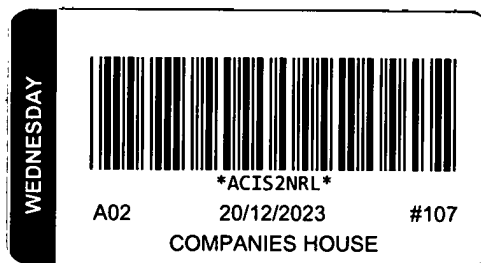


**UK Sports Institute Limited
(Formerly The English Institute of Sport Limited)**

**Annual Report and Financial Statements
For the year ended 31st March 2023**



UK Sports Institute Limited
Annual Report and Financial Statements
Year Ended 31 March 2023

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UK Sports Institute Limited
Company Registration Number 04420052

Officers and Professional Advisers

Directors

J Dowson – Chair
M Archibald – National Director
Sir David Tanner CBE
V Aggar (resigned 7 October 2022)
V Luck
J Skiggs
M Rogan
K Van Someren (resigned 2 October 2022)
E Boggis
A Parkinson
Dr C Cowie (appointed, 1 October 2022)
Dr A Watkins (appointed 1 October 2022)

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

UK Sports Institute Limited

Strategic Report

Year Ended 31 March 2023

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

UK Sports Institute (UKSI) provides sport science, medicine, technology and support services to elite athletes, primarily in UK Sports Council funded Olympic and Paralympic sports (the company's principal activity). The company is a wholly owned subsidiary of The United Kingdom Sports Council (UK Sports Council).

UKSI developed a strategy to run between 2021 and 2025 ("Mission 2025"). The focus is to continue to deliver outstanding support that enables sports and athletes to excel across National and International competition. The strategy embraces the philosophy of putting "people at the heart of extraordinary performance". The company values have been developed to recognise the scope of what they do. They are: Innovation, collaboration, excellence and care.

The strategy focuses on national governing body (NGB) requirements, providing a pathway for the practitioners of the future and surrounding athletes and coaches with excellent people to enable them to excel on the world stage. There is an ambition to increase the diversity of the workforce to represent society and the athletes supported. Increasing diversity will lead to better performance as well as better representation of the population served.

There are nine strategies developed for Mission 2025:

- Athlete Health – Support sports in managing their athletes' physical and mental health
- Data Governance – Allow performance impacting data to be captured, analysed & shared securely with relevant parties, in compliance with GDPR
- Elite Training Centres – Create & maintain a world class environment, optimising the support of UKSI staff to sports & athletes
- Enabling People – Ensure our workforce is highly motivated to achieve our mission, behave in line with our values and have high levels of technical and interpersonal skill
- Human Performance – Deliver and develop outstanding cross-discipline performance support
- Organisational Health – Ensure the future viability of the UKSI
- Performance Data – Timely, accurate & credible insight from data to best inform decision-making
- Performance Innovation – Enabling our athletes to perform better and our system to learn faster by delivering new and novel solutions through strong partnerships
- Performance Planning – Excellence in performance planning & high-performing team working that is valued by coaches

The UKSI believes people will see, hear and feel the impact of the strategy in the following ways:

- For athletes, there will be nowhere better to be cared for; to receive mental and physical support that enables them to excel; to prepare them to stand on the start line knowing that they have benefited from every innovation that could benefit their performance; and to feel the power of hundreds of the brightest British brains behind them.
- For sports, there will be nowhere better to be part of a community that is curious about performance challenges; that is committed to excellence; that is standing shoulder to shoulder with them in good times and in bad; and that is helping them to be the best they can be.
- For the UKSI staff, there will be nowhere better to live their dream of working in sport; to grow in their role and be cared for as people; to work with the best athletes in the world; and to see the fruits of their labour on the biggest stages.

UK Sports Institute Limited

Strategic Report *(continued)*

Year Ended 31 March 2023

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

- Long term funding
- Monitoring and mitigating for the impact of inflation
- Staff retention and the loss of talent
- Recruitment and the challenges of attracting new practitioners representative of the athletes served and the wider community and of the required standard
- Practice going beyond boundaries of ethical acceptability
- Cyber security, data protection and information management.

Whilst the focus is on delivering against these strategic objectives, work has begun in planning for the next funding cycle. Understanding the areas where UKSI is uniquely placed to support our customers is at the forefront of activity.

Signed by order of the directors



M Archibald, Director

Approved by the Directors on 5 December 2023

UK Sports Institute Limited

Directors' Report

Year Ended 31 March 2023

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2023.

Principal Activities and Business Review

In April 2023, The English Institute of Sport changed its name to UK Sports Institute. They have a proud history of working with athletes on the World Class Programme from England, Northern Ireland, Scotland and Wales, so the new name better represents their role in the UK high-performance system. This subtle but powerful change will enable athletes to better understand UKSI's role in the high-performance system and the services that they provide. Their major stakeholders include National Governing Bodies, Team GB, ParalympicsGB and UK Sports Council, so the new name creates greater alignment with the people they work with the most.

UKSI continues to receive core funding from UK Sports Council (72% of UKSI income) to support its infrastructure, with direct costs of service provision funded by charging the National Governing Bodies (NGBs) for agreed levels of service (25% of income). Funding is received from Sport England to support equipment purchases at UKSI sites. Commercial income accounted for 2% of total income in the year.

The main activities during the year have included:

Delivery

- The UKSI continues to work with 40 Olympic, Paralympic and Commonwealth sports.
- UKSI ran a female athlete health media campaign to highlight the work the institute does in this space.
- Work was undertaken with external bra suppliers who could support with bespoke bra fitting sessions.
- Funding was provided to continue work looking at concussion and brain health.
- A new discipline of Performance Data leads was introduced, working across a number of sports to maximise the impact of data.
- A dedicated space for the Wheelchair Fencing World class programme opened in November in Bath.
- The Performance Innovation Team started c. 90% of Paris projects across Paralympic and Olympic sports.
- A significant project with aquatics was initiated that attracted £3.6M of external funding.
- A Performance Planning framework was put into practice to enable sports to align activity behind performance objectives.

Governance

- The second year of strategy delivery was monitored via Mission Control meetings that track performance against strategic objectives defined for each business area.
- UKSI conducted a review of medical services that looked at the way they provide medical services. One outcome was to establish a Clinical Governance Director
- A second outcome was the creation of Sports Medicine Leads to enhance the medical oversight of the organisation.

Development

- UKSI ran their first national conference since COVID. This was an opportunity for staff to come together and reconnect.
- Development of the online learning platform continued with the launch of mandatory training and discipline specific content called the "Performance Hub". Performance Hub includes over 30 technical modules.

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Principal Activities and Business Review *(continued)*

Development *(continued)*

- UKSI continued its commitment to learning by providing opportunities for its people through professional studies, learning events (30 in person events), online resources and communities of practice.

Organisation

- The first phase of a project to review reward and recognition activity was completed. Job descriptions have been updated and job roles benchmarked against relevant external organisations. Around half the organisation's salaries increased above the standard annual cost of living increase.
- Work was undertaken to horizon scan to support future strategy development.
- Following the name change, branding was updated across all UKSI sites.

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 online meetings held monthly and weekly email updates.

UKSI conducted its own staff survey in 2022.

Some of the key findings included:

- 95% of staff agreed: "I feel proud to work for the UKSI" (2021: 95%)
- 90% of staff agreed: "This job is good for my personal growth" (2021: 90%)
- 89% of staff agreed: "I feel I have the right support to provide a great service" (2021: 89%).

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

UKSI continues to have a high focus on cyber security. The programme includes regular simulated phishing attacks, annual mandatory training and enhanced monitoring of suspicious activity. Regular organisation wide communication is undertaken to highlight risks in this area. There have been no successful attacks in the last twelve months.

Specific resource has been recruited to cover sustainability. The Institute has calculated their Greenhouse Gas emissions for the year ended March 2023. A number of assumptions were required to estimate the total of 4,623 tCO₂e. A plan to improve estimates will be developed alongside a carbon reduction action plan and a sustainability strategy. Opportunities identified include monitoring travel spend and working with suppliers to reduce waste.

UKSI continued its focus on equality, diversity and inclusion. UKSI committed to have a workforce that represents the diversity of the UK population by 2032. To deliver this, recruitment targets by protected characteristics have been calculated for each of the next three Olympic and Paralympic cycles. Performance against these ambitions are monitored quarterly and reported to the Board annually. Beyond these ambitions, they are committed to fostering a culture of inclusion. Webinars were run on a variety of topics and were open to the whole organisation with high levels of engagement. Awareness is also raised through weekly updates. As a Disability Confident Committed employer, UKSI are removing barriers to disabled people and those with long-term health conditions to enable them to fulfil their potential and realise their ambitions as part of the team.

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Principal Activities and Business Review *(continued)*

The high levels of inflation seen in 2023 has impacted on the results presented in these financial statements. Additional rental costs of c. £100k have been experienced. The higher inflation has been factored into the business plans for the remainder of the funding cycle.

In 2023, UKSI reported on the gender pay gap (GPG) for the sixth time. The gender pay gap looks at how everyone is paid across the organisation. This year's report, which is based on data at 31st March 2022, shows that the pay gap has reduced both in the mean and the median calculations. Whilst a gap remains, the steps taken over the last couple of years have moved the dial in the right direction. Last year the GPG was 18.7% (mean) and 16.7% (median) compared to this year 18.4% (mean) and 10.8% (median). Actions to reduce the gap further include specific support to women across the organisation to ensure they feel confident and prepared to apply for more senior roles and identifying and proactively supporting the development of potential successors to senior roles in UKSI. A specialist recruitment business partner is proving highly impactful in ensuring UKSI prioritise attracting diverse audiences when recruiting both internally and externally.

Governance Statement

Introduction

This statement provides an overview of our governance framework, outlining the key principles, policies, and structures that underpin our operations. Throughout this statement, we will discuss our Board composition, risk management, internal controls, stakeholder engagement, and sustainability considerations. The period the report covers is from April 1 2022 until the signing of this document.

Governance Framework

UK Sports Institute places utmost emphasis on governance. The governance framework supports the way in which they work to help deliver their strategy and ensure the right committees and accountability structure is in place to help deliver the strategic objectives.

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

The UK Sports Institute Board takes overall responsibility for the Institute's strategy, policies and performance. The Board is supported by three committees – the Group Audit and Risk Committee, the Technical Panel, and the Remuneration and Nominations Committee and Mission Control. 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.

UKSI Board

The UKSI Board meets up to six times a year to provide strategic direction to the organisation. Non-executive 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 Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Governance Statement *(continued)*

UK Sports Council is entitled to appoint three Directors to the Board of UKSI, one of whom is appointed as the Chair. John Dowson was appointed as permanent Chair on 1 July 2021. The remaining two UK Sports Council appointed positions are vacant. UK Sports Council appoints two observers to the UKSI Board. These roles are filled by Kate Baker and Ismail Amla. Vic Luck is the Senior non-executive Director.

In 2023, UKSI engaged a third party to review Board Effectiveness. This thorough process highlighted a well-functioning Board and provided areas for improvement. These have been developed into an action plan and will be monitored at future Board meetings.

The Board comprises three females and seven males. In line with our commitment to ensure that the Board and organisation is more representative of UK Society, we are using the Board recruitment that we will carry out in late 2023 to improve the diversity of the Board. We have a particular focus on attracting women, people with a disability and people from an ethnically diverse background to apply to join the Board.

Board membership during 2022/23 was as follows:

Name	Position	Start Date	Term duration
John Dowson	Chair	July 2021	Four-year term appointed until July 2025
Vic Luck	Senior Non-Executive Director	December 2015	Four-year term to December 2019, reappointed to final term to December 2023
Sir David Tanner	Non-Executive Director	December 2015	Four-year term to December 2019, reappointed to final term to December 2023
Victoria Aggar	Non-Executive Director	October 2014	Four-year term to October 2018, reappointed to final term until October 2022. Resigned 7 October 2022
Emma Boggis	Non-Executive Director	October 2019	Four-year term to October 2023, reappointed to final term to October 2027
Andy Parkinson	Non-Executive Director	October 2019	Four-year term to October 2023, reappointed to final term to October 2027
Matt Rogan	Non-Executive Director	October 2018	Four-year appointment to October 2022, reappointed to final term until October 2026
Ken Van Someren	Non-Executive Director	October 2018	Four-year appointment to October 2022. Resigned 2 October 2022
Dr Charlotte Cowie	Non-Executive Director	October 2022	Four-year term appointed until October 2026
Dr Anna Watkins	Non-Executive Director	October 2022	Four-year term appointed until October 2026
Matt Archibald	Chief Executive Officer	February 2022	Executive appointment. No fixed term

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Governance Statement *(continued)*

Name	Position	Start Date	Term duration
Jamie Skiggs	Finance Director	June 2017	Executive appointment. No fixed term
Vacant	UK Sports Council nominated Non-Executive Director	N/A	
Vacant	UK Sports Council nominated Non-Executive Director	N/A	

The Board met 6 times in the period April 2022 to September 2023. Attendance was as follows:

Board Attendance	Jun	Sep	Dec	Mar	Jun	Sep	Overall
Victoria Aggar	Y	Y	N/A	N/A	N/A	N/A	2/2
Vic Luck	Y	Y	Y	Y	Y	Y	6/6
Sir David Tanner	Y	Y	Y	Y	Y	Y	6/6
Jamie Skiggs	Y	Y	Y	Y	Y	Y	6/6
Matt Rogan	Y	Y	Y	Y	Y	Y	6/6
Ken Van Someren	Y	Y	N/A	N/A	N/A	N/A	2/2
Andy Parkinson	Y	Y	Y	Y	Y	Y	6/6
Emma Boggis	Y	Y	Y	Y	Y	Y	6/6
John Dowson	Y	Y	Y	Y	Y	Y	6/6
Matt Archibald	Y	Y	Y	Y	Y	Y	6/6
Dr Charlotte Cowie	N/A	N/A	Y	Y	Y	Y	4/4
Dr Anna Watkins	N/A	N/A	Y	Y	Y	Y	4/4

The Register of Interests for members of the Board is publicly available on the UKSI website, at the following link- [Register of Board Interests](#) and is updated regularly.

UKSI Board Committees

The Boards of UK Sport Council and the UKSI 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 Sports Council non-executive Board members, one of whom is the chair, one non-executive UKSI Board member and up to three independent members. Responsibilities include advising on accounting policies, risk monitoring frameworks, internal and external audit planning and cyber security arrangements and review of annual reports. The GARC meets 4 times per year and reports back to the UKSI Board. The GARC 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 GARC have ensured that points raised during the last effectiveness review have been implemented. Vic Luck is the Board representative.

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Governance Statement *(continued)*

UKSI Board Committees *(continued)*

The Remuneration and Nomination Committee's key responsibilities include setting executive pay, executive role descriptions, review of board skills and appointments. The committee reports back to the Board bi-annually. Board members sitting on the Committee are Emma Boggis (as Chair), John Dowson and Matt Rogan (with Matt Archibald as CEO and Jaqui Perryer as HR Director).

The Technical Steering Panel provides independent advice and oversight on technical projects and practice conducted by the UK Sports Institute. The Technical Steering Panel is led by a non-executive member of the UKSI Board with expertise in sports performance and health. This role is currently undertaken by Dr Charlotte Cowie.

Mission Control is a mechanism for the SLT to review progress against strategies and to prepare for the next quarter priorities. It also gives the Board oversight of progress towards the achievement of UKSI Mission 2025 and on current organisational health. Vic Luck and Andy Parkinson are the Board representatives on this committee.

Risk Management

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.

To provide evidence-based assurance on the management of risks that threaten the achievement of UKSI's objectives, a Risk Assurance Framework has been adopted. An assurance mapping exercise takes place each year and was last undertaken in March 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, the Senior Leadership Team. Finally, the third line of defence relates to independent assurance such as internal audit.

They continue to map and challenge the level of assurance in place to manage risks, and the most recent review by internal audit during 2022-23 concluded that UKSI have 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 the first line of defence. It was noted that there are some current gaps, but these are relatively small and compare favourably to other organisations.

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

UKSI 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 2022/23, there was one data incident that was reportable to the Information Commissioner's Office (2021/22: 1) where an email was sent with addresses

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Governance Statement *(continued)*

Risk Management *(continued)*

copied in rather than blind copied in. The email did not contain sensitive personal details other than the email address. Training has been given to mitigate the risk of this occurring in the future.

UKSI 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, UKSI professional code, safeguarding, information retention and whistleblowing and confidential disclosure. There has been no instance of fraud detected in 2022/23 (2021/22: 1).

Internal Control and Compliance

BDO provides internal audit services on behalf of the GARC. Their annual report stated that the UKSI has “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 is a level 1 rating of four levels, the highest rating (up from level 2 last year).

The UK Sports Institute continues to be compliant with the Code for Sports Governance. Ongoing compliance is monitored within UKSI and evidence to support this is provided to UK Sports Council. The Board are updated on activities in relation to this at least twice per year.

Performance Management

Monitoring of strategic KPIs is undertaken by UKSI Mission Control group attended by an external advisor, two UKSI Board members and a UK Sports Council representative alongside the Senior Leadership Team. KPIs are built to report against people, customers, market, culture and governance. Reporting is provided to the Board quarterly.

Stakeholder Engagement

UKSI has a stakeholder engagement strategy that is approved annually by the Board. Updates on progress are provided regularly at Board meetings. The CEO is ultimately accountable for the strategic management of the UKSI’s stakeholder relationships, but responsibility is shared across the organisation including the Board. A map has been created that lists all stakeholder groups and rates levels of engagement of each group with UKSI.

Main activities have been all staff calls, CEO calls, one to one engagement with leadership in National Governing Bodies and alignment with British Paralympic Association and British Olympic Association.

UKSI also undertakes an annual staff survey. The outcomes are shared with the organisation and key actions are identified and reported on.

Corporate Social Responsibility

Equality Diversity & Inclusion

UK Sports Institute aims to promote the highest standards of conduct through building and nurturing a culture of openness, belonging, inclusivity and pride, where potential and talent are harnessed and flourish – irrespective of background, thought and experience. UK Sports Institute has a diversity and inclusion action

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Governance Statement *(continued)*

Equality Diversity & Inclusion *(continued)*

plan (DIAP). This is being updated at the end of 2023. There is a Board and SLT champion and an ED&I manager. An internal working group maintains regular oversight of the ED&I strategy and shares quarterly updates with the Senior Leadership Team. Quarterly monitoring is in place to track staff turnover and development against the organisation's aspirations for 2032.

Sustainability

UKSI have newly established sustainability leads that drive activity in this area. They lead the sustainability working group. The past twelve months have seen activity to generate a baseline for carbon emissions, develop an action plan to reduce emissions and have begun drafting a strategy for the next four years.

Main areas of activity have focused on travel, full life considerations for purchasing and recycling end of life electrical equipment more sustainably.

Organisational Health

The UK Sports Institute introduced Organisational Health monitoring in 2018 as part of their drive towards continual excellence and to as an additional series of measurements to support the long-term health of the organisation. The six key areas of monitoring for Organisational Health are:

1. Remaining provider of choice for sport science and medicine services in the high performance system;
2. Attracting, retaining and leading talent in the organisation;
3. Developing a culture and leadership behaviours that are in line with the UK Sports Institute values;
4. Maintaining a strong brand through the continuous improvement of the perception of the UK Sports Institute as an organisation delivering high performance impact;
5. Maintaining financial health;
6. Meeting governance obligations.

Prompt Payment

UKSI 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 97% of invoices were paid within 30 days (2021-22: 97%).

Future Developments

With less than a year to the Olympic and Paralympic Games in Paris, focus is on providing support for Athletes attending those Games. Whilst focus remains on Paris, initial planning for the 2026 Winter Games in Milan Cortina and the 2028 Games in Los Angeles has begun.

Mission 2025 strategy is in its third year. Focus is on delivery against the objectives in each strategy. For this year it includes significant investment in Performance Innovation, embedding new people into the organisation and enhancing the standard of performance planning.

The online learning platform, launched in 2022, has been further developed with a broader range of training allowing staff to access modules at times that suit them. In particular the major development has been to

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Future Developments *(continued)*

provide a platform to capture aspects of practitioner development. In person training will continue where this remains the best method for training delivery.

The financial challenges presented by rising inflation are being actively managed with business plans running to the end of the current funding cycle (March 2025). These plans will continue to be monitored by The Group Audit and Risk Committee and Board.

In partnership with sports, the UKSI 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 UKSI overall employee reward package to ensure this supports the people development strategy to 2025 and beyond.

UKSI will also begin strategy planning beyond 2025 and will work with key stakeholders to ensure the Institute continues to support customers and the high-performance system in the most effective way.

UKSI 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.

They will continue to focus resources to create world leading performance environments, working closely with UK Sports Council in support of the Elite Training Centres and prioritising additional capital investment around sport need.

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. Funding from UK Sports Council is confirmed to 31 March 2025. Detailed budgets have been prepared for the remainder of the funding cycle, resulting in a break-even position. UKSI SLT will prioritise activity to deliver strategic objectives within the funding available.

Agreements are in place with Olympic, Paralympic and English funded sports, the majority of which are committed until March 2025.

Whilst these financial statements continue to be heavily influenced by the FRS102 pension bookings, the ongoing scheme contributions are included in the financial planning at current contribution levels.

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.

People With Disabilities

UKSI 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. UKSI is committed to providing training and development

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

People With Disabilities *(continued)*

opportunities to all of its employees, both able bodied and disabled. UKSI 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. The UKSI is a disability confident employer.

Results

The deficit for the year, after taxation, amounted to £5,931,000 *(2022: deficit £7,747,000)*. The deficit is caused by a charge to pension contributions of £4,670,000 *(2022: £6,401,000)* in respect of service costs and a net interest charge on the defined liability of £1,301,000 *(2022: £1,228,000)* both as a result of the FRS102 actuarial valuation of the pension scheme.

The balance sheet showed net assets as at 31 March 2023 of £5,820,000 *(2022: net liabilities of £52,018,000)* of which £5,852,000 *(2022: £51,926,000)* is caused by the Defined Benefit pension scheme asset. The significant movement in the net Defined Benefit pension scheme asset for the year to 31 March 2023 is largely due to the sensitivity of the present value of the total obligation to the rate of reduction in discount rate assumption used by the actuary (refer to note 13). The pension scheme valuation for FRS102 purposes differs from the triennial valuation as a result of a different set of actuarial assumptions being used.

Financial Risk Management Objectives and Policies

With approximately 25% 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 the UKSI's sports has a dedicated point of contact who closely monitors both the quantity and quality of service provision, liaising regularly with the sport in the process.

UKSI 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, UK Sports Council. Progress against the KPIs is reviewed quarterly by the UKSI SLT and by the UKSI 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 2022/23 with UK Sports Council to review performance. In addition, governance/risk issues are addressed via the Group Audit and Risk Committee.

A UKSI Risk Management Strategy is in place which covers all areas of risk, financial or otherwise, and the UKSI 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 UKSI publishes the collective salary of the Senior Leadership Team (SLT) which for the year ended 31 March 2023 was £917,346 *(2022: £894,514)*. The increase on the prior year is mainly due to the combination of the CEO being employed for all of the year ended March 2023 compared to just two months in the previous year less the vacant Director of Medical Services position which was only recruited to in March 2023.

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

Directors' Remuneration (subject to audit)

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

Remuneration includes salary, non-consolidated performance-related pay and bonuses. It does not include employer pension contributions and the cash equivalent transfer value of pensions (CETV).

Non-Executive members' fees for attending meetings was £218 per day (2022: £218) with travel expenses paid as appropriate.

Name	Position	Remuneration (£000)	Expenses (£000)	
J Dowson	Chair	25-30	-	
M Archibald	National Director	140-145	-	
J Skiggs	Director	100-105	-	
V Aggar	Non-Executive Director	-	1	Resigned 7 October 2022
V Luck	Non-Executive Director	-	3	
Sir D Tanner CBE	Non-Executive Director	-	3	
M Rogan	Non-Executive Director	-	2	
K Van Someren	Non-Executive Director	-	1	Resigned 2 October 2022
E Boggis	Non-Executive Director	-	3	
A Parkinson	Non-Executive Director	-	3	
Dr C Cowie	Non-Executive Director	-	1	Appointed 1 October 2022
Dr A Watkins	Non-Executive Director	-	1	Appointed 1 October 2022

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.

UK Sports Institute Limited

Directors' Report *(continued)*

Year Ended 31 March 2023

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



M Archibald
Director

Approved by the Directors on 5 December 2023

UK Sports Institute Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of UK Sports Institute Limited (Formerly The English Institute of Sport Limited) and the Houses of Parliament

Year Ended 31 March 2023

Opinion on financial statements

I certify that I have audited the financial statements of UK Sports Institute Limited for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000. The financial statements comprise:

- Balance sheet as at 31 March 2023;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in 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 the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of UK Sports Institute Limited's affairs as at 31 March 2023 and its deficit for the year then ended; and
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Sports Institute Limited 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 Sports Institute Limited'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 UK Sports Institute Limited's

UK Sports Institute Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of UK Sports Institute Limited (Formerly The English Institute of Sport Limited) and the Houses of Parliament *(continued)*

Conclusions relating to going concern (continued)

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises information included in the Strategic Report and the Directors' Report, but does not include the financial statements and my auditor's certificate thereon. The directors are responsible for the other information.

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

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 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 Directors' Report has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of UK Sports Institute Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

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

UK Sports Institute Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of UK Sports Institute Limited (Formerly The English Institute of Sport Limited) and the Houses of Parliament

(continued)

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

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

- maintaining proper accounting records.
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within UK Sports Institute Limited from whom the auditor determines it necessary to obtain audit evidence.
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006:
- ensuring such internal controls are in place as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing the Annual Report, which includes the Directors' Report, in accordance with the Companies Act 2006; and
- assessing UK Sports Institute Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or 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.

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.

UK Sports Institute Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of UK Sports Institute Limited (Formerly The English Institute of Sport Limited) and the Houses of Parliament (continued)

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 Institute Limited's accounting policies;
- inquired of management, UK Sports Institute Limited's internal audit team and those charged with governance, including obtaining and reviewing supporting documentation relating to UK Sports Institute Limited'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 UK Sports Institute Limited's controls relating to UK Sports Institute Limited's compliance with the Companies Act 2006, Government Resources and Accounts Act 2000, and Managing Public Money.
- inquired of management, UK Sport Institute Limited's internal audit team 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, including pension experts, 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 Institute Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of UK Sports Institute Limited's framework of authority and other legal and regulatory frameworks in which UK Sports Institute Limited 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 Institute Limited. The key laws and regulations I considered in this context included Companies Act 2006, Government Resources and Accounts Act 2000, Managing Public Money, employment law, pensions legislation and tax legislation.

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, those charged with governance 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.

UK Sports Institute Limited

The Certificate and Report of the Comptroller and Auditor General to the Members of UK Sports Institute Limited (Formerly The English Institute of Sport Limited) and the Houses of Parliament *(continued)*

Audit response to identified risk (continued)

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

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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

8 December 2023

Comptroller and Auditor General

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

UK Sports Institute Limited

Statement of comprehensive income

Year ended 31 March 2023

	Note	2023 £000	2022 £000
Income	2	28,128	25,475
Payroll costs	3,4	(22,467)	(24,059)
Operating costs	3	(10,323)	(7,936)
Total operating expenditure		(32,790)	(31,995)
Net operating deficit before interest and taxation		(4,662)	(6,520)
Interest receivable and similar income	5	32	1
Interest payable	6, 13	(1,301)	(1,228)
Deficit for the financial year		(5,931)	(7,747)
Actuarial gains/(losses) from the defined benefit pension scheme	13	63,769	16,506
Total comprehensive net income/(expenditure) for the year		57,838	8,759

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

For a detailed breakdown of payroll and operating costs please refer to page 43.

The notes on pages 25 to 41 form part of these financial statements

UK Sports Institute Limited

Balance sheet

As at 31 March 2023

		2023		2022	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	7		1,083		1,056
Intangible assets	8		590		817
			1,673		1,873
Current assets					
Debtors	9	1,001		1,138	
Cash at bank and in hand		1,481		1,780	
			2,482		2,918
Creditors: Amounts Falling due Within One Year	10	(2,325)		(2,729)	
Net current assets			157		189
Total assets less current liabilities			1,830		2,062
Deferred income	11		(1,862)		(2,103)
Provision for other liabilities	12		-		(51)
Net liabilities excluding pension liability			(32)		(92)
Defined benefit pension scheme asset/(liability)	13		5,852		(51,926)
Net assets/(liabilities) including pension asset/(liability)			5,820		(52,018)
Reserves					
Retained earnings			5,820		(52,018)

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:



Matt Archibald on 5 December 2023

Director

Company number: 04420052

The notes on pages 25 to 41 form part of these financial statements

UK Sports Institute Limited

Statement of changes in equity

For the year ended 31 March 2023

	2023	2022
	£000	£000
Retained earnings brought forward	(52,018)	(60,777)
Total comprehensive net income for the year	57,838	8,759
	<hr/>	<hr/>
Retained earnings carried forward	5,820	(52,018)

The notes on pages 25 to 41 form part of these financial statements

UK Sports Institute Limited

Statement of cash flows

For the year ended 31 March 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Deficit for the financial year		(5,931)	(7,747)
<i>Adjustments for:</i>			
Depreciation of tangible assets	7	499	572
Amortisation of intangible assets	8	321	369
Other interest receivable and similar income	5	(32)	(1)
Interest paid	6	1,301	1,228
Loss on disposal of fixed assets		21	3
Provision for service cost of defined pension scheme	13	6,509	8,146
Defined benefit pension scheme contributions paid	13	(1,839)	(1,745)
Administration expenses of defined pension scheme	13	20	73
Decrease in deferred income	11	(241)	(256)
(Decrease)/increase in provisions	12	(51)	51
<i>Changes in:</i>			
Decrease in trade and other debtors	9	137	225
(Decrease)/increase in trade and other creditors	10	(404)	319
Cash generated from operations		310	1,237
Interest payable		-	-
Tax received		-	-
Net cash generated from operating activities		310	1,237
Cash flows from investing activities			
Purchase of tangible assets	7	(535)	(524)
Purchase of intangible assets	8	(109)	(180)
Interest received	5	32	1
Proceeds from sale of tangible assets		3	6
Net cash used in investing activities		(609)	(697)
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		(299)	540
Cash and cash equivalents at beginning of year		1,780	1,240
Cash and cash equivalents at end of year		1,481	1,780

The notes on pages 25 to 41 form part of these financial statements

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

1 Accounting Policies *(continued)*

Reporting entity

UK Sports Institute Limited (UKSI) 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 (UK Sports Council).

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.

These financial statements comprise the results of the UKSI only.

Basis of Accounting

The financial statements of UKSI 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.

These accounts have been prepared under the historical cost convention as a proxy for fair value.

Notwithstanding net assets of £5,820,000 as at 31 March 2023, 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 Sports Council, to meet its liabilities as they fall due for that period.

UK Sports Council 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.

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

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 2023, the actuary has estimated the annual increase in CPI inflation to be 1% lower than the market implied increase in RPI for each year to 2030 and in line with RPI inflation thereafter following the proposed alignment to RPI to CPI from that date.

At 31 March 2023 the actuary has used the mortality data from the Continuous Mortality Investigation's model (CMI_2021) which was published in March 2022. This approach has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022 with results published in March 2023. These demographic assumptions were set following a longevity analysis of the Fund which the actuaries carried out as part of the valuation. This led them to update their model from CMI_2020 to CMI_2021.

UK Sports Council Grant Income

The UK Sports Council grant income shown in the Statement of Comprehensive Income represents amounts receivable from UK Sports Council 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 11).

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 measured at historical cost less any accumulated depreciation less any accumulated impairment losses. Assets are held at cost as a proxy of valuation and not subject to a revaluation review as the change in the value of the assets would be immaterial to the accounts.

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

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

1 Accounting Policies *(continued)*

Intangible Assets

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

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.

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 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.

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

1 Accounting Policies *(continued)*

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

Employees who joined UKSI on or after 1 November 2022 are automatically enrolled into the Cushon 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 make contributions between 3% and 8%. UKSI make a 10% contribution.

Corporation Tax

UKSI is registered to pay Corporation Tax, although its grant income & income from sale of services are not considered to be trading income by HMRC, so are not subject to Corporation Tax. A tax note has not been included because UKSI is not liable for Corporation Tax in the current year and it does not envisage that it will be liable in future years due to the nature of activities undertaken and the availability of trading losses.

Value Added Tax

UKSI is registered for VAT and makes supplies for both business and non-business purposes. 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 Sports Council 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 to both a partial exemption calculation and business/non-business apportionment in accordance with the methodologies agreed with HMRC.

2 Income

The deficit for the financial year is attributable to the one principal activity of the company.

An analysis of income is given below:

	2023	2022
	£000	£000
UK Sports Council grant	20,069	17,346
Sport England grant	460	166
Income from sale of services	7,030	7,286
Sponsorship income	87	14
Other income	360	397
Deferral of income in respect of the depreciation/amortisation of fixed assets less disposals	(1,154)	486
Release of income in respect of the cost of fixed assets acquired less disposals	1,354	(240)
Grant income released from prior year	165	185
Unused grant returned and/or carried forward *	(243)	(165)
	28,128	25,475

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

2 Income (continued)

*Contains £56,131 in respect of excess grant returned to UK Sports Council via a payment in January 2023 upon the final closure of the Speed Skating & Climbing programmes.

3 Operating deficit

	2023	2022
	£000	£000
Operating deficit is stated after charging:		
Wages and salaries	14,480	14,158
Social security costs	1,615	1,567
Redundancy costs *	(39)	167
Pension costs	6,411	8,167
Total payroll costs	22,467	24,059
Travel, subsistence & meetings	1,169	602
Information systems & telephone costs	890	866
Research and technical consultancy	3,432	1,639
Insurance costs	287	254
Consumables, repairs & maintenance	580	494
Staff training, benefits & subscriptions	692	531
Contracted service providers	191	481
Marketing costs	240	134
Auditor's remuneration **	28	16
Depreciation of tangible fixed assets	499	572
Amortisation of intangible fixed assets	321	369
Loss on disposal of fixed assets	21	3
Operating lease costs	1,703	1,654
Other operating costs	270	321
Total operating costs	10,323	7,936

*Redundancy costs are negative in 2023 due to the write back of an over-accrual made at 31 March 22 in respect of two lump sum pension contributions. According to the terms of the company defined benefit pension scheme, where an individual over the age of 55 is made redundant for efficiency reasons, they are entitled to the same pension entitlement they would have secured had they continued to work until the age of retirement. This write back amounted to £49k and was due to invoiced sums being lower than indicated to us in writing by the scheme administrators at the time the accruals were made.

**No non-audit fees were paid to external auditors (2022: Nil). The external audit fee is £27,750 (2022: £15,500).

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

4 Employees and directors

Employees

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

	2023	2022
Management	10	10
Administration	26	23
Operations	359	351
	<u>395</u>	<u>384</u>

Directors

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

	2023	2022
	£000	£000
Emoluments receivable	273	215
Value of company pension contributions to defined benefit schemes	29	22
	<u>302</u>	<u>237</u>

Two directors (2022: 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 £142,550 (2022: £104,499) and the pension contributions attributable to the highest paid director are £17,106 (2022: £12,540).

The accrued pension of the highest paid director at year end is £2,944 (2022: £9,875) and the accrued lump sum of the highest paid director at year end is £Nil (2022: £Nil).

5 Interest income and similar income

	2023	2022
	£000	£000
Bank interest	32	1
	<u>32</u>	<u>1</u>

6 Interest payable

	2023	2022
	£000	£000
Net interest on defined pension liability	1,301	1,228
	<u>1,301</u>	<u>1,228</u>

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

7 Tangible Fixed Assets

	Leasehold Improvements £000	Fixtures & Fittings £000	Assets held under finance leases £000	Computer Equipment £000	Total £000
Cost					
At 1 April 2022	127	5,794	42	1,311	7,274
Additions	-	476	-	59	535
Disposals	(55)	(898)	-	(501)	(1,454)
At 31 March 2023	<u>72</u>	<u>5,372</u>	<u>42</u>	<u>869</u>	<u>6,355</u>
Depreciation					
At 1 April 2022	125	5,038	42	1,013	6,218
Charge for the year On disposals	2 (55)	346 (896)	- -	151 (494)	499 (1,445)
At 31 March 2023	<u>72</u>	<u>4,488</u>	<u>42</u>	<u>670</u>	<u>5,272</u>
Net book value					
At 31 March 2023	<u>-</u>	<u>884</u>	<u>-</u>	<u>199</u>	<u>1,083</u>
At 31 March 2022	<u>2</u>	<u>756</u>	<u>-</u>	<u>298</u>	<u>1,056</u>

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

8 Intangible Assets

	Software & Licences £000
Cost	
At 1 April 2022	3,281
Additions	109
Disposals	(543)
At 31 March 2023	2,847
Amortisation	
At 1 April 2022	2,464
Amortisation for the year	321
On disposals	(528)
At 31 March 2023	2,257
Net book value	
At 31 March 2023	590
At 31 March 2022	817

9 Debtors

	2023 £000	2022 £000
Trade debtors	600	544
Amounts owed by group undertakings	2	-
Other debtors	31	38
Prepayments and accrued income	368	556
	1,001	1,138

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

10 Creditors: Amounts Falling due Within One Year

	2023	2022
	£000	£000
Trade creditors	509	990
Amounts owed to group undertakings	3	-
Other creditors including taxation and social security:		
Corporation tax	-	-
Other taxation and social security	795	926
Other creditors	28	38
Accruals	990	775
	<u>2,325</u>	<u>2,729</u>

£121,910 (2022: £113,033) of the Other taxation and social security balance relates to VAT liabilities due to the parent company.

11 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.

	2023	2022
	£000	£000
Balance brought forward	2,103	2,359
Income received in advance deferred to future periods	189	230
Release of income deferred from prior periods	(230)	(240)
Release of income in respect of the cost of fixed assets acquired less disposals	(1,354)	204
Deferral of income in respect of the depreciation/amortisation of fixed assets less disposals	1,154	(450)
	<u>1,862</u>	<u>2,103</u>

12 Provision for other liabilities

The company had the following provisions during the year:

	Redundancy	Pension	Total
	£000	£000	£000
At 1 April 2022	19	32	51
Amounts utilised	(19)	-	(19)
Transferred to accruals	-	(32)	(32)
At 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2022

12 Provision for other liabilities *(continued)*

Redundancy provision

As at 31 March 2022 a provision of £19k was made for 6 individuals at risk of redundancy following restructuring activities in some world class programmes and the multisport service. During the year all 6 employees were made redundant, thus utilising the provision in full.

Pension provision

According to the terms of the company defined benefit pension scheme, where an individual over the age of 55 is made redundant for efficiency reasons, they are entitled to the same pension entitlement they would have secured had they continued to work until the age of retirement. A provision was therefore required at 31 March 22 for a lump sum pension contribution for one individual. Despite the individual being made redundant early in the financial year the liability has yet to be invoiced by the London Pension Fund Authority (LPFA) and has now been reclassified as an accrual within these financial statements.

13 Pension Commitments

Cushon defined contribution scheme

Employees who joined UKSI on or after 1 November 2022 are automatically enrolled into the Cushon Pension scheme. Members are currently auto enrolled and make a 5% contribution. Members can decide to make contributions between 3% and 8%. UKSI make a 10% contribution. Employer contributions for members of this scheme for the year ended 31 March 2023 were £19k (2022: Nil) of which £6k was outstanding at 31 March 2023

London Pension Fund Authority (LPFA) Superannuation scheme

The company also 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 £1,722,111 (2022: £1,765,322).

A Triennial Actuarial Valuation was carried out as at 31 March 2022 for funding purposes. The scheme was in surplus and therefore employer contributions were reduced to 5.8%.

A valuation for FRS102 purposes was carried out as at 31 March 2023 by Barnett Waddingham, a qualified independent actuary. The assumptions used by the actuary for FRS102 valuation purposes were:

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2022

13 Pension Commitments *(continued)*

Financial assumptions:	2023	2022
	%	%
Rate of increase in salaries	3.90	4.05
Rate of increase in pensions	2.90	3.05
Discount rate	4.80	2.55

As at 31 March 2023 and 31 March 2022 all standard actuarial assumptions have been used.

Average future life expectancies at age 65:	Males	Females
Current pensioners	22.8 years	25.0 years
Future pensioners	23.2 years	25.7 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:

	2023	2022
	£000	£000
Equities	40,873	37,841
Target Return Portfolio	12,924	14,319
Cash	89	1,584
Infrastructure	8,795	6,773
Property	6,825	5,965
Total market value of assets	<u>69,506</u>	<u>66,482</u>
Present value of scheme liabilities	(63,654)	(118,408)
Net pension asset/(liability)	<u>5,852</u>	<u>(51,926)</u>

For an explanation of movement in net pension asset/(liability) refer to page 13.

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

	2023	2022
	£000	£000
Service cost	6,509	8,146
Net interest on the defined liability	1,301	1,228
Administration expenses	20	73
Total loss	<u>7,830</u>	<u>9,447</u>

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2022

13 Pension Commitments *(continued)*

Remeasurement of the net assets/(defined liability):

	31 March	31 March
	2023	2022
	£000	£000
Return on Fund assets in excess of interest	(833)	6,517
Other actuarial 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)
Remeasurement of the net assets/(defined liability)	63,769	16,506

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

	31 March	31 March
	2023	2022
	£000	£000
Opening defined benefit obligation	118,408	116,936
Current Service cost	6,509	7,941
Interest cost	3,022	2,407
Contributions by scheme participants	1,069	1,089
Change in financial assumptions	(66,323)	(10,291)
Change in demographic assumptions	(2,792)	-
Experience loss/(gain) on defined benefit obligation	4,607	302
Past service costs, including curtailments	-	205
Estimate benefits paid (net of transfers in)	(846)	(181)
Closing defined benefit obligation	63,654	118,408

In December 2018 there was a Court of Appeal judgement in relation to the McCloud and Sargeant cases relating to age discrimination in the Judicial and Fire Service pension schemes respectively.

On 13 May 2021 the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The statement confirmed that changes will be made to the LGPS Regulations to compensate members directly affected by the change to career average benefits from 1 April 2014. Draft regulations are expected in 2023 and are expected to come into force on 1 October 2023. The potential cost of the judgement on employers' liabilities is very much dependent on the membership profile of the employer and assumed future salary increases.

Barnett Waddingham have taken the view to include an allowance for the McCloud judgement in employers' accounting liabilities as default. To estimate the cost of the remedy, they have estimated the equivalent final salary benefit that would have been earned instead of post 2014 CARE benefits by the active members since the 1 April 2014 Scheme reform up to 31 March 2022 (the date up to which the protections apply). This approach essentially assumes that the draft remedy regulations will come into force.

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

13 Pension Commitments *(continued)*

Changes in the fair value of fund assets are as follows:	31 March	31 March
	2023	2022
	£000	£000
Opening fair value of fund assets	66,482	56,206
Interest on assets	1,721	1,179
Return on assets less interest	(833)	6,517
Other actuarial gains	94	-
Administration expenses	(20)	(73)
Contributions by the Employer including unfunded	1,839	1,745
Contributions by Fund participants	1,069	1,089
Estimated benefits paid net of transfers in	(846)	(181)
Closing fair value of Employers assets	69,506	66,482
Net defined benefit pension scheme asset/(liability)	5,852	(51,926)

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

	31 March	31 March
	2023	2022
	%	%
Equities	59	57
Target return funds	19	22
Cash	-	2
Infrastructure	13	10
Property	10	9

The Actuaries estimate the employer's contributions for the year ending 31 March 2024 will be approximately £819,000 (2023: £1,740,000).

Sensitivity

Participating in this defined benefit pension scheme means UKSI 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 UKSI 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 UKSI pension liability to changes in assumption is as follows:

UK Sports Institute Limited
Notes to the Financial Statements

Year Ended 31 March 2023

13 Pension Commitments *(continued)*

Sensitivity *(continued)*

	£000	£000	£000
Adjustment to discount rate	+0.10%	0%	-0.10%
Present value of total obligation	62,002	63,654	63,362
Adjustment to long term salary increases	+0.10%	0%	-0.10%
Present value of total obligation	63,759	63,654	63,550
Adjustment to pension increases & deferred revaluation	+0.10%	0%	-0.10%
Present value of total obligation	65,288	63,654	62,074
Adjustment to mortality age rising assumption	+ 1 year	None	- 1 year
Present value of total obligation	65,362	63,654	61,991

14 Commitments under operating leases

At 31 March 2023 the future minimum lease rentals payable under non-cancellable operating leases as set out below:

	2023		2022 Re-stated	
	Land and Buildings	Other Items	Land and Buildings	Other Items
	£000	£000	£000	£000
Within 1 year	1,791	8	1,611	6
Within 2 to 5 years	725	9	-	13
	<u>2,516</u>	<u>17</u>	<u>1,611</u>	<u>19</u>

Included within the note for 2023 are facility rental costs where UKSI had the right to use the property during the year ended 31 March 2023. The 2022 comparative has been re-stated to be presented on the same basis.

15 Related Party Transactions

The UK Sports Institute Limited's ultimate controlling party is The United Kingdom Sports Council. Copies of the group financial statements can be obtained from them at 6th Floor, 10 South Colonnade, London, E14 4PU, or from their website (www.uksport.gov.uk).

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

15 Related Party Transactions *(continued)*

The following table details the grant income received from UK Sports Council during 2023 and 2022:

Funding Stream	2023 (£)	2022 (£)
Core Grant	12,893,253	12,056,318
Performance Innovation Programme grant	4,433,501	2,582,000
Performance Lifestyle grant	1,030,683	905,683
Performance Data team grant	870,989	661,575
PDMS development grant	115,253	151,652
Performance Pathways grant	-	346,390
Performance support grant	199,383	99,999
Short Track Speed Skating Transition/MSP/WCP grant	-	166,949
Wheelchair Fencing World Class Programme grant	525,968	294,986
Sport Climbing World Class Programme grant	-	80,314
Total	20,069,030	17,345,866

The following table details the UK Sports Institute's related party transactions for the year which are on an arm's length basis and any balances at 31 March 2023:

Related Party	Nature of Transaction	Amounts (£)
Vic Luck (Director of UK Sports Institute) – Group Audit and Risk Committee Member	Grant funding from UK Sports Council	20,069,030
	Services provided to UKSI during the year	4,838
	Balance owing	1,330
Matt Rogan (Director of UK Sports Institute) – UK Sports Council Major Events Panel Member	Recharged Exchequer expenditure from UK Sports Council	519,686
	Balance owing to UK Sports Council	125,215
	Recharged Lottery expenditure from UK Sports Council	8,000
	Balance owing to UK Sports Council	-
	Recharged expenditure to UK Sports Council	24,536
	Balance due from UK Sports Council	2,426

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

15 Related Party Transactions *(continued)*

Related Party	Nature of Transaction	Amounts (£)
Sir David Tanner (Director of The English Institute of Sport) – Non-Executive Director of Lawn Tennis Association (LTA)	Services provided to UKSI	-
	Balance owing to LTA	-
	Provision of services to LTA	73,565
	Balance due from LTA	5,931
Victoria Aggar (Director of UK Sports Institute) – Former Member of the Games Advisory Committee for the British Paralympic Association (BPA)	Services provided to UKSI	-
	Balance owing to BPA	-
	Provision of services to BPA	29,931
	Balance due from BPA	-
Dr Charlotte Cowie (Director of UK Sports Institute) – Head of Medicine at The Football Association (FA)	Services provided to UKSI	-
	Balance owing to FA	-
	Provision of services to FA	1,450
	Balance due from FA	-
Dr Charlotte Cowie (Director of UK Sports Institute) – Chief Medical Office for Team GB (BOA) for Paris Olympics	Services provided to UKSI	-
	Balance owing to BOA	-
	Provision of services to BOA	62,500
	Balance due from BOA	-
Jamie Skiggs (Director of UK Sports Institute) – Former Non- Executive Director at Modern Pentathlon GB Andy Parkinson (Director of UK Sports Institute) – Former consultant for Modern Pentathlon GB	Services provided to UKSI	-
	Balance owing to Modern Pentathlon GB	-
	Provision of services to Modern Pentathlon GB	137,306
	Balance due from Modern Pentathlon GB	13,621

The directors who served the company during the year and their remuneration are detailed on page 14 within the Directors' Remuneration section of the Directors' Report, together with details of reimbursed meeting expenses for unremunerated non-executive directors.

UK Sports Institute Limited
Notes to the Financial Statements
Year Ended 31 March 2023

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 72% of funding (2022: 68%) was grant income from UK Sports Council and 25% (2022: 29%) of funding was secured through long-standing service level agreements with NGBs. The UK Sports Institute is therefore exposed to little credit or liquidity risk.

18 Post Balance Sheet Events

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.

UK Sports Institute Limited

Management Information

Year Ended 31 March 2023

**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 16 to 20**

UK Sports Institute Limited
Detailed payroll and operating costs
Year Ended 31 March 2023

	2023		2022	
	£000	£000	£000	£000
Payroll costs				
Wages and salaries	14,480		14,158	
Redundancy costs	(39)		167	
Social security costs	1,615		1,567	
Staff pension contributions	<u>6,411</u>		<u>8,167</u>	
		22,467		24,059
Operating costs				
Utilities	1		1	
Insurance	287		254	
Repairs and maintenance	124		151	
Travel and motor expenses	989		544	
Telephone	116		133	
Information systems costs	774		733	
Meeting and workshops	180		58	
Athlete equipment and consumables	456		343	
Relocation expenses	3		0	
Stationery and postage	84		62	
Staff training	552		362	
Other staff costs	140		169	
Recruitment expenses	41		17	
Contracted service providers	191		481	
Athlete personal award	0		0	
General expenses	11		15	
Marketing	240		134	
Legal and professional fees	35		12	
Mental health referrals	0		57	
Technical consultancy fees	2,590		1,639	
Testing, development & Prototypes	842		4	
Pension administration costs	20		73	
Payroll administration costs	43		40	
Auditor's remuneration & accountancy costs	55		51	
Depreciation of leasehold improvements	2		3	
Depreciation of fixtures and fittings	346		403	
Depreciation of computer equipment	150		166	
Amortisation of intangible assets	321		369	
Loss on disposal of fixed assets	21		3	
Operating lease: Property & P&E	1,703		1,654	
Bank charges & exchange differences	<u>6</u>		<u>5</u>	
		10,323		7,936
Total costs		<u><u>32,790</u></u>		<u><u>31,995</u></u>