**

UK Sport's Sporting System Team works closely with portfolios of funded partners to maintain up-to-date governance action plans (GAPs) and ensure appropriate ongoing compliance with the *Code for Sports Governance*. They also seek assurances about the organisations' broader governance and provide support and guidance with governance related issues.

UK Sport has partnered with Sport England to design and commission an independent external audit programme for funded partners. This programme of governance and finance audits is delivered through BDO and includes independent external assurance of Code Compliance for all of our funded organisations. This programme is now in the process of being completed, with the aim that each funded organisation will have received at least one independent audit over the course of a four-year Olympic/Paralympic cycle.

In addition to our regular review and support of governance in funded organisations, UK Sport also makes more substantial governance interventions in funded organisations in order to help them maintain Code compliance, protect our investment and ensure the delivery of World Class Programmes and other UK Sport investment programmes. In 2022/23, support has been mainly channelled through the Sports Governance Academy, a governance support hub for the sports and physical activity sector, which is delivered by The Chartered Governance Institute UK & Ireland in partnership with UK Sport, Sport England, sportscotland, Sport Wales and Sport Northern Ireland.

As noted elsewhere in this report, BDO also acts as UK Sport's Internal Auditors (in a joint contract with UK Sport, Sport England and the Heritage Lottery Fund). The following mechanisms are in place to protect the integrity of the two streams of work:

1. The provision of a different audit manager for both contracts; and
2. In the event there is an internal audit covering grant award assurance, then a different partner will oversee the work and if necessary, an independent review of the work will be conducted.

Opportunities are also brought about from having the two contracts through the same supplier, enabling a wider, more informed, holistic and integrated assurance programme.

### **Organisational Health**

Overall, the governance, risk and internal control systems outlined above have contributed to UK Sport's position as a robust and healthy organisation with a clear handle on the operational delivery of its strategic aims and a well-managed approach to considering and mitigating risk.

However, these systems are not an end in themselves. Instead, they contribute to UK Sport's overall organisational health and set a foundation from which UK Sport can achieve its strategic aims, fulfil its stated purpose and ensure future success. Moreover, by considering governance, control and risk as one component of a more holistic approach across the whole high-performance system, UK Sport is gathering better insight into the organisational health of funded partners and how they can be better supported as corporate bodies to ensure their long-term success on and off the field of play. Growing a thriving sporting system is at the heart of the new strategy, with UK Sport committed to working collaboratively in this area across sports and wider sector.

### **Prompt Payment**

UK Sport measures the time taken to pay suppliers to ensure that we continue to meet prompt payment best practice. We record the date on which an invoice is posted on the system as appropriate for payment by the Finance team and then measure the number of days that it takes to make payment from that date. In 2022-23 99% of invoices were paid within 30 days (2021-22: 99%).

## Remuneration and Staff Report

### Directors' Remuneration

Director recruitment, remuneration and employment terms and conditions are overseen by the Remuneration Panel. Remuneration of the CEO and any higher earners is subject to DCMS approval. The remuneration policy adopted follows recommendations of the Senior Salaries Review Body. The Remuneration package comprises three elements:

#### (i) 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.

#### (ii) Performance Related-Pay

Performance related pay is dependent on the achievement of organisational performance objectives for the year (as opposed to personal objectives and competencies), and on still being in post at 31 March 2023. It was therefore decided that all qualifying UK Sport staff would receive a performance pay award for the 2022-23 financial year with the bonus award paid to staff in May 2023.

#### (iii) Pension Arrangements

Employees who were previously members of the Local Government Pension Scheme (LGPS) were automatically enrolled into the London Pensions Fund Authority (LPFA) Superannuation Scheme on 1 April 2014. A further collaboration between the LPFA and Lancashire County Pension Fund (LCPF) led to the setting up of the Local Pensions Partnership (LPP) in April 2016 to administer the day to day running of the fund, although the LPFA remains the administering authority. The arrangement is registered as a public service pension scheme under the Finance Act 2014 and complies with the relevant provisions of the Pension Schemes Act 1993, Pensions Act 1995 and the Pensions Act 2014. As such it is a tax approved defined benefit occupational pension scheme.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The most recent actuarial valuation of the Fund was completed during 2022-23 and informs the contributions for next three years. The report confirmed that there would be a change in contribution rates, that will take effect from 1<sup>st</sup> April 2023 which will see employer contributions set at 9.1% for a three-year period 2023-24 to 2025-26.

Members currently have contribution rates which vary between 5.5% and 12.5% depending on the level of pay band. Members can opt to contribute at 50% of the normal contribution rate reducing their accrued benefits by half.

Benefits are based on pensionable salary and duration of membership. Members accrue pension entitlement at an annual rate of 1/49<sup>th</sup> of pensionable pay. Pensionable pay is a career average. Members prior to 31 March 2008 accrued benefits of 1/80<sup>th</sup> of final pay up to that date with an automatic lump sum of three times pension on retirement, while membership between 1 April 2008 and 31 March 2014 accrued benefits of 1/60<sup>th</sup> of final pay with no automatic lump sum although there was the facility to exchange some of the pension entitlement for lump sum.

A lump sum worth three times the assumed pensionable pay is paid if death occurs whilst still in service together with a spouse, civil partner or eligible cohabiting partner entitlement equal to half the member's accrued pension benefits.

The pension arrangements available to staff comply with the Government's new workplace pension scheme requirements. On 31 March 2023 all Directors, but not the Chair, were members of the LPFA pension scheme.

Employees who joined UK Sport on or after the 1<sup>st</sup> November 2022 are automatically enrolled into the Cushion Pension Scheme. This arrangement is a Salary Sacrifice Defined Contribution scheme.

Members are currently auto-enrolled and make a 5% contribution. Members can decide to contribute between 3% and 7%. UK Sport make a 10% contribution.

### **Directors' Contracts**

Directors are on permanent employment contracts and are required to give three months' notice of their intention to leave. The Chair is employed on a 0.6 FTE basis and therefore is contracted to work three days per week.

Emoluments of the Chair and Directors, including performance related pay and pension benefits, for the year ended 31 March 2023 are provided in the following sections.

## Remuneration (salary, benefits in kind and pensions)

Audited information	Single total figure of remuneration											
	Official	Position	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits <sup>1</sup> (£000)		Total (£000)	
			2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	K Grainger DBE	Chair	55 – 60	55 – 60	-	-	-	-	-	-	55 – 60	55 – 60
	S Munday OBE	CEO	150 – 155	145 – 150	15 – 20	5 – 10	-	-	31	43	195 – 200	195 – 200
	S Morton MBE	Director	140 – 145	110 – 115	5 – 10	5 – 10	-	-	(38)	61	105 – 110	180 – 185
	S du Sautoy	Director	110 – 115	100 – 105	5 – 10	5 – 10	-	-	12	22	130 – 135	125 – 130
	N Angell-Hicks	Director	110 – 115	95 – 100	0 – 5	0 – 5	-	-	(3)	30	110 – 115	130 – 135
	J Perryer <sup>2</sup>	Group Director	-	95 – 100	-	0 – 5	-	-	-	32	-	130 – 135
	K Baker <sup>3,5</sup>	Director	150 – 155	125 – 130 (FYE 130 – 135)	5 – 10	-	-	-	(1)	113	155 – 160	235 – 240
	D Kester <sup>4</sup>	Director	100 – 105	40 – 45 (FYE 90 – 100)	0 – 5	-	-	-	30	13	130 – 135	55 – 60

<sup>1</sup>The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in lump sum, 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, and 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.

<sup>2</sup> Group director – transitioned to solely UKSI during 2021-22

<sup>3</sup> Joined UK Sport 10 May 2021

<sup>4</sup> Joined UK Sport 18 October 2021

<sup>5</sup> The high calculated value of pension benefits in 2021-22 is due to the fact that the director joined UK Sport early in 2021-22, meaning there is no brought forward balance.

In 2022-23 UK Sport staff were entitled to claim up to £50 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 31/3/23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/03/23 £000	CETV at 31/03/22 £000	Real Increase in CETV £000
S Munday OBE	10 – 15 plus lump sum of 0 – 5	2.5 – 5 plus lump sum of 0 – 2.5	162	95	57
S Morton	35 – 40 plus lump sum of 10 – 15	(0 – 2.5) plus lump sum of (0 – 2.5)	589	454	90
S du Sautoy	20 – 25 plus lump sum of 0 – 5	0 – 2.5 plus lump sum of 0 – 2.5	290	196	74
N Angell-Hicks	5 – 10 plus lump sum of 0 – 5	0 – 2.5 plus lump sum of 0 – 2.5	67	43	19
K Baker	5 – 10 plus lump sum of 0 – 5	0 – 2.5 plus lump sum of 0 – 2.5	95	60	29
D Kester	0 – 5 plus lump sum of 0 – 5	0 – 2.5 plus lump sum of 0 – 2.5	38	9	28

Accrued pension represents the 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.

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

### Board Members' Remuneration

Members' remuneration for attending meetings was £218 per day (2021-22, £218) and half that amount for half-day meetings, up to 36 days each year. Travel expenses are paid as appropriate. Those who have received remuneration are as follows:

<b>Audited Information</b>	<b>2022-23 £</b>	<b>2021-22 £</b>
Sally Bolton OBE	1,090	1,308
Annie Panter	1,199	2,180
Martyn Worsley	2,180	2,398
Mel Young MBE	1,308	
Chris Pilling	2,834	1,744
Ismail Amla	1,090	1,417
George Lucas	1,308	1,308
Laurence Conway	218	1,526
Chris Boardman	1,090	872
Rachel Baillache	1,199	-
Tanni Grey-Thompson DBE	872	-
Rupen Shah	1,090	-

Figures shown include late payments from earlier years not paid before 31 March 2022.

## Staff Report

(i) *Staff Costs (audited)*

<b>Costs</b>	<b>UK Sport</b>		<b>Group</b>	
	<b>2022-23 £000</b>	<b>2021-22 £000</b>	<b>2022-23 £000</b>	<b>2021-22 £000</b>
Wages and Salaries (including performance related pay)	9,776	8,423	24,257	22,581
Other staff costs	212	217	173	384
Social Security costs	1,183	1,003	2,856	2,627
Pension Service costs	4,439	3,896	14,694	12,100
Administration expense relating to pension scheme	12	47	32	118
<b>Total staff costs</b>	<b>15,622</b>	<b>13,586</b>	<b>42,012</b>	<b>37,810</b>

Further details of the split of costs between both the Exchequer and Lottery accounts can be found at Note 4.1 of the Exchequer Accounts and Note 6 of the Lottery accounts.

*(ii) Compensation for Loss of Office (audited)*

Redundancy and other departure costs, where paid, are 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. Ill-health retirement costs are met by the pension scheme and are not included in the table.

*(iv) Fair Pay Disclosure (audited)*

We are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The relationship between the remuneration of the highest paid director in UK Sport and the median remuneration of staff, and the range of remuneration paid, based on annualised full-time equivalent figures at 31 March 2023 is shown below. The salary figures also include bonuses during the relevant year.

	<b>2022-23</b>	<b>2021-22</b>
Band of the highest paid Director's salary (Total remuneration)	165-170	155-160
Percentage change from the previous financial year for the highest paid individual	6.30%	3.30%
Band of the highest paid Director's salary (Salary Component only)	150-155	145-150
Percentage change from the previous financial year for the highest paid individual	3.4%	(3.3%)
Band of the highest paid director's bonus	15-20	5-10
Percentage change from the previous financial year for the highest paid individual	133%	100%
75 <sup>th</sup> percentile of workforce (Total Remuneration)	68,124	66,456
Pay ratio	2.5	2.4
75 <sup>th</sup> percentile of workforce (Salary Component only)	64,709	66,456
Median equivalent of workforce (Total remuneration)	55,094	52,312
Pay ratio	3.0	3.0
Median equivalent of workforce (Salary Component only)	52,210	52,312
25 <sup>th</sup> percentile of workforce (Total remuneration)	43,701	39,832
Pay ratio	3.8	4

The United Kingdom Sports Council Grant-in-Aid and National Lottery Distribution Fund  
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25 <sup>th</sup> percentile of workforce (Salary Component only)	41,496	39,832
Highest remuneration paid (£000)	165-170	155-160
Lowest remuneration paid (£000)	24	22
Average percentage change in salaries and allowances from the previous financial year	1.38%	-0.6%
Average percentage change in bonuses	28.42%	100%

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

Since the prior year, the 75<sup>th</sup> percentile pay ratio has decreased slightly by 0.1, whilst the 25<sup>th</sup> percentile has also decreased slightly by 0.2. The median has decreased by 0.2. The remuneration banding (excluding bonuses) for the highest paid employee has increased slightly.

(v) Off Payroll Engagements

In 2022-23 there were 9 off-payroll engagements exceeding £245 per day, all for periods of less than six months. Of these, IR35 applied to 8 engagements, all of which were assessed to be out-of-scope.

<b>Highly paid off-payroll worker engagements at 31 March 2023, earning £245 per day or greater.</b>						
No. of existing engagements as of 31 March 2023	<i>Of which, no. that existed:</i>	less than one year	for between 1 and 2 years	for between 2 and 3 years	for between 3 and 4 years	for 4 or more years
2		2	0	0	0	0

<b>All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater</b>							
No. of off-payroll workers engaged during the year ended 31 March 2023	<i>Of which:</i>	Not subject to off-payroll legislation	Subject to off-payroll legislation and determined as in-scope of IR35	Subject to off-payroll legislation and determined as out-of-scope of IR35		No. of engagements reassessed for compliance or assurance purposes during the year	Of which: No. of engagements that saw a change to IR35 status following review
9		1	0	8		8	0

**Board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023**

No. of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	Total no. of individuals on payroll and off-payroll that have been deemed "Board members, and/or senior officials with significant financial responsibility", during the financial year.	Details of the exceptional circumstances that led to each of these off-payroll engagements.	Details of the length of time each of these exceptional off-payroll engagements lasted.
0	25	N/A	N/A

*(vi) Apprenticeship Levy*

UK Sport contributed £33,361 to the apprenticeship levy in the year, and no claims were made in the year in respect to apprentices employed in the year (2021-22 - £6,701).

*(vii) UK Sport Staff Composition*

As at 31 March 2023 UK Sport employed 166 members of staff with a full time equivalent (FTE) of 162.4. This comprised 153 permanent and 13 fixed term staff (with an FTE of 150.8 and 11.6 respectively).

Gender	UK Sport Staff
Male	44.4%
Female	55.6%

Ethnicity	UK Sport Staff
Asian British	2.8%
Asian Other	0.5%
Black British	4%
Mixed	0.5%
Black Other	0.5%
White British	67%
White Other	4%
Not Disclosed	20.5%

Age	UK Sport Staff
<16	0%
16-24	3.0%
25-34	28.5%
35-44	43.6%
45-55	18.8%
55- 64	3.6%
65+	0.2%

The percentage of staff declaring a disability at 31 March 2023 was 6% (5.4% at 31 March 2022).

*(viii) Average Number of Staff during the Year (FTE) (audited)*

<b>UK Sport Staff</b>	<b>2022-23</b>	<b>2021-22</b>
Employees <sup>1</sup>	161	146
Other staff (includes agency/seconded staff)	2	3
<b>Total</b>	<b>163</b>	<b>149</b>

UK Sport does not recognise any Trade Union and no facility time has therefore been claimed by Union officials.

*(ix) 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 2022-23, sickness absence averaged 1.75 days (2021-22 – 1.1 days) per person.

*(x) Staff Policies Applied During the Financial Year*

UK Sport is committed to the fair recruitment and development of all staff regardless of age, disability, gender reassignment, marriage and civil partnership, sexual orientation, pregnancy and maternity, race, religion, belief and gender. HR Policies are reviewed regularly by members of the team. Processes around HR management including career management and employability are embedded across the organisation.

<sup>1</sup> 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.

## Parliamentary Accountability and Audit Report

### Regularity of expenditure (audited)

UK Sport is required to report on the regularity of expenditure including losses and special payments in line with managing public money requirements. For 2022-23, Fruitless payments totalled £2,895 (2021/22 - £38,000).



**Sally Munday OBE**  
**Chief Executive and Accounting**  
**Officer**  
The United Kingdom Sports Council

8 December 2023



**Dame Katherine Grainger DBE**  
**Chair**

The United Kingdom Sports Council

8 December 2023



**The United Kingdom Sports Council  
Grant-in-Aid  
Entity and Group Accounts  
for the Year Ended  
31 March 2023**

# THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO MEMBERS OF THE UK SPORTS COUNCIL, THE SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT AND THE HOUSES OF PARLIAMENT

## *Opinion on financial statements*

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

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

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

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

In my opinion, the financial statements:

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

## **Opinion on regularity**

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

## **Basis for opinions**

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

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

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

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the UK Sports Council Grant-in-Aid and its group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Royal Charter; 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 and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the UK Sports Council Grant-in-Aid and its group and their environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or Accountability Report.

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

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

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

## **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is 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 UK Sports Council Grant-in-Aid and its group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Royal Charter;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions and directions made under the Royal Charter; and
- assessing the UK Sports Council Grant-in-Aid and its group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the UK Sports Council Grant-in-Aid and its group will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the UK Sports Council Grant-in-Aid and its group's accounting policies.

- inquired of management, UK Sport Grant-in-Aid's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the UK Sports Council Grant-in-Aid and its group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the UK Sports Council Grant-in-Aid and its group's controls relating to the UK Sport Grant-in-Aid's compliance with the Royal Charter, Managing Public Money and the Public Contracts Regulations 2015.
- inquired of management, UK Sport Grant-in-Aid's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant external specialists used for our defined benefit pensions work 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 UK Sports Council Grant-in-Aid and its group for fraud and identified the greatest potential for fraud in the following areas: 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 UK Sports Council Grant-in-Aid and its group's framework of authority and other legal and regulatory frameworks in which the UK Sports Council Grant-in-Aid and its group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of UK Sports Council Grant-in-Aid and its group. The key laws and regulations I considered in this context included the Royal Charter, Managing Public Money and the Public Contracts Regulations 2015.

In addition, I considered the controls in place at UK Sports Council Grant-in-Aid to ensure regularity of grant expenditure.

### **Audit response to identified risk**

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Group Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

**Other auditor's responsibilities**

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

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

**Gareth Davies**

**12 December 2023**

**Comptroller and Auditor General**

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

## Statement of Comprehensive Net Expenditure for the Year Ended 31/03/23

	Note	UK Sport		Group	
		2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
<b>INCOME</b>					
Other Operating Income	3	(2,672)	(3,048)	(10,536)	(10,932)
<b>Total</b>		<b>(2,672)</b>	<b>(3,048)</b>	<b>(10,536)</b>	<b>(10,932)</b>
<b>EXPENDITURE</b>					
Staff Costs	4.1	11,454	9,558	34,000	33,727
Grants and Other Operating Costs	5	77,560	51,232	67,830	41,710
<b>Total</b>		<b>89,014</b>	<b>60,790</b>	<b>101,830</b>	<b>75,437</b>
<b>NET EXPENDITURE BEFORE TAXATION AND INTEREST</b>		<b>86,342</b>	<b>57,742</b>	<b>91,294</b>	<b>64,505</b>
Net Interest on the Pension Liability	17.3/19	579	524	1,880	1,752
Interest Receivable	7	(9)	-	(41)	(1)
Taxation	8	-	-	-	-
Interest Payable		18	8	32	8
<b>NET EXPENDITURE FOR THE PERIOD</b>		<b>86,930</b>	<b>58,274</b>	<b>93,165</b>	<b>66,264</b>
<b>Other Comprehensive Expenditure</b>					
Unrealised foreign exchange gain		-	-	-	-
Pension Scheme Re-measurements	17.4/19	(26,741)	(5,839)	(90,510)	(22,345)
<b>TOTAL COMPREHENSIVE NET EXPENDITURE FOR THE FINANCIAL YEAR</b>		<b>60,189</b>	<b>52,435</b>	<b>2,655</b>	<b>43,919</b>

All activities relate to continuing activities.

The notes on pages 61 to 88 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 £90.382m.

## Statement of Financial Position as at 31/03/23

	Note	UK Sport		Group	
		31/03/23 £'000	31/03/22 £'000	31/03/23 £'000	31/03/22 £'000
<b>NON-CURRENT ASSETS</b>					
Property Plant and Equipment	9	1,482	306	3,891	1,362
Intangible Assets	10	552	277	1,142	1,094
<b>Total Non-Current Assets</b>		<b>2,034</b>	<b>583</b>	<b>5,033</b>	<b>2,456</b>
<b>CURRENT ASSETS</b>					
Trade and Other Receivables	11	1,511	1,126	2,385	2,153
Cash and Cash Equivalents	12	4,960	3,920	6,441	5,700
<b>Total Current Assets</b>		<b>6,471</b>	<b>5,046</b>	<b>8,826</b>	<b>7,853</b>
<b>Total Assets</b>		<b>8,505</b>	<b>5,629</b>	<b>13,859</b>	<b>10,309</b>
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	13.1	(2,190)	(5,159)	(5,056)	(7,840)
Provisions	14	(384)	(384)	(384)	(435)
<b>Net Current Assets / (Liabilities)</b>		<b>3,897</b>	<b>(497)</b>	<b>3,386</b>	<b>(422)</b>
<b>Non-Current Assets plus Net Current Assets</b>		<b>5,931</b>	<b>86</b>	<b>8,419</b>	<b>2,034</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	14	-	-	-	-
Trade and Other Payables	13.2	(405)	(1,000)	(1,189)	(1,000)
Net Pension Assets/(Liabilities)	17.2/19	1,428	(22,523)	7,280	(74,449)
<b>Total Non-Current Liabilities</b>		<b>1,023</b>	<b>(23,523)</b>	<b>6,091</b>	<b>(75,499)</b>
<b>Assets less Liabilities</b>		<b>6,954</b>	<b>(23,437)</b>	<b>14,510</b>	<b>(73,415)</b>
<b>TAXPAYERS' EQUITY</b>					
Pension Reserve	17.2/19	1,428	(22,523)	7,280	(74,449)
Revenue Reserve		5,526	(914)	7,230	1,034
<b>Total Taxpayers' Equity</b>		<b>6,954</b>	<b>(23,437)</b>	<b>14,510</b>	<b>(73,415)</b>

The notes on pages 61 to 88 form part of these accounts.



**Sally Munday OBE**  
**Chief Executive and Accounting Officer**  
The United Kingdom Sports Council  
8 December 2023



**Dame Katherine Grainger DBE**  
**Chair**  
The United Kingdom Sports Council  
8 December 2023

## Statement of Changes in Taxpayers' Equity for the Year Ended 31/03/23

	Note	UK Sport				Group			
		2022/23		2021/22		2022/23		2021/22	
		Revenue Reserve	Pension Reserve						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance Brought Forward – 1 April</b>		(914)	(22,523)	(1,767)	(25,719)	1,034	(74,449)	489	(86,449)
Retained Deficit for Year		(86,930)	–	(58,274)	–	(93,165)	–	(66,264)	–
Transfer from the Pension Reserve		2,988	(2,988)	2,593	(2,593)	8,979	(8,979)	10,275	(10,275)
Grant-in-Aid Income Received	2	90,382	–	56,534	–	90,382	–	56,534	–
Pension Scheme Re-measurements	17.4/19	–	26,741	–	5,839	–	90,510	–	22,345
Other Movements		–	198	–	(50)	–	198	–	(70)
<b>Balance at 31 March</b>		<b>5,526</b>	<b>1,428</b>	<b>(914)</b>	<b>(22,523)</b>	<b>7,230</b>	<b>7,280</b>	<b>1,034</b>	<b>(74,449)</b>

The notes on pages 61 to 88 form part of these accounts .

## Statement of Cash Flows for the Year Ended 31/03/23

	No	UK Sport		Group	
		2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Cash used from</b>					
<b>Operations</b>	15	<b>(87,446)</b>	<b>(55,185)</b>	<b>(86,586)</b>	<b>(53,949)</b>
Interest Received	7	9	-	41	1
Interest Paid		(18)	(8)	(32)	(8)
<b>Net Cash Outflow from Operating Activities</b>		<b>(87,455)</b>	<b>(55,193)</b>	<b>(86,577)</b>	<b>(53,956)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments to Acquire Property Plant and Equipment	9	(1,774)	(89)	(4,299)	(613)
Payments to Acquire Intangible Assets	10	(455)	(201)	(564)	(380)
Receipts from Sale of Fixed Assets		-	-	6	6
<b>Net Cash Outflow from Investing Activities</b>		<b>(2,229)</b>	<b>(290)</b>	<b>(4,857)</b>	<b>(987)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Grant-in-Aid	2	90,382	56,534	90,382	56,534
Payment of Lease Liabilities	20.2	342	(429)	1,793	(429)
<b>Net Cash Inflow from Financing Activities</b>		<b>90,724</b>	<b>56,105</b>	<b>92,175</b>	<b>56,105</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents in the Period</b>		<b>1,040</b>	<b>622</b>	<b>741</b>	<b>1,162</b>
Cash and Cash Equivalents at 1 April		3,920	3,298	5,700	4,538
Change in cash and cash equivalents due to exchange rate movements	12	-	-	-	-
<b>Cash and Cash Equivalents at 31 March</b>	12	<b>4,960</b>	<b>3,920</b>	<b>6,441</b>	<b>5,700</b>

The notes on pages 61 to 88 form part of these accounts.

## NOTES TO THE ACCOUNTS

### Statement of Accounting Policies

#### 1.1 Accounting Policies

These financial statements have been prepared in accordance with the 2022/23 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, Media and Sport, with the approval of the Treasury, in accordance with article 14 of the Royal Charter of 26 March 2002, a copy of which can be obtained from UK Sport at 10 South Colonnade, London E14 4PU.

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 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 agreed on the basis of continuing receipt of Grant-in-Aid financing from DCMS. The liabilities shown in the Statement of Financial Position for 2021/22 mainly arise from staff membership of the public sector pension scheme (LPFA). These fall within the scope of Section 39 of the Public Service Pensions Act 2013 which allows all future liabilities to be met from the Consolidated Fund.

#### 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. No entries have been made in the current period as adoption of MHCA would not have a material impact on 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 and HM Treasury guidance on accounts of Non-Departmental Public 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 17 and 18.

#### 1.4 Basis of Consolidation

The UK Sports Institute (UKSI) is accounted for as a subsidiary entity 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.

#### 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.

### *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 accrual 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 with right-of-use assets capitalised under IFRS 16. All property occupied by UK Sport is leased. 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 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 UKSI 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 value 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	5-9 years
Office Equipment	2-5 years
Other Equipment	2-5 years

Leasehold improvements and fixtures and fittings at 10 South Colonnade, London, E14 4PU and at SportPark, 3 Oakwood Drive, Loughborough, LE11 3TU have been depreciated until the end of the lease term. Similarly, right-of-use assets will be depreciated on a straight-line basis over the capitalised term of the contract.

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 licences. 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 Licences	Over the life of the licence

A full year of amortisation 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 IAS 38 are not met.

## **1.9 Grants and Loans Awarded**

Grants payable are charged to the Statement of Comprehensive Net Expenditure on an accrual basis. Grant expenditure is recognised in the accounts when an offer has been made and is free of performance related conditions and is free from conditions under the control of UK Sport. Other grant commitments do not meet this requirement and have therefore not been accrued.

UK Sport may give financial assistance by way of grants and loans to any person or organisation in furtherance of its objectives.

### **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 which is shown in the Statement of Comprehensive Net Expenditure together with the interest on scheme assets and liabilities. 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 17-19 to the accounts.

### **1.11 Leases and Provisions**

Upon expiration of the old lease at 21 Bloomsbury Street (WC1B 3HF), a new lease was signed in the year at 10 South Colonnade, London, E14 4PU with effect from 18 August 2022. Furthermore, a secondary lease was also signed during 22-23 at SportPark, 3 Oakwood Drive, Loughborough, LE11 3TU, with both leases expiring in 10 years' time with a 5 year break clause.

Under IFRS 16, a right-of-use asset and lease liability are recognised for the Loughborough. Lease payments are allocated to reduce the lease liability, whilst entries on the statement of comprehensive net expenditure will comprise of notional finance costs on that liability, together with depreciation of the right-of-use asset. Further details of this treatment are presented in Note 20.

Provision was made in the accounts in a prior year for the estimated cost of dilapidations at lease expiry for 21 Bloomsbury Street.

### **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 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.

UKSI 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 HMRC.

## 2. Grant-in-Aid

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Received from DCMS-Revenue	84,031	53,134	84,031	53,134
Received from DCMS-Capital	6,351	3,400	6,351	3,400
<b>Total</b>	<b>90,382</b>	<b>56,534</b>	<b>90,382</b>	<b>56,534</b>

A total of £90.382m (2021/22, £56.534m) Grant-in-Aid was made available and drawn down during the year. Grant-in-aid is recognised when cash is received.

## 3. Other Operating Income

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Costs Apportioned to UK Sport Lottery Account	2,419	2,412	2,419	2,412
Other	253	636	237	614
UKSI	-	-	7,880	7,906
<b>Total</b>	<b>2,672</b>	<b>3,048</b>	<b>10,536</b>	<b>10,932</b>

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 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	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Wages and Salaries (including performance related pay)	7,142	5,886	21,623	20,044
Other Staff Costs	193	207	154	375
Social Security Costs	859	711	2,532	2,335
Pension Service Costs <sup>1</sup>	3,251	2,721	9,662	10,867
Administration Expense Relating to Pension Scheme	9	33	29	106
<b>Total Staff Costs</b>	<b>11,454</b>	<b>9,558</b>	<b>34,000</b>	<b>33,727</b>

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

	2022/23	2021/22
<b>Employees</b>		
UK Sport	119	102
UKSI	395	384
<b>Total</b>	<b>514</b>	<b>486</b>
<b>Other Staff (Full Time Equivalent Values)</b>		
UK Sport	2	3
UKSI	-	-
<b>Total</b>	<b>2</b>	<b>3</b>

Other staff numbers include agency and seconded staff numbers.

<sup>1</sup> The pension current service cost represents the increase in the present value of a defined benefit obligation resulting from employee service in the period, as calculated by the actuary. The employer contributions to the scheme are shown in Notes 17.6 and 18.6.

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

Exit Package Cost Band	Number of compulsory redundancies				Other departures agreed			
	UK Sport		Group		UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22	2021/22	2020/21	2021/22	2020/21
< £10,000	-	1	4	4	-	-	-	-
£10,001 - £25,000	1	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	1	1	-	-	-	-
£50,001 - £100,000	-	-	-	1	-	-	-	-
> £100,001	-	-	-	-	-	-	-	-
<b>Total Number of Exit Packages</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>6</b>	-	-	-	-
<b>Total Value of Exit Packages</b>	<b>£20,165</b>	<b>£3,264</b>	<b>£29,984</b>	<b>£118,773</b>	-	-	-	-

In the year, total redundancy costs for UKSI are negative £39k due to the write back of an over-accrual made at 31 March 22 in respect of 2 respect of two lump sum pension contributions.

## 5. Grants and Other Operating Costs

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
<b>National Support – Grants</b>				
Sports Bodies	63,932	41,707	43,863	24,414
Performance	3,194	254	3,194	243
International Representation	557	236	557	236
	<b>67,683</b>	<b>42,197</b>	<b>47,614</b>	<b>24,893</b>
<b>National Support – Other Costs</b>				
Performance	5,788	4,541	5,788	4,541
Governance	702	1,247	702	1,247
Communications	540	393	540	393
International Representation	-	-	-	-
UKSI	-	-	9,519	6,841
Yorkshire 2019 Limited	-	-	-	-
	<b>7,030</b>	<b>6,181</b>	<b>16,549</b>	<b>13,022</b>
<b>Finance and Management Service</b>				
HQ Office Costs	2,079	1,878	2,079	1,878
Depreciation/Amortisation	768	976	1,588	1,917
Increase in Provisions	-	-	-	-
	<b>2,847</b>	<b>2,854</b>	<b>3,667</b>	<b>3,795</b>
<b>Total</b>	<b>77,560</b>	<b>51,232</b>	<b>67,830</b>	<b>41,710</b>

## 6. Further Disclosure

Additional detail on figures already included in Notes 4 and 5 is given below.

The operating result is stated after charging:

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Travel, Subsistence and Hospitality:				
Chair and Members	28	3	28	3
Employees	625	83	1,614	628
Consultants' Fees and Legal Fees	387	1,235	3,008	1,701
Contingent Labour	193	207	193	207
Performance Programme Delivery – Specialist Services	469	1,056	469	1,056
International Programme Delivery – Specialist Services	33	33	–	33
Provisions (Released)/Provided for in Year	–	–	(51)	51
Depreciation	722	525	1,885	1,097
Amortisation	172	452	541	821
Loss on Disposal of Tangible Assets	1	–	11	3
Loss on Disposal of Intangible Assets	8	12	23	12
Auditor's Remuneration for Audit Work <sup>1</sup>	43	36	70	52

## 7. Investment Income

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Interest Receivable	9	-	41	1

## 8. Taxation

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Corporation Tax Payable	–	–	–	–

No corporation tax liability arose for UK Sport in 2022-23.

<sup>1</sup> No amounts are due to external auditors for non-current work. No non-audit work has been performed by the external auditors.

## 9.1 UK Sport – Property Plant and Equipment

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other £'000	Right-of-use Assets £'000	Total £'000
<b>Cost</b>							
At 01/04/22	940	159	641	80	29	1,183	3,032
Additions	818	98	371	8	-	479	1,774
Disposals	(943)	(140)	(461)	(80)	-	(1,183)	(2,807)
<b>At 31/03/23</b>	<b>815</b>	<b>117</b>	<b>551</b>	<b>8</b>	<b>29</b>	<b>479</b>	<b>1,999</b>
<b>Depreciation</b>							
At 01/04/22	919	150	564	80	29	984	2,726
Charge for Year	184	27	168	3	-	215	597
Depreciation on Disposal	(943)	(139)	(461)	(80)	-	(1,183)	(2,806)
<b>At 31/03/23</b>	<b>160</b>	<b>38</b>	<b>271</b>	<b>3</b>	<b>29</b>	<b>16</b>	<b>517</b>
<b>Net book value</b>							
At 31/03/22	<b>21</b>	<b>9</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>199</b>	<b>306</b>
<b>At 31/03/23</b>	<b>655</b>	<b>79</b>	<b>280</b>	<b>5</b>	<b>-</b>	<b>463</b>	<b>1,482</b>

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other £'000	Right-of-use Assets £'000	Total £'000
<b>Cost</b>							
At 01/04/21	940	159	716	83	29	1,183	3,110
Additions	-	-	89	-	-	-	89
Disposals	-	-	(164)	(3)	-	-	(167)
<b>At 31/03/22</b>	<b>940</b>	<b>159</b>	<b>641</b>	<b>80</b>	<b>29</b>	<b>1,183</b>	<b>3,032</b>
<b>Depreciation</b>							
At 01/04/21	816	131	654	82	29	656	2,368
Charge for Year	103	19	74	1	-	328	525
Depreciation on Disposal	-	-	(164)	(3)	-	-	(167)
<b>At 31/03/22</b>	<b>919</b>	<b>150</b>	<b>564</b>	<b>80</b>	<b>29</b>	<b>984</b>	<b>2,726</b>
<b>Net book value</b>							
At 31/03/21	124	28	62	1	-	527	742
<b>At 31/03/22</b>	<b>21</b>	<b>9</b>	<b>77</b>	<b>-</b>	<b>-</b>	<b>199</b>	<b>306</b>

## 9.2 Group –Property Plant and Equipment

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other Equipment £'000	Right-of-use Assets £'000	Total £'000
<b>At Cost</b>							
At 01/04/22	1,067	5,951	1,953	80	71	2,940	12,062
Additions	818	574	430	8	-	2,469	4,299
Disposals	(998)	(1,038)	(962)	(80)	-	(1,183)	(4,261)
<b>At 31/03/23</b>	<b>887</b>	<b>5,487</b>	<b>1,421</b>	<b>8</b>	<b>71</b>	<b>4,226</b>	<b>12,100</b>
<b>Depreciation</b>							
At 01/04/22	1,044	5,186	1,578	80	71	2,741	10,700
Charge for Year	186	373	319	3	-	878	1,759
Depreciation on Disposal	(997)	(1,035)	(955)	(80)	-	(1,183)	(4,250)
<b>At 31/03/23</b>	<b>233</b>	<b>4,524</b>	<b>942</b>	<b>3</b>	<b>71</b>	<b>2,436</b>	<b>8,209</b>
<b>Net Book Value</b>							
At 31/03/22	23	765	375	-	-	199	1,362
<b>At 31/03/23</b>	<b>654</b>	<b>963</b>	<b>479</b>	<b>5</b>	<b>-</b>	<b>1,790</b>	<b>3,891</b>

	Leasehold Improvement £'000	Fixtures & Fittings £'000	IT Equipment £'000	Office Equipment £'000	Other Equipment £'000	Right-of-use Assets £'000	Total £'000
<b>At Cost</b>							
At 01/04/21	1,070	5,861	2,040	83	71	2,940	12,065
Additions	-	246	367	-	-	-	613
Disposals	(3)	(156)	(454)	(3)	-	-	(616)
<b>At 31/03/22</b>	<b>1,067</b>	<b>5,951</b>	<b>1,953</b>	<b>80</b>	<b>71</b>	<b>2,940</b>	<b>12,062</b>
<b>Depreciation</b>							
At 01/04/21	941	4,912	1,791	82	71	2,413	10,210
Charge for Year	106	422	240	1	-	328	1,097
Depreciation on Disposal	(3)	(148)	(453)	(3)	-	-	(607)
<b>At 31/03/22</b>	<b>1,044</b>	<b>5,186</b>	<b>1,578</b>	<b>80</b>	<b>71</b>	<b>2,741</b>	<b>10,700</b>
<b>Net Book Value</b>							
At 31/03/21	129	949	249	1	-	527	1,855
<b>At 31/03/22</b>	<b>23</b>	<b>765</b>	<b>375</b>	<b>-</b>	<b>-</b>	<b>199</b>	<b>1,362</b>

## 10.1 UK Sport – Intangible Assets

	<b>Information Technology £'000</b>	<b>Assets under Construction £'000</b>	<b>Total £'000</b>
<b>At Cost</b>			
At 01/04/22	2,988	88	3,076
Additions	391	64	455
Disposals	(244)	-	(244)
Re-classification	18	(18)	-
<b>At 31/03/23</b>	<b>3,153</b>	<b>134</b>	<b>3,287</b>
<b>Amortisation</b>			
At 01/04/22	2,799	-	2,799
Charge for Year	172	-	172
Amortisation on Disposal	(236)	-	(236)
<b>At 31/03/23</b>	<b>2,735</b>	<b>-</b>	<b>2,735</b>
<b>Net Book Value</b>			
<b>At 31/03/22</b>	<b>189</b>	<b>88</b>	<b>277</b>
<b>At 31/03/23</b>	<b>418</b>	<b>134</b>	<b>552</b>

	<b>Information Technology £'000</b>	<b>Assets under Construction £'000</b>	<b>Total £'000</b>
<b>At Cost</b>			
At 01/04/21	2,937	8	2,945
Additions	135	80	215
Disposals	(84)	-	(84)
Re-classification	-	-	-
<b>At 31/03/22</b>	<b>2,988</b>	<b>88</b>	<b>3,076</b>
<b>Amortisation</b>			
At 01/04/21	2,419	-	2,419
Charge for Year	452	-	452
Amortisation on Disposal	(72)	-	(72)
<b>At 31/03/22</b>	<b>2,799</b>	<b>-</b>	<b>2,799</b>
<b>Net Book Value</b>			
<b>At 31/03/21</b>	<b>518</b>	<b>8</b>	<b>526</b>
<b>At 31/03/22</b>	<b>189</b>	<b>88</b>	<b>277</b>

## 10.2 Group – Intangible Assets

	<b>Information Technology £'000</b>	<b>Assets under Construction £'000</b>	<b>Total £'000</b>
<b>At Cost</b>			
At 01/04/22	6,268	88	6,356
Additions	500	64	564
Disposals	(787)	-	(787)
Re-classification	18	(18)	-
<b>At 31/03/23</b>	<b>5,999</b>	<b>134</b>	<b>6,133</b>
<b>Amortisation</b>			
At 01/04/22	5,262	-	5,262
Charge for Year	493	-	493
Amortisation on Disposal	(764)	-	(764)
<b>At 31/03/23</b>	<b>4,991</b>	<b>-</b>	<b>4,991</b>
<b>Net Book Value</b>			
<b>At 31/03/22</b>	<b>1,006</b>	<b>88</b>	<b>1,094</b>
<b>At 31/03/23</b>	<b>1,008</b>	<b>134</b>	<b>1,142</b>

	<b>Information Technology £'000</b>	<b>Assets under Construction £'000</b>	<b>Total £'000</b>
<b>At Cost</b>			
At 01/04/21	6,089	8	6,097
Additions	314	80	394
Disposals	(135)	-	(135)
Re-classification	-	-	-
<b>At 31/03/22</b>	<b>6,268</b>	<b>88</b>	<b>6,356</b>
<b>Amortisation</b>			
At 01/04/21	4,564	-	4,564
Charge for Year	821	-	821
Amortisation on Disposal	(123)	-	(123)
<b>At 31/03/22</b>	<b>5,262</b>	<b>-</b>	<b>5,262</b>
<b>Net Book Value</b>			
<b>At 31/03/21</b>	<b>1,525</b>	<b>8</b>	<b>1,533</b>
<b>At 31/03/22</b>	<b>1,006</b>	<b>88</b>	<b>1,094</b>

## 11. Trade and Other Receivables

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Trade Receivables	98	21	700	565
Other Receivables	513	206	417	131
Prepayments and Accrued Income	900	899	1,268	1,457
<b>Total</b>	<b>1,511</b>	<b>1,126</b>	<b>2,385</b>	<b>2,153</b>

All amounts fall due within one year.

The Other Receivables balance at 31 March 2023 includes an intercompany receivable of £124,000 with UKSI, and an intercompany receivable of £383,000 with the UK Sport Lottery account.

## 12. Cash and Cash Equivalents

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Balance at 1 April	3,920	3,298	5,700	4,538
Net Change in Cash and Cash Equivalents	1,040	622	741	1,162
<b>Balance at 31 March</b>	<b>4,960</b>	<b>3,920</b>	<b>6,441</b>	<b>5,700</b>
<b>Government Banking Services</b>				
Balances Held with Government Banking Services	4,344	3,515	4,344	3,515
Balances Held with Commercial Banks	616	405	2,097	2,185
<b>Total</b>	<b>4,960</b>	<b>3,920</b>	<b>6,441</b>	<b>5,700</b>

### 13.1 Trade and Other Payables

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Trade Payables	8	49	392	1,039
Other Payables	32	26	60	26
VAT	157	122	157	122
Other Taxation and Social Security	283	263	1,078	1,103
Accruals and Deferred Income	1,619	4,545	2,611	5,396
Right-of-use Lease Liabilities	91	154	758	154
<b>Total</b>	<b>2,190</b>	<b>5,159</b>	<b>5,056</b>	<b>7,840</b>

The right-of-use lease liability for UK Sport relates to payments due for the office located at SportPark, No 3 Oakwood Drive, Loughborough, LE11 3TU.

### 13.2 Non-Current Trade and Other Payables

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Accruals and Deferred Income	-	1,000	-	1,000
Right of Use Lease Liabilities	405	-	1,189	-
<b>Total</b>	<b>405</b>	<b>1,000</b>	<b>1,189</b>	<b>1,000</b>

The UK Sport non-current accruals balance in 2021/22 relates to funding committed to Rugby League World Cup 2021 Limited which was paid during 2022/23.

The right of use lease liability for UK Sport relates to payments for their office located at SportPark, No 3 Oakwood Drive, Loughborough, LE11 3TU.

#### 14. Provision for Liabilities

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Opening Balance	384	384	435	384
Provision Made in Year	-	-	-	51
Provision Paid in Year	-	-	(19)	-
Provision Released in Year	-	-	(32)	-
<b>Closing Balance</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>435</b>

Provision was made in the accounts in 2015/16 for the anticipated cost of making good any dilapidations at 21 Bloomsbury Street, London, WC1B 3HF at the end of the tenancy agreement. This was uplifted during 2020/21 following a review of dilapidation works required, in anticipation of the end of the lease in 2022, but is still yet to be paid at 31<sup>st</sup> March 2023.

#### 15. Reconciliation of Operating Deficit to Cash Generated from Operations

	UK Sport		Group	
	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000
Net Expenditure Before Taxation and Interest	(86,342)	(57,742)	(91,294)	(64,505)
Depreciation/Amortisation of Property Plant and Equipment	769	977	2,252	1,918
Loss on Disposal of Property Plant and Equipment	9	12	28	15
(Increase)/Decrease in Receivables	(385)	(271)	(232)	(65)
(Decrease)/Increase in Payables	(3,906)	(230)	(4,388)	114
Increase/(Decrease) in Provisions	-	-	(51)	51
Pension Scheme: Non-Cash Movement	2,409	2,069	7,099	8,523
<b>Net Cash Outflow from Operations</b>	<b>(87,446)</b>	<b>(55,185)</b>	<b>(86,586)</b>	<b>(53,949)</b>

#### 16. Financial Instruments

Most 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 £90.382m or 90% (2021/22, 56.534m or 84%) of the Group's income derived from DCMS Grant-in-Aid. The remaining balance of £10.536m is 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. The Group's unrestricted cash balance at 31 March 2023 was £6.441m (2021/22, £5.700m).

### *Foreign Currency Risk*

No further foreign currency risks remain at 31 March 2023.

## **17. Superannuation Scheme – UK Sport**

Staff at UK Sport (Grant-in-Aid and Lottery) are entitled to become members of the London Pension Fund Authority (LPFA) Superannuation Scheme. UK Sport is one of a large number of 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 whilst Note 18 provides equivalent details for UKSI. There is a generic scheme for staff covered by the accounting policy Note 1.10.

The administering authority for the Fund is the London Pensions Fund Authority. The LPFA Board oversees the management of the Fund whilst the day-to-day fund administration is undertaken by the Local Pensions Partnership in accordance with the Local Government Pension Scheme Regulations 2013.

The amounts disclosed in these accounts are the portion deemed to be apportioned to the Grant-in-Aid funded part of the scheme. As all scheme members are or were employees of UK Sport, the pension deficit recorded in the Lottery Accounts would become part of the Grant-in-Aid pension deficit in the event of the Lottery Fund being 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 £0.851m or 12.0% of pensionable pay (2021/22, £0.685m or 12.0%).

Contributions are set every three years as a result of the triennial valuations by the consulting actuaries to the LPFA. There are no minimum funding requirements in the LGPS but the contributions are generally set to a target funding level of 100% using the actuarial valuation assumptions. If UK Sport was to withdraw from the fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination contribution due, on a set of assumptions deemed appropriate by the Fund Actuary.

The latest valuation was at 31 March 2022, the results of which were confirmed in late 2022. The actuarial method used is market-related, based on average yields and market values in the 12 months leading up to the valuation date. Following this revaluation, UK Sport's employer contribution rate was set at 9.1% of pensionable pay for the period until the next triennial valuation. The triennial valuation is due to be carried out every 3 years.

International Accounting Standard IAS 19 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.

The financial assumptions have been set with consideration of the duration of the Employer's past service liabilities, estimated to be 27 years.

### **17.1 Pension Commitments**

#### **Financial Assumptions**

	<b>2022/23</b>	<b>2021/22</b>
	<b>%</b>	<b>%</b>
Salary Increases	3.9	4.2
Pension Increases	2.9	3.2
Discount Rate	4.8	2.6

### Average Future Life Expectancies at Age 65:

	<b>Males (years)</b>	<b>Females (years)</b>
Current Pensioners	21.6	21.9
Future Pensioners	23.2	24.4

### 17.2 Fair Value of Employers Assets

	<b>31/03/23 £'000</b>	<b>31/03/22 £'000</b>
Equities	19,198	17,472
Target Return Funds	6,471	6,914
Infrastructure	4,319	3,217
Property	3,284	2,818
Cash	652	1,048
<b>Total Fair Value of Assets</b>	<b>33,924</b>	<b>31,469</b>
Present Value of Scheme Liabilities	(32,496)	(53,992)
<b>Net Pension Liability</b>	<b>1,428</b>	<b>(22,523)</b>

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

	<b>31/03/23 %</b>	<b>31/03/22 %</b>
Equities	56	56
Target Return Funds	19	22
Infrastructure	13	10
Property	10	9
Cash	2	3

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

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
Service Cost	3,251	2,721
Net Interest on the Defined Liability	579	524
Administration Expenses	9	33
<b>Total</b>	<b>3,839</b>	<b>3,278</b>

### 17.4 Re-measurements in Other Comprehensive Income:

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
Return on plan assets in excess of interest	74	2,744
Other actuarial gains	274	-
Change in financial assumptions	30,464	3,216
Change in demographic assumptions	970	-
Experience loss on defined benefit obligation	(5,041)	(121)
<b>Re-measurements</b>	<b>26,741</b>	<b>5,839</b>

### 17.5 Changes in the present value of the defined benefit obligation:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening defined benefit obligation</b>	<b>53,992</b>	<b>53,425</b>
Remeasurement of opening balance	335	-
Current service cost	3,158	2,721
Interest cost	1,422	1,097
Change in financial assumptions	(30,464)	(3,216)
Change in demographic assumptions	(970)	-
Experience loss /(gain) on defined benefit obligation	5,041	121
Estimated benefits paid net of transfers in	(638)	(547)
Past service costs including curtailments	93	-
Contributions by scheme participants	550	414
Unfunded pension payments	(23)	(23)
<b>Closing defined benefit obligation</b>	<b>32,496</b>	<b>53,992</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening fair value of employers' assets</b>	<b>31,469</b>	<b>27,706</b>
Remeasurement of opening balance	553	-
Interest on assets	843	573
Return on assets less interest	74	2,744
Other actuarial gains/(losses)	274	-
Administration expenses	(9)	(33)
Contributions by employer including unfunded	831	635
Contributions by scheme participants	550	414
Estimated benefits paid net of transfers in including unfunded	(661)	(570)
<b>Closing fair value of employer assets</b>	<b>33,924</b>	<b>31,469</b>

### 17.7 A History of Experience Gains and Losses is shown below:

	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair Value of Employer Assets	33,924	31,469	27,706	22,690	23,385
Present Value of Defined Benefit Obligation	(32,496)	(53,992)	(53,425)	(36,644)	(39,180)
<b>Deficit</b>	<b>1,428</b>	<b>(22,523)</b>	<b>(25,719)</b>	<b>(13,954)</b>	<b>(15,795)</b>
Experience Losses on Assets	-	-	-	-	-
Experience Gains/(Losses) on Liabilities	5,041	121	(465)	-	-

In order to assess the actuarial value of the LPFA's liabilities as at 31 March 2023, 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 IAS 19. 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.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2023 without completing a full valuation. The actuary is satisfied that the approach of rolling forward the previous valuation to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of UK Sport 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.

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

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019 the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgement on those bodies that are part of the Local Government Pension Scheme. The impact based on this initial methodology has been included in the figures presented here at 31 March 2023.

The Ministry of Housing, Communities and Local Government initiated a consultation into its proposals following this case in July 2020, the results of which may further inform how the impact of this case on pension liabilities and service costs is evaluated. The impact of any changes proposed in the consultation is not expected to be material. Any future developments arising from the consultation will therefore be considered in the valuation of the pension liability as of 31 March 2023.

The actuarial valuation for IAS 19 purposes has been allocated between the Lottery and Exchequer accounts in accordance with accounting policy Note 1.10.

## 17.8 Sensitivity

Participating in this defined benefit pension scheme means that UK Sport is exposed to a number of risks, including investment and interest rate risk with regards to the market values and returns of the fund assets. The benefits of the fund are also linked to inflation, whilst the fund assets are not, which gives rise to a risk that deficits may emerge as a result of this. There are also demographic risks, for example that members of the fund live longer than has been assumed.

In addition, as many unrelated employers participate in the London Pension Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit UK Sport e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

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

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	31,650	32,496	33,365
<b>Adjustment to long term salary increase</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	32,545	32,496	32,447
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	33,310	32,496	31,703
<b>Adjustment to mortality age rising assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present value of total obligation	33,877	32,496	31,175

## 18. Superannuation Scheme – UKSI

UKSI participates in the LPFA 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 UKSI. The majority of UKSI'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 £1.741m (2021/22, £1.765m).

A Triennial Actuarial Valuation was carried out as at 31 March 2022 for funding purposes. The scheme was in surplus and therefore eligible for negative secondary contributions. Primary contributions for the three-year period to March 2026 are 12.2% (from 12%). Secondary contributions are negative 6.4% (from 0%) meaning total net employer contributions is reduced to 5.8%.

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019 the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgement on those bodies that are part of the Local Government Pension Scheme.

The impact based on this initial methodology has been included in the figures presented here at 31 March 2022. The Ministry of Housing, Communities and Local Government initiated a consultation into its proposals following this case in July 2020, the results of which may further inform how the impact of this case on pension liabilities and service costs is evaluated. The impact of any changes proposed in the consultation is not expected to be material. Any future developments arising from the consultation will therefore be considered in the valuation of the pension liability at 31 March 2022.

A valuation for IAS 19 purposes as of 31 March 2023 was carried out by a qualified independent actuary. The assumptions used by the actuary for IAS 19 valuation purposes were:

### 18.1 Pension Commitments

<b>Financial Assumptions:</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>%</b>	<b>%</b>
Salary Increases	3.9	4.1
Pension Increases	2.9	3.1
Discount Rate	4.8	2.6
<b>Average Future Life Expectancies at Age 65:</b>	<b>Males</b>	<b>Females</b>
	<b>(years)</b>	<b>(years)</b>
Current Pensioners	22.8	25.0
Future Pensioners	23.2	25.7

## 18.2 Fair Value of Employer Assets

	<b>31/03/23</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Equities	40,873	37,841
Target Return Portfolio	12,924	14,319
Infrastructure	8,795	6,773
Property	6,825	5,965
Cash	89	1,584
<b>Total Market Value of Assets</b>	<b>69,506</b>	<b>66,482</b>
Present Value of Scheme Liabilities	(63,654)	(118,408)
<b>Net Pension Liability</b>	<b>5,852</b>	<b>(51,926)</b>

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:

	<b>31/03/23</b>	<b>31/03/22</b>
	<b>%</b>	<b>%</b>
Equities	58	57
Target Return Portfolio	19	22
Infrastructure	13	10
Property	10	9
Cash	0	2

## 18.3 Amounts recognised in the Statement of Comprehensive Net Expenditure account:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Service Cost	6,509	8,146
Net Interest on the Defined Liability	1,301	1,228
Administration Expenses	20	73
<b>Total</b>	<b>7,830</b>	<b>9,447</b>

## 18.4 Re-measurements recognised in Other Comprehensive Income:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Return on plan assets in excess of interest	(833)	6,517
Other actuarial (losses)/gains on assets	94	-
Change in financial assumptions	66,323	10,291
Change in demographic assumptions	2,792	-
Experience gain/(loss) on defined benefit obligation	(4,607)	(302)
<b>Re-measurements</b>	<b>63,769</b>	<b>16,506</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening defined benefit obligation</b>	<b>118,408</b>	<b>116,936</b>
Current service cost	6,509	7,941
Interest cost	3,022	2,407
Change in financial assumptions	(66,323)	(10,291)
Change in demographic assumptions	(2,792)	-
Experience (gain)/loss on defined benefit obligation	4,607	302
Estimated benefits paid in excess of transfers in	(846)	(181)
Past service costs, including curtailments	-	205
Contributions by scheme participants	1,069	1,089
<b>Closing defined benefit obligation</b>	<b>63,654</b>	<b>118,408</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening fair value of employer's assets</b>	<b>66,482</b>	<b>56,206</b>
Interest on assets	1,721	1,179
Return on assets less interest	(833)	6,517
Other actuarial gains/(losses)	94	-
Administration expenses	(20)	(73)
Contributions by employer including unfunded	1,839	1,745
Contributions by participants	1,069	1,089
Estimated benefits paid plus unfunded net of transfers in	(846)	(181)
<b>Closing fair value of employer's assets</b>	<b>69,506</b>	<b>66,482</b>

**18.7 History of Experience Gains and Losses**

	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair Value of Employer Assets	69,506	66,482	56,206	44,951	44,341
Present Value of Defined Benefit Obligation	(63,654)	(118,408)	(116,936)	(71,123)	(78,153)
<b>Deficit</b>	<b>5,852</b>	<b>(51,926)</b>	<b>(60,730)</b>	<b>(26,172)</b>	<b>(33,812)</b>
Experience Losses on Assets	-	-	-	-	-
Experience Gain / (Losses) on Liabilities	4,607	(302)	799	-	-

## 18.8 Sensitivity:

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

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	62,002	63,654	65,632
<b>Adjustment to long term salary increase</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	63,759	63,654	63,550
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	65,288	63,654	62,074
<b>Adjustment to mortality age rising assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present value of total obligation	65,362	63,654	61,991

## 19. Group Pension Amounts

	Note	2022/23 £'000	2021/22 £'000
Pension Liabilities UK Sport	17.2	1,428	(22,523)
Pension Liabilities UKSI	18.2	5,852	(51,926)
<b>Total Group Pension Liabilities</b>		<b>7,280</b>	<b>(74,449)</b>
Pension Scheme Re-measurements UK Sport	17.4	26,741	5,839
Pension Scheme Re-measurements UKSI	18.4	63,769	16,506
<b>Total Group Pension Re-measurements</b>		<b>90,510</b>	<b>22,345</b>
Net Interest on the Defined Liability UK Sport	17.3	(579)	(524)
Net Interest on the Defined Liability UKSI	18.3	(1,301)	(1,228)
<b>Total Net Interest on the Group Defined Liability</b>		<b>(1,880)</b>	<b>(1,752)</b>

### 20.1 Leases

UK Sport Group recognises its leases under IFRS 16, as interpreted and adapted in the fReM for the public sector. This means that right-of-use assets and lease liabilities are recognised for most lease contracts.

#### a. Application of IFRS 16

The Group has applied the optional exemptions for both short-term leases (those with a term 12 months or less, after the assessment of extension options), and leases of low value assets (those with an approximate asset value below £5,000).

UK Sport has elected not to apply the new standard to leases of intangible assets. All the contracts recognised under IFRS 16 relate to use of buildings for workspace, and all the assets have therefore been grouped within a single asset category.

Where a contract contains both lease and non-lease components (such as service charges), the Group has only capitalised amounts in relation to the lease components. Service components continue to be recognised as expenses in the Statement of Comprehensive Net Expenditure.

The fReM mandates the practical expedient that an entity should not reassess whether a contract is, or contains, a lease at the date of initial application.

#### b. Discount rate

None of the leases capitalised under IFRS 16 in these accounts indicate an implicit interest rate within the lease contract. Therefore, the discount rate applied when assessing the value of the lease liability under amortised cost has been taken as the HM Treasury discount rate promulgated in Public Expenditure System (PES) papers, which represents the incremental borrowing rate to the UK Sport Group.

### 20.2 Leases: Contributions for the year ended 31 March 2023

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
<b>SOCNE impact from capitalised leases</b>				
Finance cost	18	8	32	8
Right-of-use asset depreciation	215	328	878	328
<b>Contribution to SOCNE expenditure</b>	<b>233</b>	<b>336</b>	<b>910</b>	<b>336</b>

One lease has been capitalised for UK Sport relating to office space at SportPark, No 3 Oakwood Drive, Loughborough, LE11 3TU.

	<b>UK Sport</b> <b>£'000</b>	<b>Group</b> <b>£'000</b>
<b>Right-of-use assets</b>		
Balance at 1 April 2022	199	199
Additions during the year	479	2,469
Lease remeasurements	-	-
Depreciation charge for the year	(215)	(878)
<b>Balance at 31 March 2023</b>	<b>463</b>	<b>1,790</b>

	<b>UK Sport</b> <b>£'000</b>	<b>Group</b> <b>£'000</b>
<b>Lease liabilities</b>		
Maturity Analysis – undiscounted cash flows		
Less than 1 year	104	746
1 to 5 years	427	1,796
More than 5 years	-	-
Total undiscounted lease liabilities at 31 March 2023	531	2,542
Lease liabilities included in the statement of financial position at 31 March 2023	496	1,947
Current	91	758
Non-current	405	1,189

	<b>UK Sport</b>		<b>Group</b>	
	<b>2022/23</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts recognised in Statement of Cash Flows</b>				
Payment of lease interest (operating activities)	18	8	32	8
Payment of lease principal (financing activities)	324	429	1,761	429
<b>Total cash outflow for leases</b>	<b>342</b>	<b>437</b>	<b>1,793</b>	<b>437</b>

## 21. Grant Commitments

On the undertaking that funds are to be provided by DCMS, UK Sport at 31 March 2023 had entered into commitments to pay grants to governing bodies in respect of their approved programmes in the following years (these commitments at 31 March 2023 have not yet been recognised in the Statement of Comprehensive Net Expenditure Account nor Statement of Financial Position).

	UK Sport		Group	
	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
2022/23	-	39,797	-	19,408
2023/24	31,967	36,794	13,023	19,128
2024/25	22,905	32,634	6,095	16,159
2025/26				
	<b>54,872</b>	<b>109,225</b>	<b>19,118</b>	<b>54,695</b>

Grant commitments are based on the assumption that Exchequer funding will continue at the planned rate beyond 2022/2023.

## 22. Contingent liabilities

As of 31 March 2023 UK Sport had no contingent liabilities.

## 23. Capital Commitments

As of 31 March 2023 UK Sport had made no commitments to purchase further capital equipment (31/03/2022: Nil).

## 24. Events After the Reporting Period

The accounts were authorised for issue on the date the Comptroller and Auditor General signed the auditor's report. There were no events after the reporting period for disclosure.

## 25. Related Party Transactions

UK Sport is an Arm's Length Body sponsored by DCMS, who are regarded as a related party. During 2022/23 UK Sport had various material transactions with DCMS and with the Sports Councils for the Home Countries. It further provided grants to its subsidiary UKSI.

As a matter of policy and procedure the Board, and Committee members, Award Panel members and staff maintain registers of interest which are available to the public. In these they are required to declare any interests, both direct and indirect, of commercial interests with the UK Sport together with interests associated with grant applications. Where a member has an interest, they are required to declare it and exclude themselves from relevant grant appraisal discussions and other commercial decisions.

The following table details those related party transactions that arose during the year, as well as any outstanding balances at the balance sheet date. Details of remuneration for key management personnel can be found in the remuneration and staff report within the Accountability report.

The United Kingdom Sports Council Grant-in-Aid and National Lottery Distribution Fund  
Annual Report and Accounts for the Year Ended 31 March 2023

Person	Other related appointments	Transaction/Balance (e.g. grant)	Amounts (£)
UKSI	Subsidiary	Grant expenditure	20,069,030
		Recharged income	510,809
		Other costs	24,536
		Accounts Receivable	111,789
DCMS	Parent department	Grant-in-Aid received	90,382,000
		Other income	-
		Accounts Receivable	24,071
Chris Boardman  UK Sport Board (Member)	Sport England (Chair)	Grant expenditure	50,000
		Other costs	113,600
		Other income	150
		Accounts Payable	56,183
Tanni Grey-Thompson  UK Sport Board (Member)	Sport Wales (Chair)	Grant expenditure	62,500
		Other costs	168
		Other income	2,739
		Accounts Receivable	2,519
George Lucas  UK Sport Board (Member)	Sport NI (Chair)	Grant expenditure	50,000
		Other income	225
John Dowson  UK Sport Board (Observer)  Group Audit & Risk Committee (Member)	UKSI (Chair)	Grant expenditure, recharged income, other costs and accounts receivable	See above
Vic Luck  Group Audit & Risk Committee (Member)	UKSI (Director)	Grant expenditure, recharged income, other costs and accounts receivable	See above

The United Kingdom Sports Council Grant-in-Aid and National Lottery Distribution Fund  
Annual Report and Accounts for the Year Ended 31 March 2023

Person	Other related appointments	Transaction/Balance (e.g. grant)	Amounts (£)
Mel Young MBE UK Sport Board (Member)	sportscotland (Chair)	Grant  Other costs  Other income	50,000  5,217  4,320
Rachel Baillache UK Sport Board (Member)	Lawn Tennis Association (Non-Executive Director)	Other income	65,661
Scott Smith Group Audit & Risk Committee (Member)	The Grand National Archery Society (Archery GB) (Board member)  English and Wales Cricket Board (CFO)	Grant   Other income	25,000   5,000

## 26.1 Subsidiary Undertakings

**United Kingdom Sports Council** The Manchester Institute Of Health And Performance, 299 Alan Turing Way,  
Manchester, England, M11 3BS

UK Sport was given responsibility for the UKSI in April 2006. The following results of UKSI have been included in the consolidated results:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Statement of Comprehensive Net Expenditure</b>		
Income	(28,128)	(25,475)
Administrative Expenses	32,790	31,995
<b>Operating (Surplus)/Deficit before Interest and Taxation</b>	<b>4,662</b>	<b>6,520</b>
Interest Receivable	(32)	(1)
Interest Payable and Similar Charges	1,301	1,228
<b>Deficit on Ordinary Activities Before Taxation</b>	<b>5,931</b>	<b>7,747</b>
Tax on Surplus on Ordinary Activities		
<b>Deficit for the Financial Year</b>	<b>5,931</b>	<b>7,747</b>
Re-measurement of the Net Defined Benefit Liability	(63,769)	(16,506)
<b>Total Comprehensive Net (Income)/Expenditure for the Year</b>	<b>(57,838)</b>	<b>(8,759)</b>
	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Statement of Financial Position</b>		
Property Plant and Equipment	1,083	1,056
Intangible Assets	590	817
Current Assets	2,482	2,918
Payables: Falling Due Within One Year	(2,325)	(2,729)
<b>Total Assets less Current Liabilities</b>	<b>1,830</b>	<b>2,062</b>
Deferred Income	(1,862)	(2,103)
Provision for other Liabilities	(-)	(51)
<b>Net Liabilities Excluding Pension Liability</b>	<b>(32)</b>	<b>(92)</b>
Defined Benefit Pension Scheme Liability	5,852	(51,926)
<b>Net Liabilities Including Pension Liability</b>	<b>5,820</b>	<b>(52,018)</b>
<b>Reserves</b>		
<b>Revenue Reserve</b>	<b>5,820</b>	<b>(52,018)</b>

The above figures have been presented on a gross basis as per the UKSI annual accounts prior to intercompany eliminations and alignment adjustments. The pension figures contained in the 2022/23 accounts produced by UKSI were prepared on the basis of FRS 102. A separate actuarial valuation based on IAS 19 was commissioned to provide the pension figures in line with the accounting policy adopted for the UK Sport accounts which are presented in Note 18. An adjustment has also been made on consolidation to align the treatment of leases across the group, from UKS's preparation under FRS 102 to the new rReM IFRS 16 standard applied at Group level. Further details are given in Note 20.



**The United Kingdom Sports Council  
National Lottery Distribution Fund  
Accounts for the Year Ended  
31 March 2023**

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

## *Opinion on financial statements*

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

The financial statements comprise the UK Sport Council Lottery's

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

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

In my opinion, the financial statements:

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

## **Opinion on regularity**

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

## **Basis for opinions**

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

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

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

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that UK Sport Council Lottery'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 UK Sport Council Lottery's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## Opinion on other matters

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

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

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

## Matters on which I report by exception

In the light of the knowledge and understanding of the UK Sport Council Lottery and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability Report and Performance Report.

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

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

## **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is 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 UK Sport Council Lottery from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- assessing the UK Sport Council Lottery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the UK Sport Council Lottery will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the UK Sport Council Lottery's accounting policies.
- inquired of management, UK Sport Council Lottery's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the UK Sport Council Lottery'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 UK Sport Council Lottery's controls relating to the UK Sport Council Lottery's compliance with the National Lottery etc. Act 1993 and Managing Public Money.
- inquired of management, UK Sport Council Lottery's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external specialists used for our defined benefit pensions work 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 UK Sport Council Lottery for fraud and identified the greatest potential for fraud in the following areas: 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 UK Sport Council Lottery's framework of authority and other legal and regulatory frameworks in which the UK Sport Council Lottery 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 UK Sport Council Lottery. The key laws and regulations I considered in this context included National Lottery etc. Act 1993 and Managing Public Money.

### **Audit response to identified risk**

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Group Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

### **Other auditor's responsibilities**

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

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**12 December 2023**

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

## Statement of Comprehensive Net Expenditure for the Year Ended 31/03/23

	Note	2022/23 £'000	2021/22 £'000
<b>INCOME</b>			
National Lottery Share of Proceeds	2	(80,625)	(82,433)
Investment Returns from NLDF	2	(1,618)	(117)
Interest Receivable		(31)	(1)
Other Operating Income	165	(119)	(166)
<b>Total Income</b>		<b>(82,393)</b>	<b>(82,717)</b>
<b>EXPENDITURE</b>			
Accrued Grant Commitments	3	5,489	2,924
Accrued Grant De-commitments	3	(511)	(904)
Grant Clawbacks		-	(18)
Other Grant Payments	5	61,784	83,899
Staff Costs	6	4,168	4,028
Amortisation	9	19	20
Other Operating Costs		255	459
Costs Apportioned from UK Sport Grant-in-Aid Account		2,419	2,412
<b>Total Expenditure</b>		<b>73,623</b>	<b>92,820</b>
<b>NET (INCOME)/EXPENDITURE BEFORE TAXATION</b>		<b>(8,770)</b>	<b>10,103</b>
Net Interest on the Pension Liability	12.3	170	153
<b>NET (INCOME)/EXPENDITURE</b>		<b>(8,600)</b>	<b>10,256</b>
<b>Other Comprehensive Expenditure</b>			
Pension Scheme Re-measurements	12.4	(8,060)	(1,728)
<b>Total Comprehensive Net (Income)/Expenditure</b>		<b>(16,660)</b>	<b>8,528</b>

All activities relate to continuing activities.

The notes on pages 99 to 112 form part of these accounts.

## Statement of Financial Position as at 31/03/23

	Note	31/03/23 £'000	31/03/22 £'000
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	9	26	36
<b>Total Non-Current Assets</b>		<b>26</b>	<b>36</b>
<b>CURRENT ASSETS</b>			
Investments – Balance at NLDF	2	58,114	35,546
Trade and Other Receivables	10	31	92
Cash and Cash Equivalents	14	678	13,929
<b>Total Current Assets</b>		<b>58,823</b>	<b>49,567</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	(600)	(432)
Grant Commitments Falling Due Within One Year	3	(6,484)	(5,003)
<b>Total Current Liabilities</b>		<b>(7,084)</b>	<b>(5,435)</b>
<b>Net Current Assets</b>		<b>51,739</b>	<b>44,132</b>
<b>Non-Current Assets plus Net Current Assets</b>		<b>51,765</b>	<b>44,168</b>
<b>NON-CURRENT LIABILITIES</b>			
Grant Commitments Falling Due After One Year	3	(1,525)	(3,578)
Pension Liability	12.2	(2)	(7,066)
<b>Total Non-Current Liabilities</b>		<b>(1,527)</b>	<b>(10,644)</b>
<b>Total Assets less Liabilities</b>		<b>50,238</b>	<b>33,524</b>
<b>EQUITY</b>			
Pension Reserve	12.2	(2)	(7,066)
Revenue Reserve		50,240	40,590
<b>Total Equity</b>		<b>50,238</b>	<b>33,524</b>

The notes on pages 99 to 112 form part of these accounts.



**Sally Munday OBE**  
**Chief Executive and Accounting Officer**  
The United Kingdom Sports Council  
8 December 2023



**Dame Katherine Grainger DBE**  
**Chair**  
The United Kingdom Sports Council  
8 December 2023

## Statement of Changes in Equity for the Year Ended 31/03/23

	Note	2022/23		2021/22	
		Revenue Reserve £'000	Pension Reserve £'000	Revenue Reserve £'000	Pension Reserve £'000
<b>Balance Brought Forward – 1 April</b>		<b>40,590</b>	<b>(7,066)</b>	<b>49,800</b>	<b>(7,726)</b>
Net Income/(Expenditure) for the Year		8,600	-	(10,256)	
Pension Scheme Re-measurements	12.4	-	8,060	-	1,728
Transfer from the Pension Fund		1,050	(1,050)	1,046	(1,046)
Other Movements		-	54	-	(22)
<b>Balance at 31 March</b>		<b>50,240</b>	<b>(2)</b>	<b>40,590</b>	<b>(7,066)</b>

The notes on pages 99 to 112 form part of these accounts.

## Statement of Cash Flows for the Year Ended 31/03/23

	Note	2022/23 £'000	2021/22 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Cash outflow from Operating Activities</b>	13	<b>(13,273)</b>	<b>(3,585)</b>
Interest Received		31	1
<b>Net Cash Outflow from Operating Activities</b>		<b>(13,242)</b>	<b>(3,584)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to Acquire Intangible Assets		(9)	(28)
<b>Net Cash Outflow from Investing Activities</b>		<b>(9)</b>	<b>(28)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents in the Year</b>		<b>(13,251)</b>	<b>(3,612)</b>
Cash and Cash Equivalents at 1 April		13,929	17,541
<b>Cash and Cash Equivalents at 31 March</b>	14	<b>678</b>	<b>13,929</b>

The notes on pages 99-112 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2022/23 Government Financial Reporting Manual (FRM) 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 FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to UK Sport for the purpose of giving a 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 (except in relation to the recognition of commitments as detailed below), the Treasury guidance on the accounts of Non-Departmental Public 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 (except in relation to the recognition of commitments as detailed below).

The accounts cover the year to 31 March 2023, 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 Accounts Direction and other instructions issued by the Secretary of State. Consolidated accounts have not been prepared because The UK Sports Institute (UKSI) is a subsidiary of UK Sport Exchequer only.

There are no standards in issue but not yet adopted that 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. UK Sport has a statutory entitlement to a set percentage of the Lottery Distribution Fund in accordance with the National Lottery Act 1993 as amended. Grant commitments reflect the forecast distribution expected from the Fund.

### 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 FRM. Grants are recognised when they have been approved by the Major Events Panel/Board and no performance obligations exist. Where the recognition criteria are met, commitments are reflected in the Statement of Financial Position as a liability (see Note 3). De-commitments are recognised when the recognition criteria are no longer met. Otherwise, they are disclosed as other grant commitments (see Note 4).

#### **1.4 Intangible Assets**

The intangible assets of UK Sport are computer software and software licences. 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 Licences over the life of the licence

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, which is shown in the Statement of Comprehensive Net Expenditure together with the net interest on the pension liability. 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 including the valuation of the pension funds and recharges is provided in Note 12 to the accounts.

#### **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 activities 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. VAT is therefore 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 in proportion to their percentage share of the total remaining National Lottery Distribution Fund (NLDF) 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:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance Brought Forward</b>	<b>35,546</b>	<b>42,236</b>
Share of Net Operator Proceeds	80,625	82,433
Investment Returns from NLDF	1,618	117
<b>Available for Distribution</b>	<b>117,789</b>	<b>124,786</b>
Funds Drawn Down	(59,675)	(89,240)
<b>Balance Carried Forward</b>	<b>58,114</b>	<b>35,546</b>

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 shown in the Accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State as being available for distribution by UK Sport in respect of current and future commitments.

Funds are drawn down 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 31/03/23 is £58.114m (31/03/22: £35.546m).

The NLDF balance decreased during the year 2022/23 to stand at £58.114m at 31/03/23, representing 30.8% of outstanding commitments made at that point. Once the closing UK Sport Lottery cash balance of £0.679m of is included, the total represents 31.1% of outstanding commitments. The balance of outstanding commitments will be met by anticipated future NLDF revenue receipts.

## 3. Accrued Grant Commitments

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Accrued Commitments Brought Forward	8,581	9,857
Commitments Made in the Year	5,489	2,924
De-commitments Made in the Year	(511)	(904)
<b>Total Accrued Grant Commitments</b>	<b>13,559</b>	<b>11,877</b>
Accrued Grant Commitments Met in the Year	(5,550)	(3,296)
<b>Accrued Grant Commitments Carried Forward</b>	<b>8,009</b>	<b>8,581</b>

#### Accrued Grant Commitments by Year

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Amounts Falling Due During 2021/22	-	-
Amounts Falling Due During 2022/23	-	5,003
Amounts Falling Due During 2023/24	6,484	3,248
Amounts Falling Due During 2024/25	1,525	330
<b>Total</b>	<b><u>8,009</u></b>	<b><u>8,581</u></b>

Accrued commitments 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 March 2023 and actual amounts paid in 2022/23.

In addition to the grant awards included above, £3.1m of investment has been approved by the Board for further events where award letters have not yet been issued.

#### 4. Other Grant Commitments

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Amounts Falling Due During 2021/22	-	-
Amounts Falling Due During 2022/23	-	66,425
Amounts Falling Due During 2023/24	89,454	60,074
Amounts Falling Due During 2024/25	70,670	65,066
Amounts Falling Due During 2025/26	17,080	-
Amounts Falling Due During 2026/27	3,372	-
	<b><u>180,576</u></b>	<b><u>191,565</u></b>

The accounting policies applied for National Lottery funding require commitments to be accrued in the accounts when an offer has been made and 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 National Lottery Distribution Fund. 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

		<b>2022/23</b>	<b>2021/22</b>
		<b>£'000</b>	<b>£'000</b>
<b>Accrued Grant Payments</b>			
Major Events	3	5,550	3,296
		<b>5,550</b>	<b>3,296</b>
<b>Other Grant Payments</b>			
Athletes		17,784	17,310
National Governing Bodies and Partners		43,601	66,418
International Relations		399	171
		<b>61,784</b>	<b>83,899</b>
<b>Total Grant Payments</b>		<b>67,334</b>	<b>87,195</b>

## 6. Staff Costs

		<b>2022/23</b>	<b>2021/22</b>
		<b>£'000</b>	<b>£'000</b>
Wages and Salaries		2,634	2,537
Other Staff Costs		19	10
Social Security Costs		324	292
Current Service Costs	12.3	1,188	1,175
Administration Expense Relating to Pension Scheme	12.3	3	14
<b>Total Employee Costs</b>		<b>4,168</b>	<b>4,028</b>

## 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:

	<b>2022/23</b>	<b>2021/22</b>
UK Sport		
<b>Average Staff Numbers</b>	<b>42</b>	<b>44</b>

## 8. Lottery Funds

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
The Lottery Fund is stated after charging for:		
External Auditors' Remuneration for Audit Work	43	30

No amounts are due to external auditors for non-current work. No non-audit work has been performed by the external auditors.

## 9. Intangible Assets

All intangible fixed assets are computer software.

	<b>£'000</b>
<b>Cost</b>	
At 01/04/22	713
Additions	9
<b>At 31/03/23</b>	<u>722</u>
<b>Amortisation</b>	
At 01/04/22	677
Charge for Year	19
<b>At 31/03/23</b>	<u>696</u>
<b>Net Book Value</b>	
<b>At 31/03/22</b>	<u>36</u>
<b>At 31/03/23</b>	<u>26</u>

All intangible fixed assets are computer software.

<b>Cost</b>	
At 01/04/21	685
Additions	28
<b>At 31/03/22</b>	<u>713</u>
<b>Amortisation</b>	
At 01/04/21	657
Charge for Year	20
<b>At 31/03/22</b>	<u>677</u>
<b>Net Book Value</b>	
<b>At 31/03/21</b>	<u>28</u>
<b>At 31/03/22</b>	<u>36</u>

## 10. Trade Receivables

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Trade Receivables	10	67
Other Receivables	10	-
Prepayments	11	25
<b>Total</b>	<b>31</b>	<b>92</b>

All amounts fall due within one year.

## 11. Trade Payables

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Trade Payables	-	-
Other Payables	383	91
VAT	-	11
Accruals and Deferred Income	217	330
<b>Total</b>	<b>600</b>	<b>432</b>

## 12. Superannuation Scheme

Staff at UK Sport (Grant-in-Aid and Lottery) are entitled to become members of the London Pension Fund Authority (LPFA) Superannuation Scheme. UK Sport is one of a large number of 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.

The administering authority for the Fund is the London Pensions Fund Authority. The LPFA Board oversees the management of the Fund whilst the day-to-day fund administration is undertaken by the Local Pensions Partnership in accordance with the Local Government Pension Scheme Regulations 2013.

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 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. 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.

The employer's contribution for the year amounted to £0.289m or 12.0% of pensionable pay (2021/22, £0.292 or 12.0%). The share charged to these accounts is a proportion of the amount paid by UK Sport in total.

Contributions are set every three years as a result of the triennial valuations by the consulting actuaries to the LPFA. There are no minimum funding requirements in the LGPS but the contributions are generally set to a target funding level of 100% using the actuarial valuation assumptions. If UK Sport was to withdraw from the fund, a cessation valuation would be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which would determine the termination contribution due, on a set of assumptions deemed appropriate by the Fund Actuary.

The latest valuation was at 31 March 2022, the results of which were confirmed in late 2022. The actuarial method used is market related, based on average yields and market values in the 12 months leading up to the valuation date. Following this revaluation, UK Sport's employer contribution rate was set at 9.1% of pensionable pay for the period until the next triennial valuation. The triennial valuation is due to be carried out every 3 years.

International Accounting Standard (IAS 19) 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.

The financial assumptions have been set with consideration of the duration of the Employer's past service liabilities, estimated to be 27 years.

## 12.1 Pension Commitments

<b>Financial Assumptions</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>%</b>	<b>%</b>
Salary Increases	3.9	4.2
Pension Increases	2.9	3.2
Discount Rate	4.8	2.6

### Average Future Life Expectancies at Age 65:

	<b>Males</b>	<b>Females</b>
	<b>(years)</b>	<b>(years)</b>
Current Pensioners	21.6	24.4
Future Pensioners	23.2	25.6

## 12.2 Fair Value of Employer's Assets

	<b>Fund</b>	<b>Fund</b>
	<b>Value at</b>	<b>Value at</b>
	<b>31/03/23</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Equities	5,664	5,126
Target Return Portfolio	1,909	2,029
Infrastructure	1,274	944
Property	969	827
Cash	192	307
<b>Total Fair Value of Assets</b>	<b>10,008</b>	<b>9,233</b>
Present Value of Scheme Liabilities	(10,010)	(16,299)
<b>Net Pension (Liability)/Asset</b>	<b>(2)</b>	<b>(7,066)</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>%</b>	<b>%</b>
Equities	56	56
Target Return Portfolio	19	22
Infrastructure	13	10
Property	10	9
Cash	2	3

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Service Cost	1,188	1,175
Net Interest on the Defined Liability	170	153
Administration Expenses	3	14
<b>Total</b>	<b>1,361</b>	<b>1,342</b>

### **12.4 Re-measurements in Other Comprehensive Income**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Return on plan assets in excess of interest	22	800
Other actuarial gains	83	-
Change in financial assumptions	9,182	964
Change in demographic assumptions	293	-
Experience (loss)/gain on defined benefit obligation	(1,520)	(36)
<b>Re-measurements</b>	<b>8,060</b>	<b>1,728</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening defined benefit obligation</b>	<b>16,299</b>	<b>15,799</b>
Remeasurement of opening balance	101	-
Current service cost	1,154	1,175
Interest cost	417	320
Change in financial assumption	(9,182)	(964)
Change in demographic assumptions	(293)	-
Experience loss/(gain) on defined benefit obligation	1,520	36
Estimated benefits paid net of transfer in	(233)	(236)
Past service costs including curtailments	34	-
Contributions by scheme participants	201	179
Unfunded pension payments	(8)	(10)
<b>Closing defined benefit obligation</b>	<b>10,010</b>	<b>16,299</b>

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

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening fair value of employer's assets</b>	<b>9,233</b>	<b>8,073</b>
Remeasurement of opening balance	162	-
Interest on asset	247	167
Return on assets less interest	22	800
Other actuarial gains	83	-
Administration expenses	(3)	(14)
Contributions by employer including unfunded	304	274
Contributions by scheme participants	201	179
Estimated benefits paid net of transfers in including unfunded	(241)	(246)
<b>Closing fair value of employer's assets</b>	<b>10,008</b>	<b>9,233</b>

## 12.7 History of Experience Gains and Losses

	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair Value of Employer Assets	10,008	9,233	8,073	6,499	6,681
Present Value of Defined Benefit Obligation	(10,010)	(16,299)	(15,799)	(10,599)	(11,247)
<b>Surplus/(Deficit)</b>	<b>(2)</b>	<b>(7,066)</b>	<b>(7,726)</b>	<b>(4,100)</b>	<b>(4,566)</b>
Experience Losses on Assets	-	-	-	-	-
Experience Gains/(Losses) on Liabilities	1,520	(36)	138	(160)	-

In order to assess the actuarial value of the LPFA's liabilities as at 31 March 2023 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 IAS 19. 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.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2023 without completing a full valuation. The actuary is satisfied that the approach of rolling forward the previous valuation to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of UK Sport 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.

To calculate the asset share Barnett Waddingham 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 accounts in accordance with accounting policy Note 1.5.

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination in the Judicial and Fire Service pension schemes respectively. In June 2019 the Government was refused leave to appeal and the Government Actuary Department developed a methodology to estimate the impact of this judgement on those bodies that are part of the Local Government Pension Scheme. The impact based on this initial methodology has been included on the figures presented here at 31 March 2023.

## 12.8 Sensitivity

Participating in this defined benefit pension scheme means that UK Sport is exposed to a number of risks, including investment and interest rate risk with regards to the market values and returns of the fund assets. The benefits of the fund are also linked to inflation, whilst the fund assets are not, which gives rise to a risk that deficits may emerge as a result of this. There are also demographic risks, for example that members of the fund live longer than has been assumed.

In addition, as many unrelated employers participate in the London Pension Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

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

	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	9,790	10,010	10,238
<b>Adjustment to long term salary increase</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	10,020	10,010	10,000
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.10%</b>	<b>0%</b>	<b>-0.10%</b>
Present value of total obligation	10,231	10,010	9,796
<b>Adjustment to mortality age rising assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present value of total obligation	10,334	10,010	9,697

## 13. Reconciliation of Increase in Lottery Funds Before Taxation to Net Cash Inflow/ (Outflow) from Operating Activities

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
(Decrease)/Increase in Lottery Funds Before Taxation	8,770	(10,103)
(Increase)/Decrease in Receivables	61	71
(Decrease)/Increase in Payables	(404)	(1,155)
Amortisation of Intangible Assets	19	20
Interest Receivable	(31)	(1)
Decrease/(Increase) in NLDF	(22,568)	6,690
Pension Scheme: Non-Cash Movement	880	893
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(13,273)</b>	<b>(3,585)</b>

## 14. Change in Cash and Cash Equivalents

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
Opening Cash Balance	13,929	17,541
Net Cash Inflow/(Outflow)	(13,251)	(3,612)
<b>Cash and Bank Balances at Year End</b>	<b>678</b>	<b>13,929</b>

## 15. Financial Instruments

Most financial instruments relate to contracts for non-financial items in line with DCMS's expected purchase and usage requirements. UK Sport is therefore exposed to limited credit, liquidity or market risk.

### *Liquidity Risks*

In the year £80.625m or 97.85% (2021/22, £82.433m or 99.8%) 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 grant commitments and other liabilities in the short and longer term is dependent on adequate sales revenue from the National Lottery.

### *Interest Rate Risks*

The financial assets of the Fund are invested in the National Lottery Distribution Fund (NLDF), 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 NLDF.

At the balance sheet date the market value of UK Sport's share of investment in the National Lottery Distribution Fund was £58.114m (2021/22, £35.546m). In the year the average return on these investments was 0.5% (2021/22, 0.3%). 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 £0.678m (2021/22, £13.929m). 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

At 31 March 2023, UK Sport Lottery Fund had no contingent liabilities requiring disclosure.

## 17. Capital Commitments

As at 31 March 2023, the Lottery Fund had made no commitments to purchase further capital equipment (31/03/22, £nil).

## 18. Events After the Reporting Period

The accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. **There are no other post balance sheet events requiring disclosure.**

## 19. Related Party Transactions

UK Sport is an Arm's Length Body sponsored by DCMS, who are regarded as a related party. During 2022/23 UK Sport had various material transactions with DCMS and with the Sports Councils for the Home Countries.

As a matter of policy and procedure the Board, and Committee members, Award Panel members and staff maintain registers of interest which are available to the public. In these they are required to declare any interests, both direct and indirect, of commercial interests with the UK Sport together with interests associated with grant applications. Where a member has an interest they are required to declare it and exclude themselves from relevant grant appraisal discussions and other commercial decisions.

The following table details those related party transactions that arose during the year along with any outstanding amounts due at the balance sheet date. Details of remuneration for key management personnel can be found in the remuneration and staff report within the Accountability report.

Person	Other related appointments	Transaction/Balance (e.g. grant)	Amounts (£)
UKSI	Subsidiary of UK Sport Exchequer	Recharged income	8,000
		Grant expenditure	-
		Other costs	-
John Dowson UK Sport Board (Observer) Group Audit & Risk Committee (Member)	UKSI (Chair)	Recharged income, grant expenditure and other costs	See above
Vic Luck Group Audit & Risk Committee (Member)	UKSI (Director)	Recharged income, grant expenditure and other costs	See above
Mel Young UK Sport Board (Member)	sportscotland (Chair)	Grant expenditure	264,000
Tanni Grey-Thompson UK Sport Board (Member)	Sport Wales (Chair)	Grant expenditure	189,000

Person	Other related appointments	Transaction/Balance (e.g. grant)	Amounts (£)
Chris Boardman	Sport England (Chair)	Other income	10,000
UK Sport Board (Member)		Accounts Receivable	10,000
Scott Smith	The Grand National Archery Society (Archery GB) (Board member)	Other costs	36,000
Group Audit & Risk Committee (Member)			



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