

The English Institute of Sport Limited

**Annual Report and Financial Statements
For the year ended 31st March 2020**

The English Institute of Sport Limited

**Annual Report and Financial Statements
For the year ended 31st March 2020**

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

Ordered by the House of Commons to be printed 24 February 2021



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The English Institute of Sport Limited

Financial Statements

Year Ended 31 March 2020

Contents	Pages
Officers and Professional Advisers	1
Strategic Report	2 -3
Directors' Report	4 - 12
The Certificate and Report of the Comptroller and Auditor General to the Members	13 - 16
Statement of comprehensive income	17
Balance sheet	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the Financial Statements	21 – 36
The Following Pages Do Not Form Part of the Financial Statements	
Detailed breakdown of Operating and Administrative expenses	38

The English Institute of Sport Limited
Company Registration Number 04420052

Officers and Professional Advisers

Directors	J Steele - Chair (resigned 31 December 2020) N Walker OBE – National Director V Aggar V Luck S Munday (resigned 16 May 2019) Sir David Tanner CBE C Warr (resigned 10 February 2020) J Skiggs A Panter (resigned 17 December 2019) M Rogan K Van Someren E Boggis (appointed 18 October 2019) A Parkinson (appointed 18 October 2019)
Company Secretary	J Quick
Registered Office	The Manchester Institute of Health and Performance 299 Alan Turing Way Manchester M11 3BS
Auditor	Comptroller and Auditor General National Audit Office 157 – 197 Buckingham Palace Road Victoria London SW1W 9SP

The English Institute of Sport Limited

Strategic Report

Year Ended 31 March 2020

The results and a detailed review of the main activities carried out in the year are contained in the Directors' Report.

At the heart of The English Institute of Sport (EIS) Tokyo strategy (the four-year cycle to 2021) is the drive to ensure that our service provision is specifically tailored to achieve maximum performance impact for each World Class Programme (WCP) and is delivered as effectively and efficiently as possible. The eight strategies to deliver this goal remain in place although the timeline has moved by a year with the postponement of the Olympic and Paralympic Games to 2021

- What it Takes to Win – deliver and develop world leading front line support to achieve 'What it Takes to Win' (WITTW) within each sport.
- Prioritising Athlete Health – contribute to optimal athlete well-being and availability for preparation and performance by supporting risk management of sports' most prevalent injuries and illnesses.
- Performance Innovation – cultivate an environment that enables athletes to gain a performance advantage through novel application of ideas.
- People Development – Work in Partnership with sports to attract, develop and retain high performing individuals who can deliver our vision aligned to our values.
- Exceptional Athlete and Coach Support – Exceptional athlete and coach support, through exceptional services and people.
- Managing World Class Programmes – in partnership with National Governing Bodies (NGBs) provide effective performance leadership and governance to targeted WCPs.
- Operational Excellence – provide robust and agile support to performance through operational excellence and strong governance.
- Organisational Health – optimise long term organisational performance through rigorous focus on organisational health.

There are several risks that are actively being managed, with the primary ones being:

- Risks around long term funding;
- Risks around staff retention and the loss of talent due to restrictions on pay increases;
- Risks around recruitment and the challenges attracting new practitioners of the required standard;
- Risks associated with practice going beyond boundaries of ethical acceptability;
- Risks around cyber security, data protection and information management;

In addition, the EIS is monitoring the risk that COVID-19 has on both the EIS and the wider sports system. These include impact on EIS people's wellbeing, financial impact, impact on service quality and impact on its relationships with NGBs. The Senior Leadership Team (SLT) increased employee engagement, continued to liaise directly with stakeholders and NGBs, enhanced mental health provision and continued to monitor the financial situation.

The English Institute of Sport Limited

Strategic Report *(continued)*

Year Ended 31 March 2020

The emphasis over the next 12 months will be on ensuring maximum resources are dedicated to Tokyo performance impact alongside athlete welfare initiatives.

Signed by order of the directors

N Walker OBE, Director

Approved by the directors on 2 February 2021

The English Institute of Sport Limited

Directors' Report

Year Ended 31 March 2020

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2020.

Principal Activities and Business Review

The EIS provides sport science, medicine, technology and engineering services to elite athletes, primarily in World Class funded sports (the company's principal activity). The company is a wholly owned subsidiary of The United Kingdom Sports Council (UKS).

EIS continues to receive core funding from UKS to support its infrastructure, with direct costs of service provision funded by charging the National Governing Bodies (NGBs) for agreed levels of service. NGB income has increased above expectations for the third year in a row as more sports engage practitioners across more disciplines than in the past.

The main activities during the year have included:

- The EIS continues to work with 33 Olympic, Paralympic and English sports;
- The EIS manages the Sport Climbing Medal Support Plan (MSP) for Shauna Coxsey. Shauna secured qualification for the Olympic Games becoming the first climber selected for Team GB;
- The EIS continues to manage the Wheelchair Fencing World Class Programme. Piers Gilliver and Dimitri Coutya have continued to have medal success in World Cup events over the past 12 months with both ranking at number one in their classification;
- As part of the EIS Athlete Health strategy 48 mental health awareness workshops were run across 26 sports, UKS and the EIS in 2019. A MSc research project looking at the workshops' impact showed an increase in confidence in talking about mental health. Mental Health Champions Training has been developed and started to be delivered as the next step in mental health education;
- A mental health panel of experts provides guidance and support. To date 105 requests have been made to access the resource;
- The EIS mental health team has helped to develop mental health strategies in 19 WCP's;
- A study on upper respiratory tract infections completed the testing phase in March 2020. This is the largest cause of lost training days across the high-performance system. Close to 100 athletes with specific susceptibility to infection were tested. The output of this will be evaluated through the course of the coming months;
- The EIS worked closely alongside the British Paralympic Association (BPA) to ensure Paralympic athletes are as prepared as possible for the Paralympic Games in Tokyo. Project Theta involved the creation of heat alleviation resources, heat screening and development of strategies to alleviate heat impact in Tokyo;
- The EIS continued its specific work around female athletes (branded SmartHer). This involved 'female athlete fundamentals' roadshows, optimising bra fitting and specific projects around the menstrual cycle and female hormones;
- The Performance Innovation Team worked on 130 projects across 33 sports.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Principal Activities and Business Review *(continued)*

- The EIS continued its commitment to learning by providing opportunities for its people through professional studies, learning events, online resources and communities of practice

Communication of progress against strategies and developments within the organisation remained a high priority through the year. Staff have been kept informed and updated via a variety of communication methods, including the annual national conference, all staff teleconferences held quarterly and weekly updates. Engagement with NGBs has been a priority and all members of EIS SLT actively engage and seek feedback from governing bodies. Market share of relevant services with NGBs has grown by over 10% since the start of the cycle.

The EIS conducted its own staff survey in 2019.

Some of the key findings included:

- 95% of staff agreed: "I feel proud to work for the EIS" (2018: 94%)
- 84% of staff agreed: "This job is good for my personal growth" (2018: 84%)
- 89% of staff agreed: "I feel I have the right support to provide a great service" (2018: 88%).

The Senior Leadership Team (SLT) works through the key areas for improvement and feeds this back to staff regularly.

There have been a number of activities to improve the recruitment, retention and development of staff over the past twelve months. These include regional recruitment skills workshops, investment in technology to improve the recruitment process and line manager training. This is supplemented by online support.

The EIS has taken steps to enhance cyber security protection over the past twelve months. This includes simulated phishing attacks, simulated ransomware attacks and enhanced technical security. Regular organisation wide communication is undertaken to highlight risks in this area. There have been no successful attacks in the last twelve months.

In 2020, the EIS reported on the gender pay gap for the third time. The gender pay gap looks at the average hourly pay of all male and female employees. The median gender pay gap is 14.5% (last year 10.4%). The mean gender pay gap of the EIS is 14.9% (last year 13.4%). Unfortunately, both the mean and median gender pay gap has moved in the wrong direction. The Senior Leadership Team continues to lead and investigate the underlying causes of the pay gap. The SLT is currently reviewing the overall pay and benefits package as part of the future strategy, which will come into play, subject to funding decisions to be made by UK Sport in 2021. We will continue to focus on actions with respect to continuing to encourage and support females to develop towards and thrive in senior posts within the EIS.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Principal Activities and Business Review *(continued)*

The outbreak of COVID-19 had little direct impact on the EIS financial performance for the year ended 31 March 2020. EIS sites were closed from Monday 23 March. A number of learning and development events were cancelled and there was a general reduction in travel throughout March. The organisation was prepared to work from home. Disciplines have worked closely with sports to continue to provide services remotely.

Governance

The EIS Board meets up to six times a year to provide strategic direction to the organisation. Board members are appointed for a maximum term of four years. At the end of this time directors may be re-appointed for a further four-year term (i.e. maximum of two, four-year terms in total).

UK Sport is entitled to appoint three Directors to the Board of EIS, one of whom is appointed as the Chair. John Steele was the Chair for the period of these accounts. He resigned his position at the end of December 2020 at the end of his second term and in line with the Code for Sport's Governance. Recruitment of a new Chair is in progress. Chelsea Warr, the UKS Director of Performance was a member of the EIS Board until her resignation in February 2020. Anne Panter was the UKS Board's third representative member on the EIS Board until her resignation in December 2019. These two positions are still vacant. Two new appointments were made in the year. Andy Parkinson joined in October replacing Sally Munday who resigned in May 2019, following her appointment as UK Sport CEO in September 2019. Emma Boggis also joined in October 2019. Vic Luck is the Senior non-executive Director. The Board comprises two females and seven males.

Monitoring of strategic KPIs are undertaken by EIS Mission Control group attended by two external advisors. KPIs include market share, employee and customer satisfaction and cost per day. Reporting is provided to the Board quarterly.

The Boards of UK Sport and the EIS have a Group Audit and Risk Committee (GARC) to support them in their respective responsibilities for issues of risk, control and governance. Membership consists of three UK Sport non-executive board members, one of whom is the chair, one non-executive EIS board member and up to two independent members. Responsibilities include advising on accounting policies, risk monitoring frameworks, internal and external audit planning and anti-fraud, anti-bribery and anti-corruption arrangements and review of annual reports. The GARC meets 4 times per year and reports back to the EIS Board. BDO provides internal audit services on behalf of the GARC. Their annual report stated that the EIS has adequate systems of governance, risk management and internal control.

The Nomination and Remuneration Committee is a sub-committee of the EIS Board. Key responsibilities include setting executive pay, executive role descriptions, review of board skills and appointments. The committee reports back to board bi-annually.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Governance *(continued)*

The EIS continues to monitor compliance with General Data Protection Regulations (GDPR) through a data privacy framework that tracks key areas of activity. This includes KPI to monitor subject access requests, Data Protection Impact assessments completed and data incidents. During 2019, there were no data incidents that were reportable to the Information Commissioner's Office (2018: 1).

The EIS SLT monitors all strategic risks under the headings of People, Reputation, Finance / Governance and Performance. These include staff retention, budgetary compliance, cyber security, performance impact and data protection. This is reviewed regularly within the EIS and reported to the Group Audit and Risk Committee and EIS Board quarterly.

The EIS has a number of policies and procedures that effectively describe to staff the details of their responsibilities. These include anti-fraud, anti-bribery, anti-corruption, gifts and hospitality, health and safety, EIS professional code, information retention and whistleblowing and confidential disclosure.

The EIS is classified as a tier 3 organisation under the Code for Sports Governance and were deemed compliant with the code in 2017. EIS SLT monitors ongoing compliance with the code and the Board is regularly updated.

Future Developments

A key focus for the SLT will be to ensure our activities enable athletes' maximum opportunity of success at the postponed Tokyo Games in 2021. This will be a continuation of the Tokyo strategy aligned with specific return to training plans.

Whilst Tokyo remains a priority, preparations for the Paris cycle have begun. The strategy has been created with a goal to put "people at the heart of extraordinary performance". The strategy was completed following extensive consultation with stakeholders and presents an evolution from the Tokyo strategy. Activity will be prioritised on the basis of athlete, sport and high-performance system need and aligned to the funding levels available. In December 2020, UKS indicated the EIS would receive an indicative award of £66M for the period April 2021 to March 2025, with 25% of this available in year 1 of the cycle. The EIS SLT will be developing a program of activity within this funding envelope.

Putting performance planning with sports at the heart of what the EIS does and orientating the EIS around the support and development of high performing Performance Support Teams will be another key focus area.

The EIS will continue to lead on areas of Athlete Health within high performance sport. Extra emphasis will be put into improving the support around athlete welfare and a significant growth in the support for positive mental health. This area has taken on added importance following the outbreak of COVID-19. Additional resources will support athletes and staff through the consequences of the postponement of the Tokyo Games to 2021. In addition, the EIS will develop travel protocols to ensure Athletes and staff can travel to the Games in 2021.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Future Developments *(continued)*

A commitment to developing world leading knowledge and expertise in significant emerging areas of performance impact will continue to be the focus of our Performance Innovation strategy. This will ensure that the sports the EIS works with have world leading intelligence and cutting-edge practices at their disposal when competing on the world stage.

In partnership with sports, the EIS will continue to strive to underpin world class delivery by recruiting, developing and retaining exceptionally talented and motivated individuals. Further work will be undertaken to enhance the EIS overall employee reward package to ensure this supports the people development strategy to Paris and beyond.

The EIS will continue to manage expenditure in line with budget constraints. Long-term planning and prioritising of activities will ensure the maximum impact can be achieved from the funds available.

The EIS will continue to focus on long term organisational health. Specific KPIs and objectives have been developed. Key focus areas are: culture, market share, attracting and retaining talent, developing the brand, financial stability and governance. Organisational Health underpins the long-term health of the organisation.

The EIS will continue to take measures to enhance cyber security. This will involve employee education alongside enhancing physical security, working with our partners in the high-performance system and external experts.

We will continue to focus resources to create world leading performance environments, working closely with UKS in support of the Elite Training Centre concept and prioritising additional capital investment at our High-Performance Centres.

Going Concern

The accounts have been prepared on a going concern basis. The directors have reviewed this position and are satisfied that the company is operating as a going concern, despite ongoing budgetary pressures. Detailed budgets have been prepared for the remainder of the funding cycle, resulting in a break-even position by 31 March 2021. UKS have indicated it will make an award of up to £16.5M for the year April 2021 to March 2022. The EIS SLT will prioritise activity within the funding available.

Service level agreements are in place with 33 Olympic, Paralympic and English funded sports, the majority of which are committed until March 2021. The process to renew these for the next four-year cycle is already underway. The EIS directors are confident these will be renewed given the preparations required ahead of the summer Olympic and Paralympic Games.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Going Concern *(continued)*

The SLT has assessed the impact of COVID-19 on the ongoing activities of the EIS. Firstly, 70% of our income is provided by UK Sport and this is guaranteed to March 2021. 27% of our income is through services sold to National Governing Bodies. In turn, their income for these services come from UK Sport. Discussions with key stakeholders give the EIS SLT comfort that these payments will continue to be made. The EIS has also taken steps to ensure our services can continue to be provided remotely. The EIS SLT are confident the financial risk can be managed accordingly.

The EIS is also working closely with all stakeholders to ensure the return to training environments will be smooth when the time comes.

At the last triennial pension valuation (March 2019) the EIS defined benefit scheme was in surplus with a funding level of 119.5% (March 2016 surplus was 116.6%). Contributions to fund the scheme are included in the financial plan for the cycle and remain at 12%.

Given all the above, the directors have reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements, which indicate that, taking account of reasonable possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Disabled Persons

EIS employs disabled persons on merit and every effort is made to ensure that all applicants are given full and fair consideration at all times. All reasonable adjustments are made to meet the needs of disabled employees and an occupational health service is provided to assess the needs of employees, where required, during the course of their employment. EIS is committed to providing training and development opportunities to all of its employees, both able bodied and disabled. EIS has achieved the Preliminary level of the Equality Standard for Sport and the Intermediate level of the Standards for Safeguarding and Protecting Children in Sport.

Results

The deficit for the year, after taxation, amounted to £4,273,000 (2019: deficit £4,927,000). The deficit is caused by a charge to pension contributions of £3,525,000 (2019: £4,159,000) in respect of service costs and a net interest charge on the defined liability of £807,000 (2019: £763,000) both as a result of the FRS102 actuarial valuation of the pension scheme. The lower service cost in the year to 31 March 2020 compared with the prior year is due to the net of an increase in the current service cost of £552,000 and a reduction of £1,121,000 in the past service cost which for the year to 31 March 2019 included an estimate of the McCloud/Sargent judgment (refer to note 13)

The balance sheet showed net liabilities as at 31 March 2020 of £26,163,000 (2019: net liabilities of £33,820,000) of which £26,272,000 (2019: £33,812,000) is caused by the Defined Benefit pension scheme liability. The pension scheme valuation for FRS102 purposes differs from the triennial valuation as a result of a different set of actuarial assumptions being used.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Financial Risk Management Objectives and Policies

With approximately 27% of our funding secured through service level agreements with NGBs it is key that we meet the performance objectives set out in these agreements in order to retain this funding. To that end each of our sports has a dedicated point of contact who closely monitors both the quantity and quality of service provision provided, liaising regularly with the sport in the process.

The EIS is bound by Funding Agreements (alongside a separate Financial Memorandum) and KPIs are agreed annually to ensure we meet the requirements of our key funder, UKS. Progress against the KPIs is reviewed quarterly by the EIS SLT and by the EIS Board. The majority of KPIs being reported against are on target, and corrective action is being taken for those that are not.

Regular meetings have been held throughout 2019/20 with UK Sport to review performance. In addition, governance/risk issues are addressed via the Group Audit and Risk Committee.

An EIS Risk Management Strategy is in place which covers all areas of risk, financial or otherwise, and the EIS Risk Register is reviewed and updated by the SLT and Board on at least a quarterly basis. Specific areas of risk are addressed through the internal audit programme.

Remuneration Policy

In the interest of transparency, the EIS publishes the collective salary of the Senior Leadership Team which for the year ended 31 March 2020 was £888,869 (2019: £902,085). The slight decrease on the prior year is mainly due to the departure of the Director of Performance Support part way through the year ended 31 March 2019 in August 2018. The position has not been replaced since to allow a review of the future role requirement.

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Directors

The directors who served the company during the year and their remuneration are detailed below, together with details of reimbursed meeting expenses for unremunerated non-executive directors:

Name	Position	Emoluments (£000)	Expenses (£000)	
J Steele	Chairman	10-15	-	Resigned 31 December 2020
N Walker OBE	National Director	140-145	-	
V Aggar	Director	-	1	
V Luck	Director	-	3	
S Munday	Director	-	-	Resigned 16 May 2019
Sir D Tanner CBE	Director	-	1	
C Warr	Director	-	-	Resigned 10 February 2020
J Skiggs	Director	95-100	-	
A Panter	Director	-	-	Resigned 17 December 2019
M Rogan	Director	-	-	
K Van Someren	Director	-	1	
E Boggis	Director	-	1	Appointed 18 October 2019
A Parkinson	Director	-	-	Appointed 18 October 2019

The company has indemnity insurance in relation to the directors.

Directors' Responsibilities

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

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

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

The English Institute of Sport Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Directors' Responsibilities *(continued)*

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

Registered office;
The Manchester Institute of
Health and Performance
299 Alan Turing Way
Manchester
M11 3BS

Signed by order of the directors

N Walker OBE
Director

Approved by the directors on 2 February 2021

The English Institute of Sport Limited

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

Year Ended 31 March 2020

Opinion on financial statements

I certify that I have audited the financial statements of The English Institute of Sport Limited for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including Financial Reporting Standard 102- “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102).

In my opinion:

- the financial statements give a true and fair view of the state of the company’s affairs as at 31 March 2020 and of the total comprehensive net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the United Kingdom accounting standards, including FRS102; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Emphasis of Matter – Disclosure in relation to the Company’s Pension assets

I draw attention to the disclosure made in note 13 to the financial statements concerning the material uncertainty in pension asset valuations triggered by the Covid-19 pandemic. My opinion is not modified in respect of this matter.

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 on opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 ‘Audit of Financial Statements of Public Sector Entities in the United Kingdom’. 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 2016. I am independent of The English Institute of Sport Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK, and me and my staff 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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

The English Institute of Sport Limited

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

Conclusions relating to going concern *(continued)*

- the English Institute of Sport's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the English Institute of Sport's have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the English Institute of Sport's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the directors for the financial statements

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

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- Such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
- assessing The English Institute of Sport Limited's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The English Institute of Sport Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

The English Institute of Sport Limited

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

Auditor's responsibilities for the audit of the financial statements *(continued)*

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the English Institute of Sport's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the English Institute of Sport's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause English Institute of Sport to cease to continue as a going concern.

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 that I identify during my audit.

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

Other Information

Management is responsible for the other information. The other information comprises information included in the Strategic Report and Directors' Report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, 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, 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 prescribed by the Companies Act 2006

In my opinion:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; or

The English Institute of Sport Limited

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

Matters on which I report by exception *(continued)*

- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements

Gareth Davies
Comptroller and Auditor General

4 February 2021

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

The English Institute of Sport Limited

Statement of comprehensive income

Year ended 31 March 2020

	Note	2020 £000	2019 £000
Income	2	27,695	28,004
Payroll costs	3,4	(20,960)	(20,827)
Operating costs	3	(10,210)	(11,351)
		<hr/>	<hr/>
Operating deficit before interest and taxation	3	(3,475)	(4,174)
Interest receivable and similar income	5	9	9
Interest payable	6	(807)	(763)
		<hr/>	<hr/>
Deficit on ordinary activities before taxation		(4,273)	(4,928)
Tax on ordinary activities	7	-	1
		<hr/>	<hr/>
Deficit for the financial year		(4,273)	(4,927)
Remeasurement of the net defined benefit liability	13	11,930	1,332
		<hr/>	<hr/>
Total comprehensive net income/(expenditure) for the year		7,657	(3,595)

All of the activities of the company are classed as continuing.

For a detailed breakdown of payroll and operating costs please refer to page 38.

The notes on pages 21 to 36 form part of these financial statements

The English Institute of Sport Limited

Balance sheet

31 March 2020

	Note	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	8		1,482		1,688
Intangible assets	9		932		960
			<u>2,414</u>		<u>2,648</u>
Current assets					
Debtors	10	1,817		1,987	
Cash at bank		<u>1,027</u>		<u>928</u>	
		2,844		2,915	
Creditors: Amounts Falling due Within One Year	11		<u>(2,617)</u>		<u>(2,825)</u>
Net current assets			<u>227</u>		<u>90</u>
Total assets less current liabilities			2,641		2,738
Deferred income	12		<u>(2,532)</u>		<u>(2,746)</u>
Net liabilities excluding pension liability			109		(8)
Defined benefit pension scheme liability	13		<u>(26,272)</u>		<u>(33,812)</u>
Net liabilities including pension liability			<u>(26,163)</u>		<u>(33,820)</u>
Reserves					
Retained earnings			<u>(26,163)</u>		<u>(33,820)</u>

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

These financial statements were approved by the directors and authorised for issue on the date of the C&AG's signature of the audit certificate and are signed on their behalf by:

Nigel Walker OBE on 2 February 2021

Director

Company number: 04420052

The notes on pages 21 to 36 form part of these financial statements

The English Institute of Sport Limited

Statement of changes in equity

31 March 2020

	2020	2019
	£000	£000
Retained earnings brought forward	(33,820)	(30,225)
Total comprehensive net income/(expenditure) for the year	<u>7,657</u>	<u>(3,595)</u>
Retained earnings carried forward	<u>(26,163)</u>	<u>(33,820)</u>

The notes on pages 21 to 36 form part of these financial statements

The English Institute of Sport Limited

Statement of cash flows

31 March 2020

	2020	2019
	£000	£000
Cash flows from operating activities		
Deficit for the financial year	(4,273)	(4,927)
<i>Adjustments for:</i>		
Depreciation of tangible assets	779	707
Amortisation of intangible assets	409	411
Other interest receivable and similar income	(9)	(9)
Interest paid	807	763
Loss on disposal of fixed assets	14	14
Provision for service cost of defined pension scheme	5,235	5,804
Defined benefit pension scheme contributions paid	(1,710)	(1,645)
Administration expenses of defined pension scheme	58	50
Tax on profit on ordinary activities	-	-
Deferred income	(214)	(73)
Provisions	-	-
<i>Changes in:</i>		
Trade and other debtors	170	(760)
Trade and other creditors	(208)	(477)
Cash generated from operations	1,058	(142)
Interest payable	-	-
Tax received	-	-
Net cash used in operating activities	1,058	(142)
Cash flows from investing activities		
Purchase of tangible assets	(587)	(733)
Purchase of intangible assets	(382)	(354)
Interest received	9	9
Proceeds from sale of tangible assets	1	-
Net cash used in investing activities	(959)	(1,078)
Cash flows from financing activities		
Repayments of finance lease obligations	-	-
Net cash (used in)/from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	99	(1,220)
Cash and cash equivalents at beginning of year	928	2,148
Cash and cash equivalents at end of year	1,027	928

The notes on pages 21 to 36 form part of these financial statements

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 Accounting Policies *(continued)*

General Information

The English Institute of Sport Limited (the “EIS”) provides sport science, medicine, technology and engineering services to elite athletes, primarily in World Class funded sports. The company is a wholly owned subsidiary of The United Kingdom Sports Council (UKS).

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

Basis of Accounting

The financial statements of the EIS are prepared on a going concern basis as referred to in the Directors’ report and below and in accordance with FRS102, “The Financial Reporting Standard applicable in the UK and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

Notwithstanding net liabilities of £26,163,000 as at 31 March 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from UK Sport to meet its liabilities as they fall due for that period.

UK Sport has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Use of Estimates and Judgements

The preparation of financial statements 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. The pension costs recognised within these financial statements are subject to key assumptions as set out in note 13.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 Accounting Policies *(continued)*

Use of Estimates and Judgements *(continued)*

Included within these is an assumed difference between CPI (which drives future pension increases) and RPI. At 31 March 2020, the actuary has estimated CPI to be lower than the RPI by 0.8%, compared to a difference of 1.0% applied at 31 March 2019. This change reflects the movement in market implied inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated. This change in accounting estimate has therefore driven an increase in the defined benefit obligation of £4,448,000.

UK Sport Grant Income

The UK Sport grant income shown in the income and expenditure account represents amounts receivable from UK Sport during the year less amounts credited to a deferred income account. Grant income received during the financial year but not used is deferred until the following year. Grant funding used to acquire fixed assets is credited to this account and then released over the life of the assets (see note 12).

Income from sale of services

The income from sale of services shown in the income and expenditure account represents amounts receivable from National Governing Bodies for services provided during the year.

Fixed Assets

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

Depreciation

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

Leasehold Improvements	- 5 years
Fixtures & Fittings	- 5 years
Computer Equipment	- 3 years

Intangible Assets

Intangible assets acquired by the company are measured at cost less accumulated amortisation

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 Accounting Policies *(continued)*

Amortisation

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

Software & Licences - up to 5 years

Financial Instruments

Basic financial assets including trade and other debtors, and cash and bank balances are recognised at transaction price, as are the basic financial liabilities of trade and other creditors.

Finance Lease Agreements

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

Operating Lease Agreements

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

Pension Costs and Other Post-Retirement Benefits

The London Pension Fund Authority pension scheme is a defined benefit scheme. The amount charged to the Statement of comprehensive income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variation from the cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of comprehensive income.

The defined benefit scheme is funded, with assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 Accounting Policies *(continued)*

Pension Costs and Other Post-Retirement Benefits *(continued)*

date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return of high-quality corporate bonds of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Taxation

The company is liable for taxation on interest receivable and any non-lottery funded income in excess of expenditure.

2 Income

The deficit before tax is attributable to the one principal activity of the company.

An analysis of income is given below:

	2020	2019
	£000	£000
UK Sport grant	19,405	20,426
Sport England grant	415	422
Income from sale of services	7,385	6,932
Sponsorship income	15	15
Other income	291	155
Grant released to the income & expenditure account in respect of depreciation	395	902
Transfer of fixed asset additions to deferred income	(176)	(872)
Grant income released from prior year	46	70
Unused grant released carried forward	(81)	(46)
	<u>27,695</u>	<u>28,004</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

3 Operating deficit

	2020	2019
	£000	£000
Operating deficit is stated after charging:		
Wages and salaries	14,198	13,596
Social security costs	1,520	1,451
Redundancy costs	6	17
Other pension costs	5,236	5,763
Total payroll costs	20,960	20,827
Travel and subsistence	1,309	1,428
Information systems costs	774	767
Research and technical consultancy	2,142	3,083
Auditor's remuneration *	15	13
Depreciation of tangible fixed assets	779	707
Amortisation of intangible fixed assets	409	411
Loss on disposal of fixed assets	13	14
Operating lease costs	1,585	1,700
Other operating costs	3,184	3,228
Total operating costs	10,210	11,351

*No non-audit fees were paid to external auditors (2019: Nil). The external audit fee is £14,500 (2019: £13,000).

4 Employees and directors

Employees

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

	2020	2019
Management	10	11
Administration	25	24
Operations	364	346
	399	381

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

4 Employees and directors *(continued)*

Directors

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

	2020	2019
	£000	£000
Emoluments receivable	249	248
Value of company pension contributions to defined benefit schemes	30	27
	<u>279</u>	<u>275</u>

Three directors (2019: three) are accruing benefits under the company defined benefit pension scheme.

Of the total amount above, the emoluments attributable to the highest paid director are £140,153 (2019: £141,439) and the pension contributions attributable to the highest paid director are £16,818 (2019: £14,573).

The accrued pension of the highest paid director at year end is £24,651 (2019: £21,379) and the accrued lump sum of the highest paid director at year end is £Nil (2019: £Nil).

5 Interest income and similar income

	2020	2019
	£000	£000
Bank interest receivable	<u>9</u>	<u>9</u>

6 Interest payable

	2020	2019
	£000	£000
Net interest on defined pension liability	<u>807</u>	<u>763</u>
	<u>807</u>	<u>763</u>

7 Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2020	2019
	£000	£000
Current tax:		
UK Corporation tax based on the results for the Year at 19% (2019: 19%)	<u>-</u>	<u>(1)</u>
Total current tax	<u>-</u>	<u>(1)</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

7 Taxation on Ordinary Activities *(continued)*

(b) Reconciliation of tax charge

The tax assessed on the deficit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£000	£000
Deficit on ordinary activities before taxation	<u>(4,273)</u>	<u>(4,928)</u>
Deficit on ordinary activities by the rate of tax	-	-
Net income and expenditure not attributable for tax	-	-
Adjustment to tax charge in respect of prior years	-	(1)
	<hr/>	<hr/>
Total current tax	<u>-</u>	<u>(1)</u>

8 Tangible Fixed Assets

	Leasehold Improvements £000	Fixtures & Fittings £000	Assets held under finance leases £000	Computer Equipment £000	Total £000
Cost					
At 1 April 2019	145	6,099	70	1,228	7,542
Additions	4	439	-	144	587
Disposals	<u>(3)</u>	<u>(623)</u>	<u>(28)</u>	<u>(78)</u>	<u>(732)</u>
At 31 March 2020	<u>146</u>	<u>5,915</u>	<u>42</u>	<u>1,294</u>	<u>7,397</u>
Depreciation					
At 1 April 2019	136	4,665	70	983	5,854
Charge for the year	4	610	-	165	779
On disposals	<u>(3)</u>	<u>(610)</u>	<u>(28)</u>	<u>(77)</u>	<u>(718)</u>
At 31 March 2020	<u>137</u>	<u>4,665</u>	<u>42</u>	<u>1,071</u>	<u>5,915</u>
Net book value					
At 31 March 2020	<u>9</u>	<u>1,250</u>	<u>-</u>	<u>223</u>	<u>1,482</u>
At 31 March 2019	<u>9</u>	<u>1,434</u>	<u>-</u>	<u>245</u>	<u>1,688</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

9 Intangible Assets

	Software & Licences £000
Cost	
At 1 April 2019	2,372
Additions	382
Disposals	(61)
At 31 March 2020	<u>2,693</u>
Amortisation	
At 1 April 2019	1,412
Amortisation for the year	409
On disposals	(60)
At 31 March 2020	<u>1,761</u>
Net book value	
At 31 March 2020	<u>932</u>
At 31 March 2019	<u>960</u>

10 Debtors

	2020 £000	2019 £000
Trade debtors	681	1,079
Amounts owed by group undertakings	14	7
Other debtors	28	11
Prepayments and accrued income	1,094	890
	<u>1,817</u>	<u>1,987</u>

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

11 Creditors: Amounts Falling due Within One Year

	2020	2019
	£000	£000
Trade creditors	1,051	1,097
Amounts owed to group undertakings	16	6
Other creditors including taxation and social security:		
Corporation tax	-	-
Other taxation and social security	724	728
Other creditors	24	34
Accruals	802	960
	2,617	2,825

£104,126 (2019: £114,402) of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

12 Deferred income

Funding used to acquire fixed assets is credited to the deferred income account and then released over the life of the asset. Income received in advance but not utilised is also credited to the deferred income account and is released over the period to which it relates.

	2020	2019
	£000	£000
Balance brought forward	2,746	2,819
Income received in advance deferred to future periods	118	79
Release of income deferred from prior periods	(98)	(107)
Income deferred in relation to fixed assets acquired less disposals during the year	176	872
Amortisation of income in relation to fixed assets	(410)	(917)
	2,532	2,746

13 Pension Commitments

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

The pension scheme is of the defined benefit type and it is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £1,711,153 (2019: £1,604,274).

A Triennial Actuarial Valuation was carried out as at 31 March 2019 for funding purposes. As a result of this, employer contributions remained at 12%.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

13 Pension Commitments *(continued)*

A valuation for FRS102 purposes was carried out as at 31 March 2020 by Barnett Waddingham, a qualified independent actuary. The assumptions used by the actuary for FRS102 valuation purposes were:

Financial assumptions:	2020	2019
	%	%
Rate of increase in salaries	2.75	3.85
Rate of increase in pensions	1.75	2.35
Discount rate	2.35	2.45

As at 31 March 2020 and 31 March 2019 all standard actuarial assumptions have been used.

Average future life expectancies at age 65:	Males	Females
Current pensioners	22.1 years	24.4 years
Future pensioners	23.4 years	25.9 years

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

	2020	2019
	£000	£000
Equities	24,261	24,122
Target Return Portfolio	11,581	11,825
Cash	1,372	1,552
Infrastructure	3,275	2,672
Property	4,462	4,170
Total market value of assets	44,951	44,341
Present value of scheme liabilities	(71,223)	(78,153)
Net pension liability	(26,272)	(33,812)

The amounts recognised in the Statement of comprehensive income are as follows:

	2020	2019
	£000	£000
Service cost	5,235	5,804
Net interest on the defined liability	807	763
Administration expenses	58	50
Total loss	6,100	6,617

For an explanation of movement in Service cost refer to page 9.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

13 Pension Commitments *(continued)*

Remeasurement of the net assets/(defined liability):

	31 March	31 March
	2020	2019
	£000	£000
Return on Fund assets in excess of interest	(1,289)	2,619
Other actuarial losses on assets	(1,834)	-
Change in financial assumptions	13,591	(5,883)
Change in demographic assumptions	1,070	4,596
Experience gain on defined benefit obligation	392	-
Remeasurement of the net assets/(defined liability)	<u>11,930</u>	<u>1,332</u>

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

	31 March	31 March
	2020	2019
	£000	£000
Opening defined benefit obligation	<u>78,153</u>	<u>68,329</u>
Current Service cost	5,235	4,683
Interest cost	1,926	1,789
Contributions by scheme participants	1,081	1,047
Change in financial assumptions	(13,591)	5,883
Change in demographic assumptions	(1,070)	(4,596)
Experience loss on defined benefit obligation	(392)	-
Past service costs, including curtailments	-	1,121
Estimate benefits paid (net of transfers in)	(119)	(103)
Closing defined benefit obligation	<u>71,223</u>	<u>78,153</u>

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. For The English Institute of Sport, Barnett Waddingham estimated that the impact on the total liabilities as at 31 March 2019 would be 1.5% of liabilities, which equated to £1,121,000. This adjustment was therefore reflected in the financial statements for the prior year within past service costs (see table above).

Following the publication on 17 July 2020 by the Ministry of Housing, Communities and Local Government (MHCLG) of its consultation on proposals following the McCloud case there is likely to be a change to the pension liability following the completion of the consultation. The impact of any change proposed in the consultation is not expected to be material. Any future developments arising from the consultation will therefore be reflected in the valuation of the pension liability at 31 March 2021.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

13 Pension Commitments *(continued)*

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

	31 March 2020	31 March 2019
	£000	£000
Opening fair value of fund assets	44,341	38,157
Interest on assets	1,119	1,026
Return on assets less interest	(1,289)	2,619
Other actuarial losses	(1,834)	-
Administration expenses	(58)	(50)
Contributions by the Employer including unfunded	1,710	1,645
Contributions by Fund participants	1,081	1,047
Estimated benefits paid net of transfers in	(119)	(103)
Closing fair value of Employers assets	44,951	44,341
 Net defined benefit pension scheme liability	 26,272	 33,812

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

	31 March 2020	31 March 2019
	%	%
Equities	54	54
Target return funds	26	27
Cash	3	4
Infrastructure	7	6
Property	10	9

The Actuaries estimate the employer's contributions for the year ending 31 March 2021 will be approximately £1,734,000.

Included in the target returns funds category there are unquoted credit and private equity assets. The infrastructure and property assets are also unquoted. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation. Private equity, Infrastructure and Credit investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012) and property assets are valued in accordance with RICS Red Book Global valuation methodology.

Due to the impact of COVID-19 on the markets, there are inherent risks in the valuation techniques for Private equity, Infrastructure and Credit investments that mean there is a material uncertainty attached to the valuation of unquoted assets totalling £11.148m.

In addition, the property assets held by the fund are subject to valuation by external valuers, and due to the unprecedented impact of COVID-19 on the market and wider economy, the valuers have advised the pension fund that these assets with a value of £4.45m are subject to material valuation uncertainty at 31 March 2020. Consequently, a higher degree of caution should be attached to the valuation of those assets within the overall scheme and, in turn, the proportionate value of those assets in the EIS accounts, than would normally be the case.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

14 Commitments under operating leases

At 31 March 2020 the future minimum lease rentals payable under non-cancellable operating leases as set out below:

	2020		2019	
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£000	£000	£000	£000
Within 1 year	1,236	15	1,066	15
Within 2 to 5 years	-	-	1,066	15
	1,236	15	2,132	30

Included within operating lease costs are facility rental costs where the agreement is on an annual rolling basis. Such costs are not included within the commitments disclosed above.

15 Related Party Transactions

The English Institute of Sport Limited's ultimate controlling party is The United Kingdom Sports Council. Copies of the group financial statements can be obtained from them at 21 Bloomsbury Street, London, WC1B 3HF, or from their website (www.uk sport.gov.uk).

The following table details the grant income received from UK Sport during 2020 and 2019:

Funding Stream	2020 (£)	2019 (£)
Core Grant	12,245,593	12,239,341
Research and Innovation Programme grant	3,750,000	4,685,001
Performance Lifestyle grant	992,983	957,189
Sports Intelligence team grant	466,029	426,652
PDMS development grant	322,500	350,000
Performance Pathways grant	572,959	648,101
Data Protection Officer grant	12,248	27,807
Mental Health grant	187,935	24,130
Managed Sports grant	99,332	26,336
First Timers Project grant	84,370	6,610
Short Track Speed Skating Transition/MSP/WCP grant	255,903	780,163
Wheelchair Fencing World Class Programme grant	185,833	150,596
Sport Climbing World Class Programme grant	229,362	104,322
Total	19,405,047	20,426,248

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

15 Related Party Transactions *(continued)*

The following table details The English Institute of Sport's related party transactions for the year which are on an arm's length basis and any balances at 31 March 2020:

Related Party	Nature of Transaction	Amounts (£)
John Steele (Chairman of The English Institute of Sport) – Observer on the UK Sport Board	Grant funding from UK Sport	19,405,047
	Services provided to EIS during the year	18,713
	Balance owing to UKS	-
Chelsea Warr (Former Director of The English Institute of Sport) – Former Director of UK Sport	Recharged Exchequer expenditure from UKS	585,677
	Balance owing to UKS	114,715
Sally Munday (Former Director of The English Institute of Sport) – Chief Executive of UK Sport	Recharged Lottery expenditure from UKS	8,000
	Balance owing to UKS	-
Vic Luck (Director of The English Institute of Sport) – Group Audit and Risk Committee Member	Recharged expenditure to UKS	94,158
	Balance due from UKS	13,944
Anne Panter (Former Director of The English Institute of Sport) – Board Member of UK Sport		
John Steele (Chairman of The English Institute of Sport) – Executive Director of Sport at Loughborough University	Services provided to EIS	216,855
	Balance owing to Loughborough	3,892
	Provision of services to Loughborough University	10,164
	Balance due from Loughborough University	-
Sir David Tanner (Director of The English Institute of Sport) – Non-Executive Director of Lawn Tennis Association (LTA)	Services provided to EIS	-
	Balance owing to LTA	-
	Provision of services to LTA	57,883
	Balance due from LTA	12,924
Sally Munday (Former Director of The English Institute of Sport) – Former Chief Executive of England Hockey	Services provided to EIS	14,132
	Balance owing to England Hockey	-
	Provision of services to England Hockey	593,507
	Balance due from England Hockey	55,112

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

15 Related Party Transactions *(continued)*

Related Party	Nature of Transaction	Amounts (£)
Victoria Aggar (Director of The English Institute of Sport) – Member of The Sport Advisory Group for the British Paralympic Association (BPA)	Services provided to EIS	-
	Balance owing to BPA	-
	Provision of services to BPA	23,378
	Balance due from BPA	2,805
Emma Boggis (Director of The English Institute of Sport) – Non-Executive Director & Trustee for the British Paralympic Association (BPA)		
Andy Parkinson (Director of The English Institute of Sport) – Chief Executive Officer of British Rowing	Services provided to EIS	-
	Balance owing to British Rowing	-
	Provision of services to British Rowing	534,045
	Balance due from British Rowing	-
Jamie Skiggs (Director of The English Institute of Sport) – Non- Executive Director at Modern Pentathlon GB	Services provided to EIS	16,265
	Balance owing to Modern Pentathlon GB	-
	Provision of services to Modern Pentathlon GB	106,263
	Balance due from Modern Pentathlon GB	9,290

16 Company Limited by Guarantee

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

17 Financial instruments

The financial instruments relate to trade and other debtors, cash and trade and other creditors. During the year 70% of funding (2019: 73%) was grant income from UK Sport and 27% (2019: 25%) of funding was secured through long standing service level agreements with NGBs. The English Institute of Sport is therefore exposed to little credit or liquidity risk.

The effect of COVID-19 on the recoverability of trade debtors has been assessed as minimal. As at 27th April 68% of the outstanding year end debt has already been received. Likewise, the EIS continues to make regular payments to its suppliers in settlement of trade creditor balances.

The English Institute of Sport Limited

Notes to the Financial Statements

Year Ended 31 March 2020

18 Post Balance Sheet Events

There were no post balance sheet events between the year-end and when the accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. The financial accounts do not reflect events after this date.

The English Institute of Sport Limited

Management Information

Year Ended 31 March 2020

**The following pages do not form part of the statutory financial statements
which are the subject of the Comptroller and Auditor General's report on pages 13 to 16**

The English Institute of Sport Limited

Detailed payroll and operating costs

Year Ended 31 March 2020

	2020		2019	
	£000	£000	£000	£000
Payroll costs				
Wages and salaries	14,198		13,596	
Redundancy costs	6		17	
Social security costs	1,520		1,451	
Staff pension contributions	5,236		5,763	
		20,960		20,827
Operating costs				
Utilities	-		(1)	
Insurance	163		150	
Repairs and maintenance	32		61	
Travel and motor expenses	1,309		1,428	
Telephone	253		263	
Information systems costs	774		767	
Meeting and workshops	185		312	
Athlete equipment and consumables	784		553	
Relocation expenses	8		12	
Stationery and postage	51		67	
Staff training	466		528	
Other staff costs	173		180	
Recruitment expenses	7		21	
Contracted service providers	580		679	
Athlete personal award	-		8	
General expenses	68		75	
Marketing	124		83	
Legal and professional fees	41		72	
Mental health referrals	61		50	
Technical consultancy fees	2,142		3,083	
Testing, development & Prototypes	75		14	
Pension administration costs	58		50	
Payroll administration costs	37		35	
Auditors remuneration & accountancy costs	27		23	
Depreciation of leasehold improvements	4		5	
Depreciation of fixtures and fittings	610		568	
Depreciation of computer equipment	165		134	
Amortisation of intangible assets	409		411	
Loss on disposal of fixed assets	13		14	
Operating lease: Property & P&E	1,585		1,700	
Bank charges	6		6	
		10,210		11,351
Total costs		31,170		32,178

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