

**THE SPORTS COUNCIL for NORTHERN IRELAND**

**Annual Report and Accounts**

**For the year ended 31 MARCH 2019**

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**Annual Report and Accounts**  
**For the year ended 31 MARCH 2019**

*Laid before the Northern Ireland Assembly  
Under Articles 7 (2)(c) and 8 of the  
Recreation and Youth Service (Northern Ireland) Order 1986  
by the Department for Communities  
on*

10 July 2020

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## **Performance Report**

The Performance Report focuses on matters relevant to all users of financial statements. Its purpose is to provide information on Sports Council for Northern Ireland (Sports Council), its main objectives and strategies and the principal risks it faces. It has two sections: an 'Overview' and a 'Performance Analysis'.

### **Overview**

The purpose of the Overview section of the Performance Report is to give the user a brief summary which provides sufficient information to understand Sports Council, its purposes, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair's Foreword, Chief Executive's Introduction, the Purpose and Activities of Sports Council, Key Issues and Risks which could affect Sports Council in delivering its objectives, an explanation of going concern as it affects Sports Council and a Performance Summary.

### **Chair's Foreword**

It gives me great pleasure to introduce the 2018-19 Annual Report for Sports Council. As we enter the final year of our five-year Corporate Plan we remain more committed than ever to continuing to develop strong partnerships with sporting organisations.

It is important at this stage to recognise the significant work carried out by Sports Council and our partners during the last year. This work, underpinned by the three strategic objectives within the Corporate Plan: Sporting Communities; Sporting Clubs; and Sporting Winners, required significant strategic expertise and a relentless energy to skilfully collaborate with our key delivery partners. Much has been achieved and I would like to pay testament to the continuing high calibre of this work - the lifeblood of a thriving sporting system in Northern Ireland.

Sports Council has also continued to build on the improvements which form the cornerstone of our change programme; as Chair I am committed to strong and effective Board leadership, a sharp focus on finance, governance and risk improvements and to a culture in Sports Council based on values of Excellence, Collaboration, Integrity and Learning and Growth. Much energy has been invested in these critical success factors during 2018-19 and this will continue to feature in the year ahead.

Sport NI invests a range of resources to optimise sustained sport participation and ensure our athletes are among the best in the world. We aim to ensure that everyone has access to quality sport; volunteers, coaches, leaders are highly skilled; sports clubs thrive, and; pathway and performance strategies are effective. We are proud of the role that the Tollymore National Outdoor Centre plays in developing the current and future generations of leaders in outdoor sport and recreation and our Sports Institute, which offers specialist sports science and medicine services to high performing athletes and sports.

This is a challenging time for all of us involved in the delivery of sport in Northern Ireland. The next number of years will be a difficult economic period compounded by ongoing political

uncertainty both locally and across Europe. The current political impasse in Northern Ireland and the prospect of differing outcomes to a British Exit from the European Union mean that sport must maximise any and all opportunities during the next five years. In this era and in the face of continued reduced public expenditure, the Board is committed to its duty to ensure that Sports Council's resources are effectively focussed to deliver better outcomes for everyone in Northern Ireland by making the most effective use of the core skills and expertise we possess. This includes smarter ways to collaborate and invest with strategic partners.

I would like to pay recognition to my fellow Board Members, the CEO and the wider team at Sports Council who continue to lend their time, unfaltering commitment and knowledge in the name of leading and sustaining quality sports and physical recreation in Northern Ireland.

A handwritten signature in black ink that reads "George Lucas." The signature is written in a cursive, flowing style.

**George Lucas**  
**Chair, Sports Council for Northern Ireland**

**Date: 24 June 2020**

## **Chief Executive's Introduction**

I am delighted to present the 2018-19 Annual Report for Sports Council for Northern Ireland (Sports Council). As the public body leading the development of sport in Northern Ireland, we remain committed to a relentless pursuit of excellence in sport, from grassroots sport to a quality club environment to podium level success. Sports Council has developed significantly in recent years due to a range of change and organisational development initiatives. We have learned of the critical role of a strong organisational culture that sets clear standards and expectations of us all, recognisable in all that we do.

In terms of grassroots sport and our **Sporting Communities** Programme, Every Body Active 2020 was delivered in partnership with district councils and Community Planning Partnerships and increased quality opportunities for targeted groups to develop and sustain participation in sport across key life-course transitions. This enabled Sports Council to continue shaping quality sport locally through our role as a statutory community planning partner. During 2018-19 this programme opened up sporting opportunities to just under 30,000 people from under-represented areas and from areas of greatest need which is an achievement we are proud of.

We are proud too of Sports Council's work during 2018-19 to encourage significant participation opportunities for women and girls and disabled people in Northern Ireland. The Active Living, No Limits programme continued to improve the health and wellbeing of those with a disability by offering diverse and inclusionary opportunities to partake in sport and active recreation. Our Active, Fit and Sporty programme for women and girls also sought to increase equality, diversity and inclusion in participation sport. As these projects are evaluated in the 2019-20 year to report on completion of our current corporate plan, we will seek to build on the strong foundations in place but integrate and mainstream, much more strategically, access to sport from minority and under-represented groups.

The **Sporting Clubs** Programme has continued to invest in 21 sporting organisations (governing bodies of sport and umbrella organisations) this year in order to deliver a growing number of sports clubs and coaching staff of a particular quality in Northern Ireland. This work has been particularly successful with over 50,000 new club members and over 7,000 highly trained members of coaching staff facilitated and encouraged by the programme as of this year – a significant achievement.

Our club structures and systems provide the foundation for local athletes to develop, thrive and succeed, ensuring Northern Ireland continues to thrive and be recognised as a place where sportspeople excel. One example that I would like to highlight comes in the form of the Irish Women's Hockey Squad. This year the team defied the World rankings to win the Silver medals at the Hockey World Cup, doing much to raise the profile of the game and catch the imagination of the island.

In terms of our third strategic programme; **Sporting Winners**, we have witnessed some truly marvellous sporting success during the past year. Northern Ireland has excelled with 31 medals won, seven of them Gold. We have seen some incredible multi-medal successes - with women in sport leading the way. Bethany Firth won five medals in the European Para Swimming Championships and Kirsty Barr, who won 3 medals across the European and



Commonwealth Championships and World Shooting Championships) – truly incredible achievements.

In an exciting new initiative, Sports Council has collaborated with partners to develop the NI Wellbeing in Sport Action Plan (2019-25). This plan demonstrates our commitment to improving mental health and wellbeing for people involved in sport over the next six years. The plan is a partnership with the Public Health Agency (PHA) and supported by other sporting and health sector organisations (both statutory and voluntary) and the Department for Communities. This is a new area of focus, with no existing track record for reference. Therefore in order to target resources across the full period of the plan, it is proposed to run a pilot programme during 2019-20. The pilot will enable solutions to be tested, impact to be assessed and lessons to be learned. These lessons will help ensure effective targeting of resources during the remainder of the programme. Sports Council has committed a staff resource to drive this important project forward through the pilot phase.

As we celebrate sporting success during 2018-19, Sports Council pays tribute to coaches, officials and volunteers who are critical to the development and delivery of sport in all its forms in Northern Ireland. In total 140 nominations were received from 25 sports for our 'Sportmaker' awards across all of the 12 categories, representing a sizeable increase on the previous year.

As we move into the year 2019-20 with a renewed sense of organisational confidence and pride, we remain committed to continuing our journey to excellence as a highly performing sports team and relish the opportunities for much more effective collaboration as we work with partners to develop our new corporate plan 2020-25, together demonstrating the power of sport through partnership.



**Antoinette McKeown**  
Chief Executive

**Date: 24 June 2020**

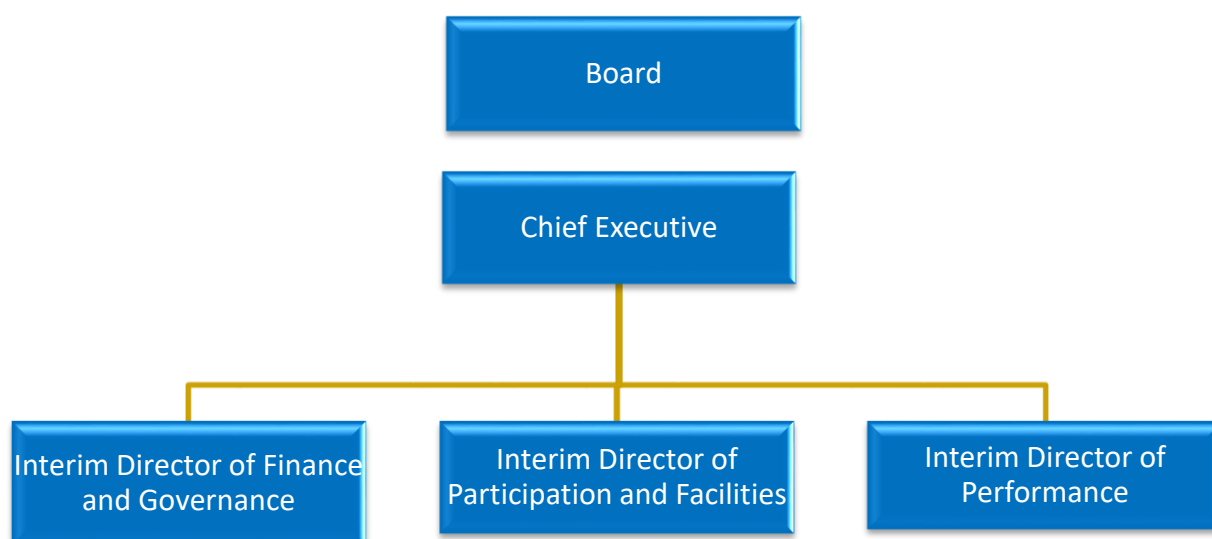
## **Purpose and Activities of Sports Council for Northern Ireland**

### **Business model and environment**

Sports Council for Northern Ireland (Sports Council) is the statutory body through which public funding for sports in Northern Ireland is channelled.

### **Organisational Structure**

The affairs of Sports Council are managed by the Board, consisting of the members listed in the Directors' Report. Sports Council has a Chief Executive and currently has three interim executive directors: Interim Director of Finance and Governance, Interim Director of Participation and Facilities and Interim Director of Performance. This team is supported by a discreet Executive Unit to facilitate coherent and consistent decision making and communication across the organisation. The Chief Executive, Antoinette McKeown, is the Accounting Officer of Sports Council and is supported by professional staff responsible for subject and functional areas of Sports Council's programmes.



### **Principal Functions Related to Grant-in-Aid Activities**

Sports Council's principal functions are as provided by Article 3 of the Recreation and Youth Service (NI) Order 1986:

- On matters relating to sport and physical recreation, to advise the Department and other government departments, Education Authority, local Councils and other bodies interested in sport and physical recreation;

- To encourage the provision of facilities for, and participation, in sport and physical recreation; and
- To assist, subject to Paragraph (4) of the article:
  - the provision of administrative services, equipment, coaching and instruction;
  - the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
  - bodies providing supportive services in connection with sport and physical recreation.

Article 5 of the 1986 Order provides that the Department may, subject to such conditions as the Department thinks fit, make grants towards the expenses of Sports Council. These financial statements have been prepared on an accruals basis and show a true and fair view of the state of affairs of Sports Council's activities at the year end and of its net expenditure, changes in taxpayers' equity and cash flows for the financial year. They have also been prepared in accordance with Article 7 of the Order and in a form directed by the Department with the approval of the Department of Finance.

### **Review of Grant-in-aid Activities**

Sports Council is primarily funded by grant-in-aid from the Department for Communities (DfC). The level of funding is agreed with DfC as part of a rolling funding agreement. This agreement also includes an agreed set of operational targets as outlined in the business plan. During 2018-19, Sports Council received £10,231,369 (31 March 2018: £10,642,180) in funding. Grant-in-aid funds are accounted for in Sports Council for Northern Ireland Exchequer Account.

### **Future Grant-in-aid Activities**

Exchequer funding is anticipated to remain at its current level in 2019-20.

### **Objectives and Strategies**

Sports Council's vision is "Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport."

Its Mission is to lead sports development at all levels producing more participants and more winners.

Its strategic objectives are:

1. To increase and support the number of people adopting and sustaining a sporting lifestyle (Sporting Communities).
2. To enable more people to develop and reach their sporting goals through a structured environment (Sporting Clubs).
3. To help more Northern Ireland athletes win at the highest level (Sporting Winners).

## **Key Issues and Risks that could affect the delivery of our Objectives**

Risk management is fully incorporated into organisation and business planning. The Board manages risk by ensuring that the procedures which are in place to verify risk management are regularly reviewed and reported. The Executive Team reviews and updates the Corporate Risk Register on a quarterly basis and submits it to the Audit and Risk Assurance Committee for consideration. The report is in turn considered at the subsequent Board meeting. The main risks to Sports Council are:

- Macro environment;
- Budget uncertainty;
- Relationships;
- Failure to modernise;
- Ineffective governance; and
- Health, safety and wellbeing.

The Board considers how these risks are managed, the residual risk and action plans as appropriate.

## **Going Concern Basis**

The financial statements of Sports Council are produced on the 'Going Concern Basis'. This was formally considered by the Board at its meeting on 10 June 2020. Sports Council is not aware of any reason to adopt a different basis. The impact of Covid-19 has not changed the view of the Board.

## **A Performance Summary**

Sports Council's Business Plan for 2018-19 set out 21 Key Performance Indicators (KPIs) to be measured in relation to four over-arching outcomes: Results, Customers/Stakeholders, Internal Processes and Organisational Learning and Growth. By the end of 2018-19: 15 were achieved; 1 partially achieved; and 5 were not achieved. Three of the four 'not achieved' related to Internal Processes, and one related to Organisational Learning and Growth. A greater level of detail on performance is included in the Performance Analysis section on pages 11-29.

## Performance Analysis

The purpose of the 'Performance Analysis' is to provide a detailed performance summary of how Sports Council measures its performance and more detailed integrated performance analysis.

### Key Performance Indicators, Risk and Uncertainty

Sports Council's Business Plan for 2018-19 responds to strategic objectives set out in its current Corporate Plan and reflects 13 overarching outcomes, which are linked to Sports Council's strategic objectives, Departmental priorities and the NI Executive's current Outcomes Delivery Plan. The outcomes are arranged into four main sections, namely: Results; Customers/Stakeholders; Internal Processes; and Organisational Learning and Growth.

Sports Council's strategic priorities and performance targets are influenced by known factors and uncertainties. A risk management framework is in place to ensure that risk is understood, reported and managed as far as reasonably practicable across the organisation.

The table below provides a summary of the 21 KPI targets using a 'traffic light' rating system showing progress against each Overarching Outcome. At the end of the year, 15 (71%) of the 21 KPIs were achieved, 1 (5%) was partially achieved and 5 (24%) were not achieved.

Key:

- Green: Target achieved
- Amber: Substantially achieved
- Red: Not achieved

Overarching Outcome	Outcome	Key Performance Indicator	Progress Status at Year End
1. Results	R1. More people adopting and sustaining a sporting lifestyle.	R1.1a) Engage a total of 89,000 participants through Sport Northern Ireland's Every Body Active 2020 Strand 1: Opportunities investment programme, targeting under-represented groups. R1.1b) Engage a total of 18,500 participants through Every Body Active 2020 Strand 4: Capacity Building, Outreach & Small Grants investment programme, targeting underrepresented groups. R1.1c) Develop and initiate Every Body Active 2020 Strand 3: Workforce Development.	Substantially Achieved
		R1.2 To co-ordinate, manage and/or influence the continued implementation of three strategic action plans: <ul style="list-style-type: none"> <li>• Active Fit and Sporty;</li> <li>• Active Living: No Limits 2021; and</li> <li>• Our Great Outdoors.</li> </ul>	Achieved

	R2. More people to develop and reach their sporting goals through a structured environment.	R2.1a) increase sports club membership by 7,000 through Sport Northern Ireland's Sporting Clubs investment; and R2.1b) engage 10,500 learning opportunities for coaches, officials and club volunteers through Sport Northern Ireland's Sporting Clubs investment.	Achieved
		R2.2a) Launch and complete Stage One assessments of Sport Northern Ireland's Multi Facility Fund investment programme. R2.2b) Invest in 4 facilities through Sport Northern Ireland's Every Body Active 2020 Strand 2: Outdoor Spaces.	Achieved
	R3. More Northern Ireland athletes winning at the highest level.	R3.1a) Invest in 20 Sports Organisations to deliver Sporting Winners benefits; R3.1b) invest in 40 posts within sporting organisations to deliver High Performance programmes; R3.1c) support sports to deliver 25 targeted performances at World Championship events (range from medal to Top 32); R3.1d) support sports to deliver 34 targeted 'medal zone' performances at the Gold Coast Commonwealth Games (range medal to top 8).	Achieved
		R3.2 By 31 March 2019 to work with a range of sports (6-8) to support development of their performance sport systems.	Achieved
<b>2. Customers &amp; Stakeholders</b>	CS1. Improved partnership working and engagement with key partners and stakeholders, delivery partners.	CS1.1 To work collaboratively with the Department to engage, consult and co-design the new Northern Ireland Strategy for Sport and Physical Activity 2020-30.	Not Achieved
		CS1.2a) Complete and/or report on EU Erasmus Plus funded projects: CS1.2b) Continue to partner with, support and develop EU networks and projects.	Achieved

		<p>CS1.3 To have launched a partnership project with the Public Health Agency and other stakeholders involved in Sport Council's Wellbeing in Sport Action Plan 2018-2023.</p> <p>To provide 8 Automated External Defibrillators (AED) training sessions for sports volunteers across Northern Ireland.</p>	Achieved
	<p>CS2. Improved partnership working and engagement with local government through community planning.</p>	<p>CS2.1 - In its role as the Statutory Partner for the Community Planning process, Sport Northern Ireland will establish a sports initiative in each of the 11 District Councils.</p>	Achieved
	<p>CS3. Responsive and effective service delivery</p>	<p>CS3.1a) Deliver services into 16 High Performance (HP) Sport Programmes;</p> <p>CS3.1b) Initiate a Pathway Curriculum for one sport to support delivery of R 3.1;</p> <p>CS3.1c) Develop an interim Northern Ireland Pathway Health Check (pending approval of the new UK wide HPSAG Pathway Health Check Lite).</p> <p>CS3.1d) Develop and implement agreed projects in partnership with at least three culturally significant sports to support their performance sport systems.</p> <p>CS3.1e) To support Team NI to win at least 5 medals at the 2018 Gold Coast Commonwealth Games.</p>	Achieved
<b>3. Internal Processes</b>	<p>IP1. Effective Corporate Governance</p>	<p>IP1.1 To have completed Post Project Evaluations relating to the following key investments:</p> <ul style="list-style-type: none"> <li>• Boxing Investment Programme;</li> <li>• PerformanceFocus Investment Programme; and</li> <li>• Safeguarding in Sport Services (June 2018)</li> </ul>	Not Achieved
	<p>IP2. Effective and efficient management of financial resources</p>	<p>IP2.1 To have key financial and assurance reports completed.</p>	Not Achieved

	IP3. Improved processes and services through new information management and digital strategies.	IP3.1 To have delivered projects that will: <ul style="list-style-type: none"> <li>• Upgrade the financial management system;</li> <li>• Maximise the use of the GIFTS Management Information System: and</li> <li>• Establish a records management system (HP TRIM Records Management System).</li> </ul>	Not Achieved
	IP4 Effective and efficient management of human and physical resources.	IP4.1 - to have implemented the priority recommendations from the liP review.	Achieved
		IP4.2 - through effective absence management systems to have a maximum of 8.5 working days lost per employee (average per annum).	Achieved
		IP4.3 - to have a Business model fully implemented to engage a total of 7,230 participants/users through Tollymore National Outdoor Centre (TNOC) courses.	Achieved
<b>4. Organisational learning and growth</b>	OLG1. Effective organisational leadership	OLG1.1 - to have completed a structural review of Sport Northern Ireland.	Not Achieved
	OLG2. A skilled and motivated workforce	OLG2.1 To have identified staff skills deficits within Sport Northern Ireland and implemented a learning and development plan that will address these.	Achieved
	OLG3. Effective Organisational health, safety and wellbeing	OLG3.1 To have developed a 'Workplace Wellbeing Programme' for staff. During the year focus will be given to implementing 3 key priorities within the Programme.	Achieved
		OLG3.2 To have designed and delivered 6 research projects in collaboration with relevant partners. These research projects are: <ul style="list-style-type: none"> <li>• SPLISS II Research Project;</li> <li>• Children's Sport Participation &amp; Physical Activity Study;</li> <li>• All Island Club Research Project;</li> <li>• Economic Importance of Sport &amp; Outdoor Recreation;</li> <li>• 2018 Commonwealth Games Review; and</li> <li>• Women in Sports Leadership Study.</li> </ul>	Achieved



The following narrative provides detail of the significant work of Sports Council during 2018-19:

## **Participation and Facilities**

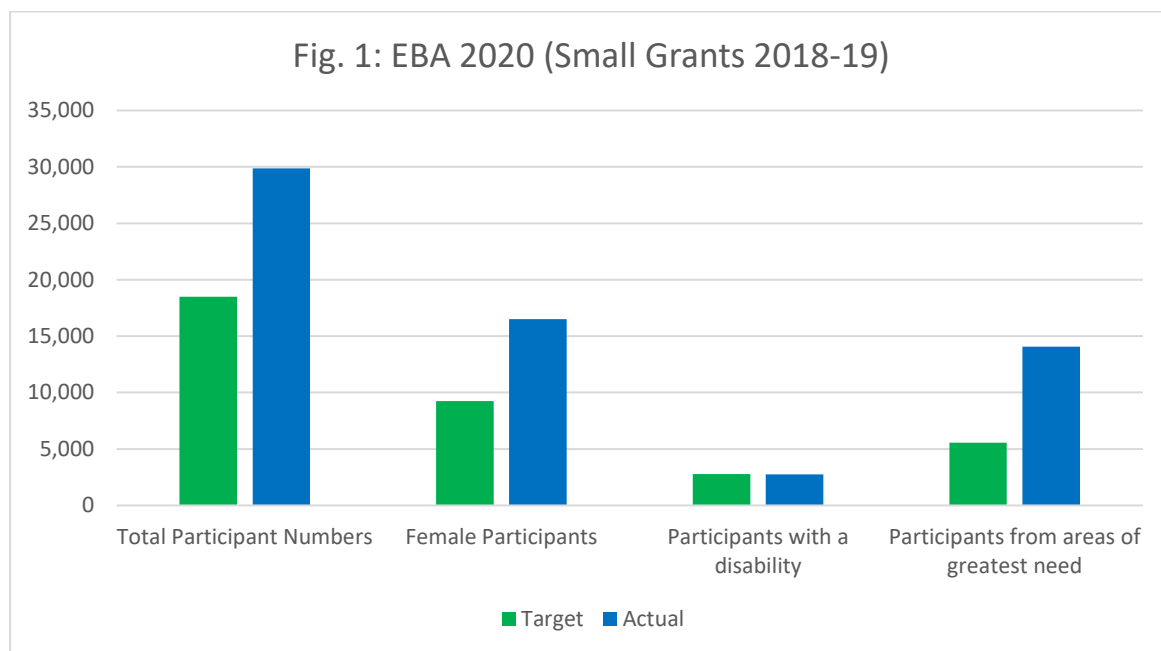
The role of our Participation and Facilities Team function is to lead and develop quality sporting experiences at grassroots level, increasing access to sport and recreation and ensuring a life-long enjoyment in sport for all people of all ages and stages in life.

### **Every Body Active 2020**

Every Body Active 2020 aims to increase quality opportunities for targeted groups to develop and sustain participation in sport across key life-course transitions. The programme encompasses four interventions strands.

Every Body Active 2020: Outreach, Capacity Building & Small Grants (Strand 4) targeted increased participation among under-represented groups (women/girls, people with a disability and those living in areas of greatest social need). The programme is aligned to Departmental priorities and also contributes to Sports Council's role as community planning partner. Sports Council investment is directed through existing small grants programmes within each of the 11 district councils. 2018-19 represents the third year of a four year cycle of small grants investment in district councils, with £593,000 invested this year.

<b>KPI</b>	<b>Target</b>	<b>Actual</b>
Total Participant Numbers	18,500	29,863
Female Participants	50%	55%
Participants with a disability	15%	9%
Participants from areas of greatest need	30%	47%



### Active Living: No Limits 2021

During 2018-19, Sports Council continued to support and contribute to the Active Living, No Limits 2016-21 framework (ALNL). ALNL aims to improve the health & wellbeing of people with a disability in Northern Ireland through participation in sport and active recreation. Framework delivery is driven through a collaborative model involving partners including district councils, governing bodies of sport, government departments (Health, Education & Communities), the disability sector and a range of community/voluntary/charitable sector organisations using sport.

Throughout 2018-19, Sports Council worked with a wide range of organisations on project delivery including district councils, Disability Sport Northern Ireland, Special Olympics Ireland, Angel Eyes, British Gymnastics Foundation and MENCAP.

Highlights included:

- 74% of adults and 68% of 12-17 year olds (with a disability) reporting an increased frequency of participation in sport and active recreation;
- 85% of adults and 79% of 12-17 year olds (with a disability) reporting improved confidence; and
- 80% of volunteers working with athletes with a learning and/or sensory disability reporting increased confidence.

### Active Fit and Sporty Report

During 2018 -19, Sports Council invested £497,025 into 6 organisations for the delivery of the Active Fit and Sporty Programme - Female Sports Forum, Disability Sport NI, Ulster University, Women in Sport and Physical Activity (WISPA), Sported and Youth Sport Trust.

The programme has continued to see success in inspiring and motivating women and girls across Northern Ireland to get involved in sport and physical activity.

Highlights from the report include:

- 2,811 learning opportunities were created, both to participants themselves and to sports clubs who are now better equipped in their offering to female participants;
- Leadership training was provided to 336 people with 99% of those registered completing it; and
- A total of 177 participation programmes took place, which overall involved 297 different stakeholders – including a variety of community groups, sports clubs, education providers and district council facilities.

## **The Open 2019**

The 2019 Open Golf tournament, staged at Royal Portrush Golf Club on 18-21 July 2019, was one of the sporting highlights of the year.

As part of Sports Council's contribution to maximising the legacy arising from staging The British Open Golf Championship, Sports Council worked in partnership with five district councils to deliver an Inclusive Golf Project in the lead up to the Open. The project encouraged and facilitated a collaborative approach to increasing participation in golf among a number of currently under-represented groups including people with disabilities, young people, females and people from disadvantaged backgrounds.

An integral element of this project was a training day held in partnership with RNIB and Guide Dogs at Allen Park, Antrim. Video showcases of these projects are available at:

- <https://www.youtube.com/watch?v=PhmUY9unNxQ>
- <https://www.youtube.com/watch?v=99l-GCR1gaM>

Another project involved pupils of St. Gerard's co-educational special school, Colin Glen. The children enjoyed games on the interactive screens and were coached by the golf professionals who taught them how to swing the club, how to make contact with the ball and, most importantly, how to enjoy golf.

## **Defibrillators for Sport**

Throughout 2018-19, Sports Council continued to work in partnership with Department for Communities, Northern Ireland Ambulance Service and the Public Health Agency to support the implementation of the "Community Resuscitation Strategy for Northern Ireland". In 2018-19 this included the deployment of a further 90 lifesaving Automated External Defibrillators (AEDs) to sports and community voluntary groups with a total of £903,000 invested into this programme.

## Safety at Sport Grounds

During 2018-19, Sports Council worked closely with the Sports Ground Safety Authority (SGSA) to ensure continued support to sports governing bodies, venue operators and district councils in the effective operation of the Safety of Sports Grounds (NI) Order (2006). In addition to ongoing support to district councils, key outputs from this work in 2018-19 included 24 individuals completing SGSA Safety Officer Training (Oct 2018). All participants provided a Course Evaluation – in response to the question “was the training valuable in performing their role”, respondents scored the course at 96%.

## Tollymore National Outdoor Centre

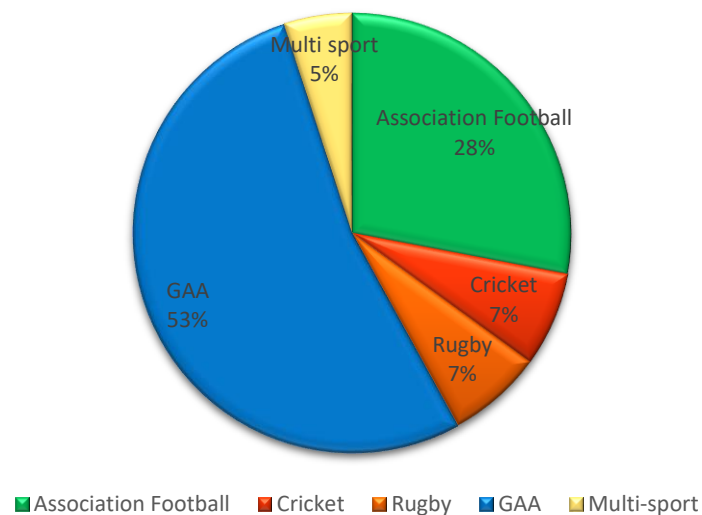
Tollymore National Outdoor Centre (TNOC) is the only National Outdoor Centre on the island of Ireland. In 2018-19, TNOC continued to perform above expectations with throughput of 11,666 (13% increase on 2017-18 performance). In May 2018, Sports Council formally opened the redeveloped Altnadue Quarry – the only bolted sports climbing venue in Ireland. Throughout 2018-19, Altnadue Quarry continued to be well used and total usage by year end was 14,482 (target – 9,500). A further 4,701 users availed of the Mountain Bike Skills Course at TNOC.

The Centre celebrated its 50<sup>th</sup> Anniversary in September 2018, including attendance by Lord Roden, whose father gifted the original Centre to the public estate in the 1960s based on his love of the ‘great outdoors’.

## Pitch Maintenance Programme

During 2018-19, Sports Council continued to support and resource the Pitch Maintenance Programme. It supported 43 projects across four sports and one multisport site as shown in Figure 2 below.

**Fig 2: Pitch Maintenance Programme 2018-19**



## **Your School, Your Club**

Your School Your Club is a joint policy framework published in 2014 by the Department of Education and the Department of Culture, Arts & Leisure (now Department for Communities). The framework sought to encourage increased access to, and sustainable use of, school sports facilities by local sports clubs and community groups. Sports Council was part of the Your School Your Club Working Group which invested into the following projects in 2018-19:

- Augher P.S. - joint funding from DfC (£150,000) and DAERA (£150,000), through EA contributed to replacing an existing grass playing field with a floodlit 2G playing surface. This has helped increase opportunities for participation in sport and recreation, particularly for people who are rurally isolated.
- National Autistic Centre - DfC contributed £30,000 in funding to the new National Autistic Centre in Carryduff to purchase indoor and outdoor gym equipment. This will allow day service users to use the facilities during the service hours. Outside of this, the facilities will be opened up at allocated times to individuals and their families to take part in classes, play times and general use.

## **Performance**

The role of the Performance Team is to lead, develop and support quality sporting experiences for those operating within governing bodies of sport. The range of work includes club environments, sport pathways and high performance. Aims of the work include growing, sustaining and retaining sport club membership with special focus on the recruitment, development, deployment and retention of active and skilled populations of coaches, volunteers and officials. In addition sports are provided with a range of services to help them develop their sporting pathway to create opportunities for individuals to progress. Those individuals with sufficient talent become part of National high performance programmes and compete to win medals at World, Olympic/Paralympic, European or Commonwealth games levels. The athletes and coaches operating in these sport high performance programmes are supported by specialised services delivered from the staff at the Sport Northern Ireland Sports Institute, who are also part of the Performance Team.

## **Context**

In 2018-19 there are two large investment programmes running that influence developments within governing bodies of sport. These are both Lottery funded and are called the Sporting Clubs Programme and the Sporting Winners Programme. These programmes are reported in detail within the Lottery Annual Report & Accounts for the year ended 31 March 2019. The staff within the Performance Team work to supplement these direct investment Programmes, providing expertise that adds value to the quality of governing body provision and therefore increases the likelihood of successful outcomes e.g. club members having a positive experience or athletes from Northern Ireland winning medals in international competition.

The following sections provide insight to the type of added value work completed by the Performance Team in 2018-19.

## **Governance, Leadership and Culture**

Sports Council's Governance team continued to support those sports receiving investment under the Sporting Clubs and / or Sporting Winners Programmes in addition adding value through provision of leadership development opportunities to personnel in Boxing, Netball, UGAA, Disability Sport NI, Swim Ireland and Mountaineering Ireland. In conjunction with UK Sport, a new initiative was developed and introduced to help sporting organisations consider their culture and further work is planned in this critical space. Sports Council also continued to lead the development of Anti-Doping Education with Sporting Clubs and Sporting Winners sports, ensuring that athletes, coaches and athlete support personnel gained accurate information that will help them manage their responsibilities in this area. Over 900 athletes, coaches and athlete support personnel attended Pure Winner workshops during the year. An additional 550 engaged with the Pure Winner Outreach programme. These anti-doping workshops were tailored to take account of anti-doping experience, sport, doping risk and audience type and returned a 99.3% quality rating of excellent / good. The Pure Winner Curriculum continues to ensure that the initiation to anti-doping education is targeted and increased at the optimum level as an athlete progresses along the sporting pathway.

In 2018-19 Sports Council has also contributed expertise to Department for Communities-led Motorsport Taskforce which has recently published a report aimed at stimulating new development in this popular group of sports disciplines.

## **The Club & Workforce Environment**

To support those personnel within the sporting system who are operating to impact on the club environment, Sports Council held a number of key events as listed below:

'Connected18: Un-Conference' was successfully delivered to over 80 delegates in September 2018. As the name suggests, the idea was to try a new concept and interestingly this format received some of the most positive feedback that the team have ever received for an event of this nature. The Un-Conference included a format focus specifically around collaboration, leading change and selling what you do. The delegates were challenged to leap well outside their comfort zone in order to learn from each other.

The members of the team working in this area also delivered two key support opportunities for the network. The first focused on working with parents in sport and satellite club approaches to growing membership. The second focused on encouraging sports to develop insight regarding their membership mix, workforce populations and workforce learning provision. The benefit of enhanced insight is the potential to make better decisions when targeting resources.

Members of the team also piloted a new Leading Learning Programme. This saw workshop focus on (a) Embracing Learning Technologies, (b) Individualised Learning Journeys, (c) Targeted Learning Interventions (d) Workforce Development and Resource Development and (e) Leading change and strategy for learning within sports. The programme continues to have

good levels of engagement from the cohort and has been cited as a model to replicate by colleagues in **sportscotland**.

A license agreement for governing bodies to license Sports Council workshop content has been developed, with 2 governing bodies licensed so far. There has been a positive response from governing body staff to this development and it does offer a route to empowering and enabling other organisations moving forwards. Content development and sharing relationships have been developed with **sportscotland** and Sport Wales which should continue to enable Sports Council to develop leading content and greater autonomy over workshop delivery in various topic areas moving into the future.

## **Sport Northern Ireland SportMaker Awards 2018**

Coaches, Officials and Volunteers are critical to the development and delivery of sport across all levels in Northern Ireland. Sports Council has developed a national awards programme that delivers on the following objectives for an investment of £24,905. This provides recognition for the sporting workforce (coaches, officials and volunteers) at each stage of the sporting pathway and in addition provides a route for recognition from local to UK level. No other UK or Irish sports body currently takes such an inclusive and coherent approach.

### Categories

During the 2018-19 year a total 140 nominations were received across all of the categories, an increase of 21% from the 116 received in 2017-18. 25 sports were represented across the nominations, with awards celebrated at a special SportMaker event in February 2019:

<b>Category</b>	<b>Winner</b>	<b>Sport</b>
Children's Coach of the Year	Peter Stewart	Taekwondo
Community Coach of the Year	Kim Godsman	Multi-sport/physical activity
Disability Coach of the Year	Gemma Reynolds	Judo
Young Coach of the Year	Emma Gorman	Gymnastics
Performance Pathway Coach of the Year	Conor Hickland	Badminton
Club Performance Coach of the Year	Clare Winning	Netball
High Performance Coach of the Year	Luke Carson	Gymnastics
Technical Official of the Year	Ben McGarrigle	Boxing
Young Technical Official of the Year	Kurtis Scott	Athletics
Volunteer of the Year	Aiden Pounder	Sailing
Young Volunteer of the Year	Jordan Buchannan	American Football
Project of the Year	Move More NI	Physical Activity

## **Sport Pathways**

Sports Council receives investment from UK Sport towards a staff member to lead on work within this important area. This is part of Project Connect which is a UK Sport initiative to support collaboration across Home Countries in the development of sporting pathways and the people who operate within them. During 2018-19 Sports Council piloted a local version of this project with 4 sports (Boxing, Athletics, Swimming and Hockey). Learning from this pilot which runs through 2019 will be used to inform subsequent roll out of support in this area.

Staff have collaborated with Home country colleagues to produce a new development aid called the Pathway Health-check. The intention is to deploy this resource in Northern Ireland to help sports identify gaps within their pathways and to prioritise solutions.

Members of the team delivered three symposia to support those governing body staff working on pathways:

- 'Generation Z – understanding the athletes currently populating your pathway';
- World Class Transitions; and
- Creative Problem solving for Performance Success.

These drew on a range of experts both inside and outside sport including Michael O'Neill (IFA National Team Manager), Chloe Combi (researcher, futurist and writer on Generation Z) and Dr. Malcolm Fairweather (Head of Performance Solutions at **sportscotland**).

## **High Performance**

The focus of staff work in the high performance domain is to help athletes to win medals at World, Olympic/Paralympic, European or Commonwealth games levels.

This is achieved through financial investment (Sporting Winners Programme) and also provision of expertise from performance staff including those service providers based at the Sport Northern Ireland Sports Institute (SNISI).

Investment in governing bodies of sport either regionally (Northern Ireland/Ulster) or nationally (Great Britain/Ireland) recognises Northern Ireland's position at the intersection of both the British and Irish performance sport pathways. The high performance component of Sports Council's work often focuses on creating a 'springboard' effect to fast-track athletes from Northern Ireland onto national squads and eventually on to success in international competition.

Strategic work with partners Sport Ireland and UK Sport is critical in this regard given Northern Ireland's unique position regarding sporting pathways. In the current year staff have worked effectively to build collaborations with both UK and Irish systems. Examples include:



## UK System

Sports Council is an active member of the UK High Performance System Advisory Group (HPSAG). This group's purpose is to coordinate and align high performance resources throughout the UK. In any given year HPSAG will have a number of priority projects and in 2018-19, Sports Council has been able to benefit from collaborative work on the athlete pathway, culture development, a practitioner portal to share knowledge among Sports Institute staff and enhanced approaches to data management when investing in sports.

## Irish System

Sports Council is represented on Sport Ireland's High Performance Committee which is the major group making recommendations to Sport Ireland's Board on high performance. In addition staff have worked with Sport Ireland colleagues and the Irish High Performance Community to develop information to facilitate formation of Sport Ireland's new High Performance strategy. The interim Director of Performance is an active member of the working group that will develop this new strategy to cover the period 2020-29.

Regular collaboration with Sport Ireland's Performance Unit and the Sport Ireland Institute of Sport throughout the year ensured that delivery of investment and services to sports remained cohesive without duplication.

New relationships were also established with the new CEO's and senior staff at both the Olympic Federation of Ireland and Paralympics Ireland, with a view to further collaboration as athletes from Northern Ireland begin the challenge of qualifying for the Tokyo Games.

## **Sport Northern Ireland Sports Institute (SNISI)**

Through 2018-19 services were delivered from the SNISI into the following 19 HP Programmes - Athletics, Para-Badminton, Boccia, Bowls, Boxing, Canoeing, Cycling, Men's Hockey, Women's Hockey, Judo, Netball, NICGC, Rowing, Sailing, Para-Snowsport, Swimming (IRL), Para-Swimming (GBR & IRL), Triathlon, Wheelchair Basketball. Discussions were also initiated with Shooting as a 20th programme for support that would initiate in 2019-20.

SNISI has supported 180 athletes during the year, with many of those competing at World Championships, European Championships and the Commonwealth Games. The Commonwealth Games benefitted from expertise of four staff from SNISI and Sports Council taking positions within the Northern Ireland HQ team and sport delivery teams – supporting in areas of anti-doping, psychology and performance skills, performance analysis and physiology. SNISI staff are also playing an increasing service leadership role as part of national sport's teams seeking to qualify for the Tokyo Olympic and Paralympic Games in 2020. These roles recognise the strength of Sports Council's elite performance expertise.

One new venture in 2018-19 involved Performance Skills staff from the SNISI piloting a 'Sport into Business' programme. It is important to ensure that there is an appropriate balance between the pursuit of performance and the care for the person behind that performance. Ensuring that athletes are ready for the future ahead is a critical part of this. The world of elite sport can be unpredictable – not every athlete will achieve their ultimate

ambitions but every athlete will inevitably have to transition from their sporting careers at some point and this can be a particularly difficult time for retiring athletes. The 'Sport into Business' programme can help athletes to source appropriate work placements and work experience opportunities to help create valuable 'touch-points' with employers which in turn enables the athletes to demonstrate that their skills can actually be transferred in to the real working world.

Ideally athletes should be preparing for their future beyond sport well in advance, to give themselves the best chance possible of transitioning out of the high performance system smoothly – and we absolutely encourage this. Due to the intensity of training and competition it is becoming increasingly rare for athletes to be involved in traditional higher education or full time employment so it is increasingly important that they develop their future options from early on.

### **Performance Management**

During 2017-18 Sports Council introduced a Performance Management Policy. This provides a framework for managing staff performance, including the application of the Sport Council's Competency Framework and implementation of the annual Performance Cycle.

The introduction of this policy has added value through a consistent approach to Performance Management in the organisation, letting staff at all levels understand their roles and responsibilities in managing their own and others performance. The embedding of this policy and associated practices is ongoing.

### **Communications**

Sports Council Communications Strategy focused successfully on social media as a primary engagement tool and utilised our Ambassadors to attract significant media opportunities, which conveyed key strategic messages aligned to the organisational objectives and route map for change. Reach was optimised for the launch of the Wellbeing in Sport project (for example, 75k twitter impressions), and Tollymore National Outdoor Centre consistently outperformed other comparable outdoor centres on social media.

### **Culture**

Sports Council has developed significantly in recent years due to a range of change and organisational development initiatives. We have learned of the critical role of a strong organisational culture that sets clear standards and expectations of us all; Board, leadership, management and staff and communicates that, in all that we do. We have invested energy and commitment into defining a culture that reflects that of a high performing sports team and enables us to demand of ourselves what is demanded from Northern Ireland's best athletes.

A strong and positive sporting culture is increasingly recognised as setting the tone of well-being in sport and respect for the voices of all involved. It is the expression of the beliefs, values and behaviours in sport. Regardless of the sport's focus; fun, skill or winning or whether it promotes individual accomplishment or team success, we want to ensure that it is the foundation of our sporting system going forward.

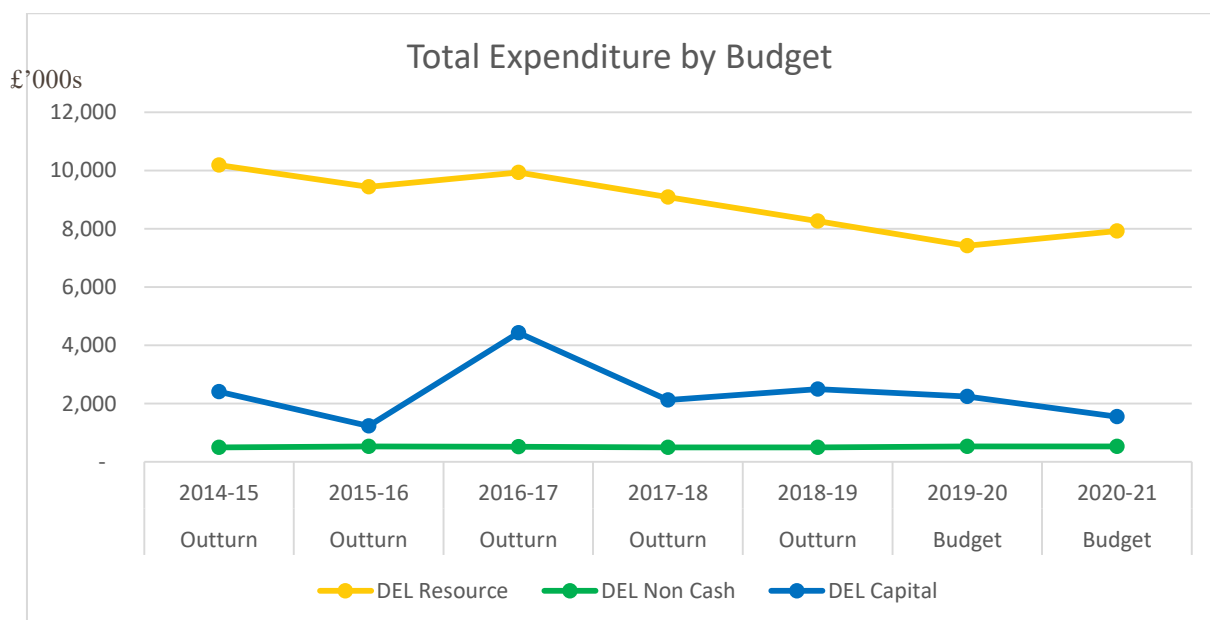
Sports Council's DNA has enabled the organisation to develop a value driven draft strategy and we are committed to embedding a strong sporting culture in sports so that sporting organisations can thrive.

## Financial Results

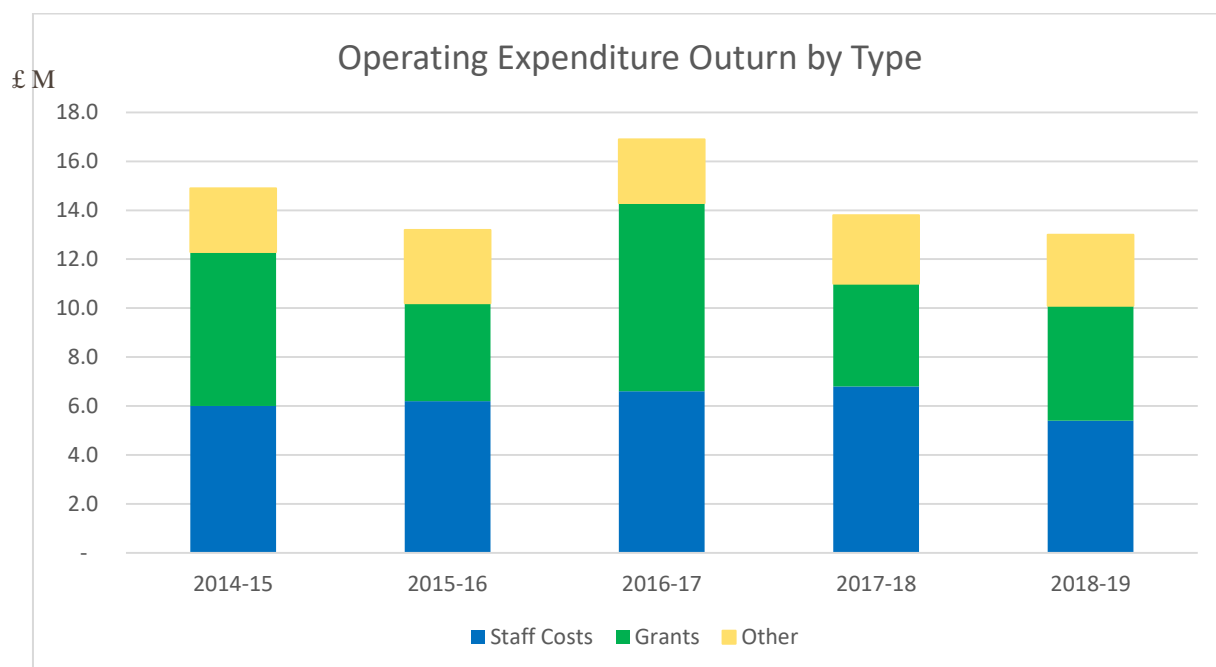
During the course of the financial year, Sports Council continued to demonstrate sound financial management. Sport Council's key financial target is to operate within the allocated budget for the year. At the end of the year Sports Council realised total net expenditure of £11,382,780 (2017-18: £11,521,471). The taxpayers' equity at the year-end is a deficit of £2,574,913 (2017-18: £2,832,078) which includes a pension reserve liability of £6,017,000 (2017-18: £6,534,000).

## Long Term Expenditure Trends

Since 2014-15 Sports Council usage of DEL Resource budget has decreased by almost 20% from £10.1 million to £8.3 million in 2018-19. Initial budgets for 2019-20 and 2020-21 are lower than the outturns for the past 5 years as approximately 10% of annual spend is on specific projects agreed in year, for which non recurrent funding has been received.



Staff costs and other costs such as administration and programme costs have remained at a consistent level over the past 5 years. Grant payments have been more varied with the largest amounts given out in 2016-17 due to £3m increase in capital grants.



### Political and Charitable Donations

Sports Council made no political or charitable donations during the year (2017-18: Nil).

### Non-Current Assets

The movement on non-current assets is reported upon in Notes 5 and 6 of the accounts. During the year assets reduced in value by £70,158, mainly as a result of depreciation (2017-18: £183,424 of an increase).

### Research and Development

Sports Council spent a total of £47,455 on research during 2018-19 (2017-18: £70,000) in order to better inform sporting objectives and outcomes. The largest part of this portfolio was £27,600 of research into Sport Policy Factors Leading to International Sporting Success. This 'SPLISS' research provided an invaluable insight into the considerable improvement that Sports Council has achieved in terms of organisational development and measurable outcome success. Furthermore, Sports Council spent £9,840 on assessing the economic impact of outdoor recreation in Northern Ireland and a further £4,920 examining the development of angling on a regional basis.

### Interest rate and currency risk

Sports Council has no borrowing, relying primarily on Departmental grants for its cash requirements and is therefore not exposed to liquidity risks. It has also no material deposits. Therefore, Sports Council is not exposed to material interest rate risk and as all significant assets and liabilities are determined in sterling it is not exposed to material currency risk.

## **Payment of Suppliers**

Sports Council is committed to the prompt payment of bills for goods and services in accordance with the Confederation of British Industry's Prompt Payment Code. The target for payment of bills is 10 days from receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later. During 2018-19 Sports Council paid 90% (31 March 2018: 90%) of invoices within 10 working days and 100% (31 March 2018: 99%) of invoices within 30 days. Overall, for the year, the average number of days taken to pay invoices was 9 days (2017-18: 9 days).

## **Pension Fund (Audited Information)**

All assets, liabilities and operating costs of Sports Council's pension scheme are recorded in the accounts of Sports Council Exchequer entity. The salary charges to Lottery in-year include a recharge of employer pension costs of £140,616 (2017-18: £140,538).

The market value of Sports Council's share of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme's assets (excluding Additional Voluntary Contributions) at 31 March 2019 was £31.09m (31 March 2018: £28.486m) and the present value of Sports Council's share of the scheme liabilities was £37.107m (31 March 2018: £35.02m). Sports Council's share of the Scheme recorded net pension liabilities at 31 March 2019 was £6.017m (31 March 2018: £6.534m).

The accounting policy for pensions is disclosed in Note 1.15 in the notes to the accounts.

## **Accounts and Appointment of Auditors**

The Accounts of Sports Council are prepared in a form directed by Department for Communities with the consent of Department of Finance in accordance with Articles 7 and 8 of the Recreation and Youth Service (Northern Ireland) Order 1986.

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with Article 7 of the Recreation and Youth Service (Northern Ireland) Order 1986. The C&AG is head of the Northern Ireland Audit Office. He and his staff are wholly independent of Sports Council. He reports his findings to the Northern Ireland Assembly.

The fee for the audit of these financial statements is £35,000 (2017-18: £27,000). This cost is included in Operating Expenditure Note 3C in the financial statements. Sports Council did not purchase any non-audit services from its auditor the Northern Ireland Audit Office during the year.

## **Complaints Handling**

Sports Council operates a complaints procedure to handle general complaints about its service. Complaints can be made informally by telephone or formally in writing.

Further information on the complaints procedure can be found on the Sports Council website at: <http://www.sportni.net/sportni/wp-content/uploads/2013/03/SNI-Complaints-Procedure-Aug-16.doc>

There were two complaints received in the 2018-19 financial year (2017-18: none). The first was about a failed paddle sport assessment carried out at TNOC. The second complaint was against a member of the performance team; an investigation did not substantiate the accusations made.

## **Impact of business on the environment**

Sports Council is committed to practices and procedures that minimise impacts on the environment and has continued to make good progress in becoming a more sustainable organisation while still focusing on “making sport happen.” For example, Sports Council Procurement Policy seeks to implement Procurement Guidance Note 01/13 in integrating social considerations into contracts where appropriate.

Sports Council strategy encourages its staff to ensure that:

- Energy usage is more efficient;
- Business travel where possible continues to be reduced through greater use of video/teleconferencing;
- Waste management is controlled through the practice of reduce, reuse, repair and recycle;
- Biodiversity remains an element in planning for sports facilities and developments; and
- Opportunities to cycle and walk to work are maximised.

## **Respect for Human Rights**

Sports Council is deeply committed to equality, diversity, inclusion and respect for human rights. We will prioritise the dignity and welfare of our staff and stakeholders. During the course of their employment, no employee receives less favourable treatment or is discriminated against on the grounds of their sex including gender reassignment, pregnancy or maternity leave, marital or civil partnership status, sexual orientation, race or ethnic origin, religious belief, political opinion, national identity, age, or disability.

## **Rural Needs Act (NI) 2016**

The Rural Needs Act introduced a new duty on public authorities in Northern Ireland to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans. Sports Council has increasingly considered the needs of rural areas in recent programmes.

Sports Council remains committed to ensuring that the specific needs of its stakeholders, rural or urban, have been taken into account in its programme development. The Rural Needs Act is complementary to recent spatial planning work Sports Council has been leading in relation to the provision of sports facilities. Rural needs impact assessments were completed for the following projects and programmes in 2018-19:

- Your School Your Club;
- Pitch Maintenance;
- Our Great Outdoors 1;
- Our Great Outdoors 2;
- Health and Safety;
- Accessible Trekking;
- Safety; and
- Pool Platforms.

## **Anti-corruption, Anti-fraud and Anti-bribery Matters**

Sports Council has a number of policies in place which are designed to minimise the risk of fraud. These are: Anti-Fraud and Corruption Policy & Procedures, Conflicts of Interest Policy & Procedures, Whistleblowing Policy & Procedures and Gifts and Hospitality Policy & Procedures.

During 2018-19 there were no reported incidents of fraud or suspected fraud relating to Sports Council. (2017-18: nil).



**Antoinette McKeown**  
**Accounting Officer**

**Date: 24 June 2020**

## **Accountability Report**

The Accountability Report has three sections: a Corporate Governance Report; a Remuneration and Staff report; and an Assembly Accountability and Audit Report.

### **Corporate Governance Report**

The purpose of the Corporate Governance Report is to explain the composition and organisation of Sports Council's governance structures and how they support the achievement of its objectives. The Corporate Governance Report includes the Directors' Report; the Statement of Accounting Officer's responsibilities; and the Governance Statement.

### **Directors' Report**

#### **Board Members of Sports Council and members of its Audit and Risk Assurance Committee**

Sports Council performed its functions during the year ending on 31 March 2019 by:

- advising DfC and other government Departments, Education and Authority, district councils and other bodies interested in sport and physical recreation;
- encouraging the provision of facilities for, and participation in, sport and physical recreation;
- assisting the provision of administrative services, equipment, coaching and instruction;
- assisting the organising or supporting of, or participating in international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
- assisting bodies providing supportive services in connection with sport and physical recreation.

Sports Council is also one of the distributing bodies of National Lottery funding.

Appointments to the Board are made by the Minister for Communities. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department.

The Chief Executive of Sports Council of Northern Ireland is Antoinette McKeown.

Sports Council is vested in and administered by a body corporate known as the Board of Sports Council, consisting of a Chair, Vice-Chair and eight members (as at 31 March 2019) appointed by the Department for Communities Minister, as set out in the Recreation and Youth Service (Northern Ireland) Order 1986. The Board of Sports Council for the year ended 31 March 2019 is shown below:



**Board: 1 April 2018 to 31 March 2019**

George Lucas (Chair)  
Jay Colville (Vice-Chair)  
Jackie Bryson  
Richard Bullick  
Brian Delaney (Resigned August 2018)  
Wilma Erskine  
Kyle Ferguson  
Kieran Harding  
Catherine O'Mullan  
Darryl Petticrew  
Siobhan Weir

**The members of the Audit and Risk Committee for the year ended 31 March 2019 were:**

Jay Colville (Chair)  
Kyle Ferguson  
Kieran Harding  
Michael Matthews (co-opted member)  
Catherine O'Mullan  
Darryl Petticrew

Several members of the Board of Sports Council and members of key management staff are also involved with other sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 16. The Register of Interests is also online on Sports Council website. All of the transactions relating to the organisations were conducted at arm's length by Sports Council.

## **Statement of the Accounting Officer's Responsibilities**

Under Article 7 of the Recreation and Youth Service (Northern Ireland) Order 1986, Department for Communities has directed Sports Council to prepare a statement of accounts in the form and on the basis set out in the Accounts Direction for each financial year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sports Council and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the annual accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Department for Communities including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of Department for Communities has designated the Chief Executive as Accounting Officer of Sports Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Sports Council's assets are set out in Managing Public Money Northern Ireland (MPMNI).

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

## **Governance Statement**

### **Scope of Responsibility**

As Accounting Officer, I have responsibility for ensuring Sports Council's business is conducted in accordance with the law and proper standards, and that public money is properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, I am responsible for ensuring the existence of a robust framework of governance and accountability designed to instil a sound system of internal control, manage risk and support the achievements of Sports Council's objectives whilst safeguarding public funds and departmental assets in accordance with the responsibilities assigned to me in MPMNI. I am also personally responsible for ensuring compliance with the requirement of Sports Council's Management Statement, Financial Memorandum and Statement of Financial Requirements.

This responsibility is supported by: the Board; Remuneration Committee; Audit and Risk Assurance Committee; internal and external audit; Sports Council's Corporate Risk Register; and accountability meetings with the Department for Communities.

I also combine my Accounting Officer role with my responsibilities to the Department including any Ministerial directions. There were no Ministerial directions in the 2018-19 financial year.

### **Corporate Governance Code**

Sports Council complies with the principles of good practice detailed in Corporate governance in central government departments: code of good practice NI 2013 issued by Department of Finance and Personnel (now Department of Finance (DoF)) under cover of their letter DAO (DFP) 06/13.

Two principles were less relevant to Sports Council:

- (a) Board composition because the Department for Communities Minister makes appointments to the Board. However, the Board has the authority to co-opt to its committees where it deems a skill or experience is required; and
- (b) Arm's Length Bodies (ALBs). This principle has negligible relevance as it was directed towards Departments and their governance arrangements with ALB Boards.

There were no departures in the 2018-19 financial year from the application of relevant principles.

## **Conflicts of Interest**

Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 also requires the Board to publish how it identified any conflicts of interest and potential conflicts and how these have been managed.

Several members of the Board of Sports Council and members of key management staff are also involved with other sporting organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 16. All of the transactions relating to the organisations were conducted at arm's length by Sports Council.

## **The Purpose of the Governance Framework**

The term 'Corporate Governance' describes the way in which organisations are directed, controlled and led. The purpose of a Corporate Governance Framework is to facilitate accountability responsibility for the effective and efficient delivery of an organisation's statutory responsibilities or aims and objectives. Sports Council is established to deliver on its statutory obligations under the Recreation and Youth Service Order (Northern Ireland) 1986 and is funded by public monies to do so. The Corporate Governance arrangements provide the framework to ensure that Sports Council delivers on its statutory obligations and that it does so in accordance with the requirements placed on all publicly funded bodies regarding the stewardship of resources.

Sports Council has an established system of internal control which is based on an ongoing process designed to identify and prioritise risks to the effective and efficient achievement of the organisation's key business objectives and priorities. The system of control also provides an assessment of the likelihood of risks being realised and the consequent impact for effective and efficient management of risks. This system of internal controls has been designed to manage risk to an acceptable level rather than to eliminate risk entirely and as such does not provide absolute assurance of effectiveness.

## **Governance Framework**

There are six key organisational roles and structures defined within the corporate governance arrangements. These are the: Executive Team (ET); ET's Finance and Governance Sub-Committee; ET's Human Resources Sub-Committee; Board; Audit and Risk Assurance Committee; and the Remuneration Committee.

## **Executive Team**

The Executive Team (ET) comprises me and three directors. It supports the Board and me, as Chief Executive, by providing collective leadership and corporate collective responsibility for effective management of the organisation and taking ownership of Sports Council performance. Meeting weekly, it oversees how Sports Council plans, sets, communicates and monitors its corporate objectives.

Sports Council has developed systems of internal controls and risk management in line with best practice guidelines. Directors have the appropriate and relevant professional skills and competences to provide the assurance that these controls are operating efficiently and effectively.

## **Finance and Governance Sub-Committee**

This committee comprises me and three directors. Its purpose is to support me, as Chief Executive, through active dialogue and reporting on matters pertaining to financial management, internal control, risk and governance, and takes a collective corporate responsibility for effective finance and governance decision-making. Specific aspects of the Committee's work include reviewing the deployment of financial resources, ensuring sound systems of control and risk, overseeing compliance and managing the dissemination of key information.

## **Human Resources Sub-Committee**

This committee comprises me and three directors. Its purpose is to support me, as Chief Executive, through active dialogue and reporting on matters pertaining to the needs of staff, ensuring corporate, collective responsibility for HR decisions which meet employment law requirements, are consistently applied and reflect exemplar HR practice. From financial to legal matters, the Committee helps in maximising the efficiency of Sports Council.

## **Board**

I am supported by the Board of Sports Council. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department to:

- Provide effective leadership for Sports Council, in particular in defining and developing its strategic direction and in setting challenging objectives;
- Act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- Ensure that Sports Council's activities are conducted in an efficient and effective manner;
- Ensure that strategies are developed for meeting Sports Council's overall objectives in accordance with the policies and priorities established by the Minister;
- Monitor Sports Council's performance to ensure that it fully meets its aims, objectives and performance targets;
- Ensure that Sports Council's control, regulation and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensures value for money within a framework of best practice, regularity and propriety;
- Participate in the corporate planning process; and
- Appoint a Chief Executive.

The Board held ten meetings during the year to determine policy for Sports Council and make decisions in line with that policy. Six meetings were Board meetings, one meeting was for Board and Executive Team Development training, there was one extraordinary Board meeting and Away Day and there were two Workshops – one to discuss Risk and one on Corporate Planning. I attended nine Board meetings. My Directors produced papers and information to assist Board decision making.

The Board Effectiveness Review was undertaken for 2018-19 using the National Audit Office checklist, which aims to provide an indication of compliance with corporate governance in central government departments: Code of Good Practice NI 2013 (the Code). The Board Training and Development Plan 2018-19 was approved at the December 2018 meeting and implemented accordingly. Training covered the Board Operating Framework, Board Effectiveness and Accountability, GDPR and strategy, with a series of workshops on: culture, values, behaviours; risk appetite and risk management; insights and strategy development, along with visits from Home Country Sports Councils, and visits to Tollymore National Outdoor Centre and Sports Institute and specific projects. The Board further agreed to create and agree key parameters for an Independent Board Effectiveness review to be undertaken by March 2020.

The Board has a rolling work-plan and achieved its objectives, which were set out during the year. The overall average attendance rate of members was 72%.

**2018-19 Board/Committee Attendance**

	Board Meetings*			ARAC Meetings			Remuneration Committee Meetings			Total Meetings		
	Held	Attended		Held	Attended		Held	Attended		Held	Attended	
George Lucas (Chair)	10	10	100%	-	-	N/A	4	4	100%	14	14	100%
Jay Colville (Vice Chair)	10	10	100%	4	4	100%	-	-	N/A	14	14	100%
Jackie Bryson	10	8	80%	-	-	N/A	-	-	N/A	10	8	80%
Richard Bullick	10	8	80%	-	-	N/A	4	4	100%	14	12	86%
Brian Delaney (resigned August 2018)	3	3	100%	-	-	N/A	-	-	N/A	3	3	100%
Wilma Erskine	10	6	60%	-	-	N/A	4	3	75%	14	9	64%
Kyle Ferguson	10	7	70%	4	1	25%	-	-	0%	14	8	57%
Kieran Harding	10	6	60%	4	4	100%	-	-	0%	14	10	71%
Catherine O'Mullan	10	8	80%	4	3	75%	4	4	100%	18	15	83%
Darryl Petticrew	10	4	40%	4	4	100%	-	-	N/A	14	8	57%
Siobhan Weir	10	4	40%	-	-	N/A	-	-	N/A	10	4	40%

\*Includes a training session: Board & Executive Team Development Day (as part of the 2018-19 Board Training & Development Plan)

Members of the Board have delegated some of their tasks to two sub-committees which oversee the activities of management and provide support:

- Audit and Risk Assurance; and
- Remuneration.

**Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee comprises five members and one co-opted member, and is chaired by the Vice-Chair of the Board. It met four times during the year. I attended three meetings; and the interim Director of Finance and Corporate Services attended three meetings. The Audit and Risk Assurance Committee has a rolling work-plan and measures its performance by the achievement of its objectives.

Its terms of reference include supporting the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and by reviewing the reliability and integrity of these assurances; the activities of the internal and external auditors and overseeing the risk culture of Sports Council; and also reviewing its own effectiveness, constitution and terms of reference and reporting the results of that review to the Board.

The Audit and Risk Assurance Committee Handbook (NI) 2018, issued under cover of DAO (DFP) 03/18, sets out five principles to be followed. These principles are:

- Principle 1: Membership, independence, objectivity and understanding;
- Principle 2: Skills;
- Principle 3: The role of the Audit and Risk Assurance Committee;
- Principle 4: Scope of work; and
- Principle 5: Communication and reporting.

The Board has formally considered these and confirmed it complied with the principles.

The Committee makes regular reports to the Board. Board Members are satisfied that the Committee is providing them with assurance.

### **Remuneration Committee**

The Remuneration Committee comprises four members and is chaired by the Chair. Members are appointed by the Chair of the Board. Its terms of reference include assessing and agreeing targets, standards of performance, goals and objectives in respect of the Chief Executive. In consultation with the Department, it sets the remuneration terms related to the performance of the Chief Executive, giving due weight to the proper management and use of public monies. It monitors the performance of the Chief Executive within the terms and conditions of the contract of employment. It reviews its own terms of reference annually to ensure it is operating to maximum effect and recommends any changes considered necessary to the Board for approval. The Remuneration Committee met 4 times in 2018 – 6 June, 15 August, 17 October and 12 December 2018.

### **Business Planning**

Each year of the five year strategic plan, amplified as necessary, forms the basis of the business plan for the forthcoming year. The business plan includes business actions, key performance indicators, milestones and targets linked to the Programme for Government and Public Service Agreements for the forthcoming year. It also links to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. The five-year strategy and annual business plan takes into account the Department's priorities and is framed in that context.

The draft business plan is submitted to the Department as early as possible, but no later than 31 March. Sports Council's plans are submitted to the Department for approval and include measures of performance and annual targets in respect of each of those measures and the proposed annual efficiency. The business planning system incorporates the key Sports Council objectives and the associated targets to meet those objectives. The ET reports on these targets formally on a quarterly basis to me, and I in turn report to the Board and to the Department's Sponsor Team at the governance and accountability meetings.



A five year corporate plan is currently being developed by the Board and the Executive Team for 2020-25, this is in line with the CEO's responsibility as accounting officer for Sports Council. Engagement with key stakeholders will focus on the need for a strong sporting system in Northern Ireland. It is envisaged that a draft plan will be submitted to the Department in March 2020 as the culmination of extensive engagement with all those with a vested interest in the sporting sector.

## **Risk Management**

Sports Council assesses how the achievement of its policies, aims and objectives might be affected by the risks it faces, and a system of internal control is designed which mitigates those risks. The system is not designed to eliminate all risk but to strike a balance between control, cost of control and appropriate risk taking. A system of internal control was in place for the whole of 2018-19.

Sports Council's approach to risk management is guided by HM Treasury and other professional best practice, and takes full cognisance of the context and environment in which it operates. Sports Council has in place a risk management strategy which sets out roles and responsibilities and determines procedures for risk identification, monitoring, reporting and escalation of issues. It addresses risk appetite and tolerance across the breadth of business activities.

The Corporate Risk Register is compiled and managed by the Executive Team and facilitates the identification, assessment and ongoing monitoring of risks significant to Sports Council. During 2018-19, the Corporate Risk Register was a standing item at each meeting of the Executive Finance and Governance Sub-Committee, the Audit and Risk Assurance Committee and the Board.

Areas of particular focus during 2018-19 were as follows:

### **1. Absence of Chief Executive**

Following a range of processes, the Chief Executive was dismissed from her post in November 2016 on the recommendation of a disciplinary panel.

In June 2017 an independent appeals panel overturned the ruling and dismissed all charges against the Chief Executive. The Appeal report findings concluded that the body of evidence, tested on the balance of probabilities did not support the upholding of the allegations and that the Chief Executive's suspension was inappropriate and her dismissal unfair. Wider Appeal Report findings identified significant concerns, with some similar to those outlined in the range of Interim Executive Leadership Team (IELT) reports of March 2016 (see below). The Chief Executive was reinstated on the 31 July 2017.

The discrimination case was subsequently settled in advance of the Tribunal hearing. A payment was made to the appellant in December 2018, based on her proposal for this settlement amount in April 2018.

The NIAO Comptroller and Auditor General (C&AG) has published a separate report into matters surrounding the above events in 2020.

## **2. Interim Executive Leadership Team Report and Transformation Programme**

During 2016-17, new management arrangements were introduced in relation to standards of governance and public accountability that were required to take the organisation forward, delivered through a Transformation Programme.

This was predicated on the work by the Interim Executive Leadership Team (IELT) which was established by the then Minister of Culture, Arts and Leisure. The IELT led on a review of Sports Council subsequent to which a series of recommendations were presented which the Board took forward through a Transformation Programme.

The Transformation Programme has given rise to a significant body of work, which has continued to be embedded under the more recently established "Route Map for Change" and has included for example, On-Boarding to IT Assist, exploration of On-Boarding to Account NI, and systematic improvements to governance, risk management and internal control. Through the Transformation Programme, for example, Sports Council put in place a suite of HR Policies that reflect best practice and revised our procurement policy, procedures and practices. In addition, Sports Council ensured that robust whistleblowing and related policies were in place.

An independent Peer Assessment Review into the delivery of the Transformation Programme provided for an amber/green rating and stated that staff had an appetite for more radical change. Sports Council replaced the Transformation Programme with an updated Route Map for organisational development as recommended by the independent review and focussed on areas such as culture and communication which are vital to achieving necessary, successful and sustained change.

A business case was developed in relation to organisational restructure. It is anticipated that work on the restructure will be significantly progressed next year.

## **3. Delay in the Publication of the Annual Report and Accounts**

The publication of Sports Council's financial statements has been delayed by a lack of expertise on accounts preparation to recognised public sector standards. As a result the 2017-18 financial statements are in a position of backlog. Exchequer Annual Reports and Accounts for 2014-15, 2015-16 and 2016-17 were laid in 2019. Sports Council has discussed a timeframe with the NIAO, for completing the remaining outstanding Annual Reports in 2019-20 year. This work is a priority for the organisation and when completed will see a return to a regularised position with regard to the publication of Sport Council's Annual Reports.

Sports Council undertook an extensive review, as requested by the Permanent Secretary, of the reasons why this backlog has occurred to ensure that future financial statements are both high quality and timely. A Lessons Learnt Report was submitted to the Department for Communities and the NIAO in June 2019, following board endorsement. The review found a range of complex and inter-related issues resulted in the annual accounts not being

published, which were exacerbated by the 2014-15 accounts not being submitted initially, creating a “knock-on” effect. Principal reasons for the delays included the following:

- Governance issues within Sports Council from March 2015 to July 2017 (NIAO published a separate report on these matters in 2020);
- A lack of expertise, in Sports Council at various times over the period, on the preparation of financial statements to recognised public sector standards;
- Difficulty in retaining corporate knowledge and memory on issues with regards the 2014-15 financial statements in particular; and
- Northern Ireland Audit Office giving priority to other audits as Sports Council failed to meet the audit timetable.

This lessons learnt review actions and recommendations have been subsumed within the ‘Route Map for organisational development’ and are being monitored appropriately by the Audit and Risk Assurance Committee and the Board on a frequent basis.

#### **4. McBride Judgment**

In May 2019 a decision reached in the High Court held that a specific Non Departmental Public Body, as a body corporate, under its governing legislation could not lawfully delegate its decision making functions to its staff alone. Sports Council has also been identified as a body corporate without having the ability to delegate decision making functions to staff. Following consideration of the judgment and having carried out an assessment of the potential impact on the ability of the organisation to carry out its functions, the Board:

- Can confirm it was involved in all major funding decisions including grants paid through Sporting Cubs and Sporting Winners;
- Is content that sufficient oversight has been and continues to be in place to allow Sports Council, with the assistance of its staff, to deliver its programme of work; and
- Is content with the regularity of expenditure incurred by Sports Council.

Sports Council is currently in discussions with DfC as to the options open to it to resolve this situation and to ensure that it is fully compliant with its governing legislation.

#### **Evaluating the Impact on Resources**

Sports Council recognises that during the 2014-15, 2015-16 and 2016-17 years, it incurred significant expenditure which could not be deemed to reflect good value for public money. The NIAO has addressed this matter in its 2020 report.

#### **Legal Action**

A past employee brought a legal action against Sports Council about a reported health and safety incident arising in January 2016. The claim was settled in March 2019 by Sports Council’s insurance company at no cost to Sports Council.

## **Information Assurance**

Sports Council established an Information Governance and Security Unit to safeguard business and personal data. Sports Council is compliant with the measures of the General Data Protection Regulations (GDPR). All staff received GDPR online training. Sports Council maintains an Information Asset register which is updated annually. All staff received 'A guide to Physical, Document and IT Security' and the organisation operates a clear desk policy.

There were no reportable incidents of a loss of data or information during the year.

## **Governance & Accountability within Sports Council**

The annual internal audit plan is created on a risk basis. Our internal auditors, RSM, evaluated our risk management processes and considered that they could place reliance on our risk register to inform the audit plan. They used various sources of information and discussed priorities for internal audit coverage with the following people:

- Interim Director of Finance and Governance
- Audit and Risk Assurance Committee (ARAC)

The sources of information included:

- Previous internal audit plan and Annual Assurance report;
- Requests from the senior management team;
- Corporate Plan 2015-20;
- ARAC requests;
- Board and ARAC minutes;
- Corporate Risk Register;
- Annual report and financial statements; and
- Specific areas requested by the Department for Communities for inclusion.

The Audit and Risk Assurance Committee reviewed and approved the Internal Audit Plan 2018-19 and the Internal Audit Strategy 2018-21 at the December 2018 meeting. I ensured that there was sufficient flexibility in the plan to allow for changes to be made during the year to reflect any significant changes in the risk environment and the emergence of new risks. However, there were none.

All reports of the internal auditors were discussed by ARAC and with senior members of staff in attendance, including those whose departments were reported upon by the auditors. This gave me and members of the Committee the opportunity to discuss, in detail, the findings, recommendations and proposed management actions. Directors that had failings identified by the internal auditors were required to devise corrective action and set a completion date for that action in consultation with the internal auditors. I receive regular reports from the auditors notifying me of the progress my Directors have achieved in clearing up points raised by both internal and external auditors in previous years.

## **Sources of Independent Assurance**

RSM is the Internal Auditor for Sports Council and issued an internal audit assurance statement to the Audit and Risk Assurance Committee of Sports Council in respect of the year ended 31 March 2019. The internal audit assurance statement stated that on the basis of work performed during the year, RSM concluded that Sports Council has established procedures that are adequate to meet management's control objectives in the systems audited. Consequently, RSM provided a satisfactory level of assurance over the control environment at the organisation.

The Comptroller and Auditor General to the Northern Ireland Assembly certifies the accounts and provides an opinion whether, in all material respects, the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern Sports Council. The Comptroller and Auditor General also provides an opinion on the truth and fairness of the attached financial statement for the year ended 31 March 2019, and their supporting notes.

## **Review of Effectiveness of the Governance Framework**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and senior management within Sports Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. As a result of their work during the year, the internal auditors have produced an annual certificate of assurance with regard to the adequacy of the systems and the operation of internal controls within Sports Council. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the internal control system is in place.

The Audit and Risk Assurance Committee reviews its effectiveness and questions the activities of risk owners. Furthermore, our internal audit function reviews the risk-management processes as part of its work and can provide the benefit of its experience of other organisations' risk-management activities.

All policy papers put to the Board for decision contain a discussion of the risks associated with taking the possible courses of actions. The Board also regularly discusses the risks on the Corporate Risk Register with the risk owners. The Board has considered the quality of data used by the Board across all business areas and finds the information provided by management suitable for the purposes of making effective decisions.

## **Department for the Communities sponsor arrangements**

There were four governance meetings held during the year between the sponsor Division of the Department for the Communities and Sports Council in line with the provisions of the Management Statement and Financial Memorandum (MSFM) to discuss and monitor performance against the 2018-19 Business Plan throughout the year. In addition, Sports Council responded to a significant number of requests for information and to the requirements to submit returns to the Department on a regular basis on a range of matters to satisfy the governance requirements of the Department.

There were no ministerial directions given during the financial year.

## **Quality of Information**

The Board of Sports Council has reviewed the quality of the information made available by the Executive Team for the purpose of effective decision making. The Board considers that the accuracy, timing and availability of the financial information and the support given to ensure that the Audit and Risk Assurance Committee functions effectively is satisfactory.

## **Events after the Reporting Period**

None.

## **Conclusion**

As a result of the above, I believe that Sports Council's internal control and governance framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our systems for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid are not adequate. I believe that Sports Council's governance structure has operated successfully in 2018-19.



**Antoinette McKeown**  
**Accounting Officer**

**Date: 24 June 2020**

# Remuneration and Staff Report

## Introduction

The Remuneration and Staff Report sets out Sports Council's remuneration policy, reports on how it has been implemented and sets out the amounts awarded to the senior officers and members of the Management Committee. In addition, details are provided on remuneration and staff that are key to Sports Council's accountability as a Non-Departmental Public Body.

## Remuneration Report

### Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister implemented a reform of arrangements for senior civil service pay and set a Pay Strategy for 2012 and 2013. The new remuneration arrangements and Pay Strategy have been developed following an assessment of the recommendations made by the Senior Salaries Review Body, the work emerging from the NICS comprehensive pay and grading review and to reflect the agenda set out in the NICS People Strategy. The new arrangements are based on a system of shorter pay scales containing a number of pay points from minima to maxima.

Within Sport NI, the Chief Executive is employed on terms analogous to Senior Civil Service Grade 5. All directors are employed analogous to Grade 7. A pay remit for Chief Executive's pay for August 2014 to July 2018 was submitted to the Department for Communities in January 2019. August 2018 to July 2019 pay remit for Chief Executive's pay has not yet been completed.

All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy. The Chief Executive assesses the performance of Directors.

Since the amalgamation of the Sports Institute, Sports Council has been collating an additional pay remit for former Sports Institute staff. In October 2019 a pay remit for August 2018 to July 2019 was submitted to Department for Communities for Sports Council staff, along with a remit for Sports Institute staff for August 2017 to July 2019. Approval for these remits was received in April 2020 and arrears paid in May 2020 salaries. Pay remits will be combined in future years. As part of the annual pay award, all staff with acceptable performance received a base pay uplift.

The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. Membership includes the Chair of Sports Council Board. The Remuneration Committee met 4 times in 2018: 6 June, 15 August, 17 October and 12 December.

All staff costs are incurred by Sports Council Exchequer Account and an appropriate amount is recharged to Sports Council Lottery Account. The apportionment is made at full economic costs and calculated on the basis of full time equivalent staff.

## **Service Contracts**

Sports Council staff appointments are made in accordance with the Sports Council Recruitment and Selection Policy and Procedures, which requires appointment to be on merit on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. The notice period or compensation for early termination (other than for misconduct) of a contract is three months for the Chief Executive and Directors. Policy relating to notice periods and termination payments is contained in Sports Council Staff Handbook and individual Terms and Conditions of Employment.



**Remuneration and Pension Entitlements (Audited Information)**

The following section provides details of the remuneration and pension entitlements of the Chief Executive and Directors of Sports Council.

Employee	2018-19				2017-18			
	Salary* £'000	Benefits in kind (to nearest £100)	Pension Benefits** (to nearest £'000)	Total £'000	Salary* £'000	Benefits in kind (to nearest £100)	Pension Benefits** (to nearest £'000)	Total £'000
Antoinette McKeown Chief Executive	80-85	-	25	105-110	80-85	1,100	25	105-110
Maggie Smith*** Interim Chief Executive (from 1 May 2016 until 31 July 2017)	-	-	-	-	20-25	-	1	25-30
Christine Kerr*** Interim Director of Human Resources (from 16 May 2016 until 4 June 2018)	5-10 (50-55 full year equivalent)	-	38	45-50 (90-95 full year equivalent)	50-55	-	(1)	50-55
John News Interim Director of Participation (Seconded to Antrim Planetarium from 01 Aug 2017 – 28 Feb 2018) (from 21 May 2018)	55-60 (60-65 full year equivalent)	-	41	95-100 (100-105 full year equivalent)	15-20 (55-60 full year equivalent)	1,100	24	40-45 (80-85 full year equivalent)
Leigh Brown Interim Director of Finance & Governance (until 31 March 2019)	60-65	-	21	80-85	55-60	1,100	10	65-70
Sean Ogle Director of Performance (until 31 March 2018)	-	-	-	-	65-70	1,100	3	65-70
Peter McCabe Interim Director of Performance (from 21 May 2018)	45-50 (50-55 full year equivalent)	-	24	70-75 (75-80 full year equivalent)	-	-	-	-

\*Salary costs include salary arrears from previous financial years.

\*\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

\*\*\*During 2018-19 there was one Interim Senior Staff (2017-18: Two Interim Senior Staff) seconded to Sports Council. Salary details disclosed relate to charges invoiced by their employer (excluding VAT).

## **Salary**

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

## **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. Benefits in kind of £NIL were paid in 2018-19 (2017-18: £4,400 in relation to buy out of luncheon vouchers).

## **Fair Pay Disclosures**

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

The banded remuneration of the highest-paid director in Sports Council in the financial year 2018-19 was £80,000 - £85,000 (2017-18: £80,000 - £85,000). This was 2.81 times (2017-18: 2.81) the median remuneration of the workforce, which was £29,317 (2017-18: £29,296).

In 2018-19, 0 (2017-18: 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £3,500 to £84,760 (2017-18: £3,500 to £84,760).

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

## **Board Members' Honoraria**

The Chair received honorarium during 2018-19 totalling £26,880 (2017-18: £26,880). The level of remuneration was set by the Department to more fairly reflect the actual workload required in the role at that time, in particular, related to the issues detailed on pages 39 and 40 of the Governance statement.

The Chair's honorarium was not directly recharged to Sports Council Lottery Account during 2017-18. The Vice-Chair received £3,500 (2017-18: £3,500).

No emoluments were paid to other Sports Council Board members in respect of Lottery activities. Sports Council does not pay any pension contributions on behalf of the Chair or Vice-Chair.

All Board Members are recompensed for their vouched expenses incurred in carrying out their duties.

## Pension Entitlements

Employee	Accrued pension at pension age as at 31/3/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18*	Real increase in CETV
	£'000s	£'000s	£'000s	£'000s	£'000s
Antoinette McKeown Chief Executive	5-10 plus Nil lump sum	0-2.5 plus Nil lump sum	121	95	15
Leigh Brown Interim Director of Finance & Governance	15-20 plus 15-20 lump sum	0-2.5 plus (0-2.5) lump sum	224	201	13
John News Interim Director of Participation (from 21 May 2019 )	20-25 plus 25-30 lump sum	0-2.5 plus 0-2.5 lump sum	324	280	39
Peter McCabe Interim Director of Performance (from 21 May 2018)	25-30 plus 50-55 lump sum	0-2.5 plus 0-2.5 lump sum	592	551	29
Christine Kerr Interim Director of Human Resources (to 4 June 2018 )	20-25 plus 50-55 lump sum	0-2.5 plus 0-2.5 lump sum	388	359	27

## Northern Ireland Local Government Officers' Superannuation Committee Scheme

Sports Council participates in the Northern Ireland Local Government Officers' Pension Fund (LGPS) and made contributions for 97 employees. The pension scheme is administered by the Local Government Officers' Superannuation Committee (NILGOSC). The pension scheme is a funded multi-employer defined benefit scheme. The Scheme Actuary, AON Hewitt, is responsible for carrying out full valuations every 3 years. The latest full actuarial valuation was 31 March 2016. The outcome of this valuation was used as the basis for the valuation at 31 March 2019 and to set the level of contributions for employers from 1 April 2017 to 31 March 2020.

The benefits paid under the Scheme are based on length of membership and final salary. NILGOSC maintain a fund to provide for the payment of current and prospective benefits to members of the Scheme. In order to ensure that this objective is achieved, the Committee must determine a suitable investment strategy, which provides both a high return on investments and an acceptable level of risk.

For any membership accrued before 1 April 2009, benefits will accrue at a rate of 1/80th of the employee's final year pensionable pay and an automatic tax free lump sum of three times their pension. For all membership accrued from 1 April 2009, benefits accrue at a rate of 1/60th of final pensionable pay for each year of service but with no automatic lump sum (members can choose to give up some of their pension to provide a lump sum). Additional Voluntary Contributions (AVC) can be paid through the NILGOSC in-house AVC provider, Prudential.

All assets, liabilities and operating costs relating to the pension scheme are processed through Sports Council Exchequer Account, and a recharge is made to Sports Council Lottery Account for any pension costs incurred on its behalf. During the year 17 staff were recharged to Lottery (2017-18: 22).

Employee contribution rates for all members for the period 1 April 2018 – 31 March 2019 were as follows:

<b>Band</b>	<b>Range</b>	<b>Contribution Rate</b>
1	£0 - £14,500	5.5%
2	£14,501 - £22,100	5.8%
3	£22,101 - £36,900	6.5%
4	£36,901 - £44,700	6.8%
5	£44,701 - £88,300	8.5%
6	>£88,300	10.5%

The employer contribution rate for 2019-20 is 19%.

Further details about the NILGOSC pension scheme can be found in Note 11 and at [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

Secondees are members of the PCSPS (NI). Further details on this scheme can be found at [www.finance-ni.gov.uk](http://www.finance-ni.gov.uk).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

### **Compensation for Loss of Office**

No directors of Sports Council received any compensation for loss of office during the year (2017-18: 1).

## Staff Report

### Staff Costs and Numbers (Audited Information)

#### Staff Costs

The following section is subject to audit.

	<b>2018-19 Permanently Employed Staff £</b>	<b>2018-19 Others £</b>	<b>2018-19 Total £</b>	<b>2017-18 Total £</b>
Wages and Salaries	3,162,071	-	3,162,071	4,153,912
Social Security Costs	309,109	-	309,109	359,176
Pension Costs	639,157	-	639,157	772,983
Agency Costs	-	779,509	779,509	574,846
Other Pension Costs*	553,000	-	553,000	953,000
<b>Sub Total</b>	<b>4,663,337</b>	<b>779,509</b>	<b>5,442,846</b>	<b>6,813,917</b>
Less: Staff Costs Recharged to Sports Council Lottery Account	(843,341)	(134,085)	(977,426)	(912,592)
Less: Recoveries in Respect of Outward Secondments	(103,723)	-	(103,723)	(164,122)
<b>Total Net Costs</b>	<b>3,716,273</b>	<b>645,424</b>	<b>4,361,697</b>	<b>5,737,203</b>

\*Other Pension Costs relate to the increase in the present value of the liabilities of the Sport Council's defined benefit pension scheme arising from employee service in the period so as to recognise the cost of pensions over the employees' working lives.

Temporary staff costs increased in 2018-19 due to increased temporary vacancies resulting from secondments, maternity leave and career breaks. Due to ongoing an ongoing restructuring project recruitment for permanent staff has not been undertaken.

## Average Number of Persons Employed (Audited Information)

The average number of whole-time equivalent persons employed during the year was as follows.

### Sports Council

	2018-19			2017-18
	Permanently Employed Staff	Others	Total	Total
	No.	No.	No.	No.
Directly employed	79	7	86	105
Seconded In	-	5	5	2
Seconded Out	-	-	-	-
Agency	-	19	19	20
<b>Total</b>	<b>79</b>	<b>31</b>	<b>110</b>	<b>127</b>

All of the staff were employed by Sports Council and the proportion in relation to Sports Council Lottery Account is based on percentage of Officer's time spent on Lottery work activities.

### Sports Council Lottery Account

The average number of whole-time equivalent persons employed during the year working on Sports Council Lottery Account was as follows:

Number	2018-19			2017-18
	Permanently Employed Staff	Others	Total	Total
	No.	No.	No.	No.
Directly employed	17	-	17	22
Agency staff	-	-	-	1
<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>23</b>

**Number of Directors (Audited Information)**

<b>Director's Salary (Actual)</b>	<b>2018-19</b>	<b>2017-18</b>
£5,000-£10,000	1	-
£10,000-£15,000	-	-
£15,000-£20,000	-	1
£20,000-£25,000	-	1
£25,000-£30,000	-	-
£30,000-£35,000	-	-
£35,000-£40,000	-	-
£45,000-£50,000	1	-
£50,000-£55,000	-	1
£55,000-£60,000	1	1
£60,000-£65,000	1	-
£65,000-£70,000	-	-
£70,000-£75,000	-	-
£75,000-£80,000	-	-
£80,000-£85,000	1	1
£85,000-£90,000	-	-
£90,000-£95,000	-	-
£95,000-£100,000	-	-
<b>Total Number of Directors</b>	<b>5</b>	<b>5</b>

The table above includes temporary secondments to Sports Council.

**Chief Executive's Remuneration (Audited Information)**

The remuneration received by the Chief Executive during the year was £84,760 (2017-18: £84,760). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme.

**Staff Composition**

The actual composition of staff employed by Sports Council at 31 March was as follows:

	<b>Male Directors</b>	<b>Male Employees</b>	<b>Female Directors</b>	<b>Female Employees</b>
<b>2018-19</b>				
Directly Employed	3	40	1	49
Board*	-	-	-	-
Agency/Secondments	-	12	-	14
<b>Total</b>	<b>3</b>	<b>52</b>	<b>1</b>	<b>63</b>

	<b>Male Directors</b>	<b>Male Employees</b>	<b>Female Directors</b>	<b>Female Employees</b>
<b>2017-18</b>				
Directly Employed	3	49	1	51
Board*	-	-	-	-
Agency/Secondments	-	11	1	11
<b>Total</b>	<b>3</b>	<b>60</b>	<b>2</b>	<b>62</b>

\*Board Members are employed by the Department for Communities. The Chair and Vice Chair are the only Members to receive honorarium from Sports Council.



### **Sickness Absence Data**

The number of sick days reported in 2018-19 was 542 (2017-18: 988.50). Sports Council had an average of 6.15 days absence per full time equivalent person in 2018-19 (2017-18: 8.5 days).

### **Staff Policies Applied During the Financial Year**

#### **Employee Consultation**

On matters of policy and procedure which affect the employees of Sports Council, the Council normally consults with the recognised trade union of which staff are members. This trade union is also a member of the Whitley Council which negotiates the terms and conditions of members with the Northern Ireland Department of Finance and Personnel.

During 2018-19 Sports Council revised a number of new staff policies in consultation with NIPSA. These policies included:

- Dignity at Work
- Redundancy
- Inefficiency Sick Absence; and
- Uniform Appeals.

#### **Equality of Opportunity**

Sports Council is committed to the development of positive policies to promote equal opportunity in employment based on practices which are non-discriminatory as between people of differing abilities, religion, political view, nationality, race, colour or sex. An equal opportunities policy has been in place since March 2004.

#### **Employees with a Disability**

Sports Council ensures that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for recruitment, training or promotion purposes.

#### **Health and Safety**

Sports Council is committed to providing staff with an environment that is as far as possible, safe and free from risk to health. In accordance with this commitment, Sports Council has complied with relevant legislation.

## Expenditure on Consultancy

The following costs were incurred during the year for consultancy (excluding managed service).

	2018-19	2017-18
	£	£
Actuary Report	778	1,412
<b>Total Expenditure on Consultancy</b>	<b>778</b>	<b>1,412</b>

## Off-Payroll Disclosures

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, the Department of Finance requires disclosure of such engagements that cost more than £245 per day and that last for longer than 6 months. Sports Council had no such off-payroll engagements commencing or operating during 2018-19. (2017-18: Nil)

## Reporting of Exit Packages (Audited Information)

Exit Package Cost Band	2018-19			2017-18
	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Costs Band	Total
< £10,000	-	-	-	-
£10,001- £25,000	-	-	-	4
£25,001-£50,000	-	-	-	9
£50,001- £100,000	-	-	-	1
£100,001-£150,000	-	-	-	-
£150,001-£200,000	-	-	-	1
<b>Total Number of Exit Packages</b>	-	-	-	<b>15</b>
<b>Total Resource Cost</b>	-	-	-	<b>£568,450</b>

Redundancy and other departure costs have been paid in accordance with the provisions of Sports Council's Voluntary Exit Scheme. During 2018-19, 0 (2017-18: 15) staff left under the scheme. Payments to these staff were wholly funded through the Public Sector Transformation Fund. Exit costs are accounted for in full in the year of departure and inclusive of associated Pension exit costs. Exit costs were fully processed through Sports Council Exchequer Account with the same amount received from government funding provided by the Department. If the exit costs had been recharged to Sports Council Lottery Account in line with other salary costs, nil would have been charged (2017-18: NIL).



**Antoinette McKeown**  
Officer

**Date: 24 June 2020 Accounting**

## Assembly Accountability and Audit Report

The Assembly Parliamentary Accountability and Audit Report brings together the key Assembly accountability documents. It includes:

- Regularity of expenditure;
- Assembly Accountability Disclosure Notes; and
- The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

### Assembly Accountability Disclosure Notes

#### Regularity of Expenditure (Audited Information)

There were no losses or special payments in the year ended 31 March 2019 (2017-18: Nil).

#### Fees and Charges (Audited information)

Tollymore National Outdoor Centre (TNOC) is the only operation within Sports Council that would have a significant level of income generation (see further details below). For all other areas a detailed analysis of fees and charges information is not provided as the income and full costs of each service are immaterial.

TNOC income is mainly generated through booking of courses; climbing wall use; accommodation; venue hire; and catering. During the year, TNOC generated £338,652 of income (2017-18: £362,852). Subvention required was £657,133 (2017-18: £540,043) against a forecasted subvention of £566,143 (2017-18: £554,103).

The activities of TNOC are subsidised by funding received from Department for Communities. A full Green Book appraisal of TNOC was prepared by external consultants in September 2016, which ensures that TNOC is fully compliant with MPMNI. This was approved and signed off by DoF in January 2017. The preferred option gives approval for government subvention to be applied to Skills and Leadership course provision at the Centre. However, when TNOC provides activities where no market failure exists, they must apply full cost recovery to prevent direct competition.

#### Remote Contingent Liabilities (Audited information)

Sports Council is also required to report liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There were no such remote contingent liabilities for the year ended 31 March 2019 (2017-18: Nil).



**Antoinette McKeown**  
Accounting Officer

**Date: 24 June 2020**

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

### **Opinion on financial statements**

I certify that I have audited the financial statements of the Sports Council for Northern Ireland Exchequer Account for the year ended 31 March 2019 under the Recreation and Youth Service (Northern Ireland) Order 1986. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Sports Council for Northern Ireland Exchequer Account's affairs as at 31 March 2019 and of the Sports Council for Northern Ireland Exchequer Account's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and Department for Communities' directions issued thereunder.

### **Opinion on regularity**

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

### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) 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 this certificate. My staff and I are independent of the Sports Council for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **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 Sports Council for Northern Ireland Exchequer Account's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Sports Council for Northern Ireland Exchequer Account has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Sports Council for Northern Ireland Exchequer Account's ability to continue to adopt the going concern basis.

## **Other Information**

The Board and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. 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**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for Communities directions made under the Recreation and Youth Service (Northern Ireland) Order 1986; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

My responsibility is to examine, certify and report on the financial statements in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986.

My objectives are to obtain 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.

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

In addition, 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 the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Matters on which I report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Report**

I have no observations to make on these financial statements.



*K J Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU*

*Date 29<sup>th</sup> June 2020*

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £	2017-18 £
Income from sale of goods and services	4A	1,924,860	2,021,578
Other operating income	4B	7,396	21,006
<b>Total Operating Income</b>		<b>1,932,256</b>	<b>2,042,584</b>
Staff Costs	3A	(5,442,846)	(6,813,917)
Grants	3B	(4,942,853)	(3,899,573)
Other operating expenditure	3C	(2,432,014)	(2,349,198)
Depreciation and impairment charges	3C	(497,323)	(501,367)
<b>Total Operating Expenditure</b>		<b>(13,315,036)</b>	<b>(13,564,055)</b>
<b>Net expenditure for the year</b>		<b>(11,382,780)</b>	<b>(11,521,471)</b>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating expenditure:			
Net gain on revaluation of Property Plant and Equipment	5/3C	303,438	506,560
Net gain on revaluation of Intangible Assets	6	138	1,647
Actuarial gain on pension scheme liabilities	11.5	1,070,000	602,000
<b>Comprehensive net expenditure for the year</b>		<b>(10,009,204)</b>	<b>(10,411,264)</b>

The notes on pages 65 to 91 form part of these accounts.

## Statement of Financial Position as at 31 March 2019

	Note	2019 £	2018 £
<b>Non-current assets:</b>			
Property, plant and equipment	5	6,392,963	6,422,849
Intangible assets	6	14,910	55,182
<b>Total non-current assets</b>		<b>6,407,873</b>	<b>6,478,031</b>
<b>Current assets</b>			
Trade and other receivables	7	436,877	326,553
Cash and cash equivalents	8	161,867	297,694
<b>Total current assets</b>		<b>598,744</b>	<b>624,247</b>
<b>Total assets</b>		<b>7,006,617</b>	<b>7,102,278</b>
<b>Current liabilities</b>			
Trade and other payables	9	(1,015,372)	(1,438,455)
Grants payable	9	(2,549,158)	(1,914,781)
<b>Total current liabilities</b>		<b>(3,564,530)</b>	<b>(3,353,236)</b>
<b>Total assets less current liabilities</b>		<b>3,442,087</b>	<b>3,749,042</b>
<b>Non-current liabilities</b>			
Provisions	10	-	(47,120)
Retirement Benefit Obligations	11	(6,017,000)	(6,534,000)
<b>Total non-current liabilities</b>		<b>(6,017,000)</b>	<b>(6,581,120)</b>
<b>Total assets less total liabilities</b>		<b>(2,574,913)</b>	<b>(2,832,078)</b>
<b>Taxpayers' equity and other reserves</b>			
General reserve		1,199,735	1,622,117
Revaluation reserve		2,242,352	2,079,805
Pension reserve		(6,017,000)	(6,534,000)
<b>Total equity</b>		<b>(2,574,913)</b>	<b>(2,832,078)</b>

The notes on pages 65 to 91 form part of these accounts.

The financial statements on pages 61 to 64 were approved by the Board on 10 June 2020 and were signed on its behalf by:

Antoinette McKeown

Date: 24 June 2020



## Statement of Cash Flows for the year ended 31 March 2019

	Note	2018-19	2017-18
		£	£
<b>Cash flows from operating activities</b>			
Net Operating Expenditure		(11,382,780)	(11,521,471)
Adjustments for non-cash transactions	3D/3C	575,085	533,143
(Increase) / Decrease in trade and other receivables	7	(110,324)	69,799
Decrease in inventories		-	4
(Decrease) in trade and other payables	9	211,294	(717,078)
(Decrease) in provision	10	(47,120)	-
Increase in Pension fund payable less actuarial losses	3A	553,000	953,000
<b>Net cash (outflow) from operating activities</b>		<b>(10,200,845)</b>	<b>(10,682,603)</b>
<b>Cash flows from investing activities</b>			
Purchase of non-financial assets	5/6	(168,056)	(182,910)
Proceeds from disposal of non-financial assets		1,705	1,550
<b>Net cash (outflow) from investing activities</b>		<b>(166,351)</b>	<b>(181,360)</b>
<b>Cash flows from financing activities</b>			
Grants from Department for Communities	SCTE	10,231,369	10,642,180
<b>Net financing</b>		<b>10,231,369</b>	<b>10,642,180</b>
<b>Net decrease in cash and cash equivalents in the period</b>			
		<b>(135,827)</b>	<b>(221,783)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>297,694</b>	<b>519,477</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>161,867</b>	<b>297,694</b>

The notes on pages 65 to 91 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

	General Reserve £	Pension Reserve £	Revaluation Reserve £	Taxpayers' Equity £
<b>Balance at 31 March 2017</b>	<b>1,415,374</b>	<b>(6,183,000)</b>	<b>1,677,632</b>	<b>(3,089,994)</b>
Grants from Department for Communities	10,642,180	-	-	10,642,180
Comprehensive Net Expenditure for the Year	(10,568,471)	(953,000)	-	(11,521,471)
Actuarial gains and losses	-	602,000	-	602,000
Net Gain on Revaluation of Non- Current Assets	-	-	508,207	508,207
Auditors' Remuneration	27,000	-	-	27,000
Other reserves movements including transfers	106,034	-	106,034	-
<b>Balance at 31 March 2018</b>	<b>1,622,117</b>	<b>(6,534,000)</b>	<b>2,079,805</b>	<b>(2,832,078)</b>
Grants from Department for Communities	10,231,369	-	-	10,231,369
Comprehensive Net Expenditure for the Year	(10,829,780)	(553,000)	-	(11,382,780)
Actuarial gains and losses	-	1,070,000	-	1,070,000
Net Gain on Revaluation of Non- Current Assets	-	-	303,576	303,576
Auditors' Remuneration	35,000	-	-	35,000
Other reserves movements including transfers	141,029	-	(141,029)	-
<b>Balance at 31 March 2019</b>	<b>1,199,735</b>	<b>(6,017,000)</b>	<b>2,242,352</b>	<b>(2,574,913)</b>

The notes on pages 65 to 91 form part of these accounts.

## Notes to the Accounts

### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FReM) issued by Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sports Council, for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sports Council are described below. They have been applied consistently in dealing with items considered material to the accounts.

#### 1.1 Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

The financial statements are stated in sterling, which is the functional and presentational currency.

#### 1.2 Property, plant and equipment and intangible assets

Sports Council applied a capitalisation limit of £1,000 to individual items. Items below the £1,000 threshold were charged directly to the Statement of Comprehensive Net Expenditure.

#### 1.3 Depreciation

Depreciation/amortisation has been provided using the straight line method so as to write off each asset over its estimated useful life. Depreciation/amortisation is charged from the month acquired/coming into use, and not in the month in which it is disposed.

Assets are depreciated over their useful lives as follows: -

Buildings	10-25 Years
Computer Equipment	2-10 Years
Furniture and Fittings	2-20 Years
Specialist Sports Equipment	7-10 Years
Motor Vehicles	4-10 Years
Intangible Assets – Computer Equipment	2-10 Years

An impairment review is carried out annually, any loss in value which exceeds the credit in the revaluation reserve is then charged to the Statement of Comprehensive Net Expenditure.

## **1.4 Intangible assets**

Expenditure on intangible assets is recognised when Sports Council controls the asset; is probable that future economic benefits attributable to the asset will flow to Sports Council; and the cost of the asset can be reliably measured. Purchased software and licenses are capitalised as intangible assets where expenditure of £1,000 or more is incurred.

Intangible assets are revalued annually using appropriate indices compiled by the Office for National Statistics. Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of intangible assets is credited to the Revaluation Reserve unless it reverses a decrease of the same asset previously recognised in the Statement of Comprehensive Net Expenditure, to that extent.
- Losses arising from the revaluation of intangible assets are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

Amortisation is calculated on a straight line basis over the shorter of the term of the licence and the useful economic life. Intangible assets are reviewed annually for impairment.

## **1.5 Revaluation of non-current assets**

Non-current assets included in the Statement of Financial Position are reviewed annually to ensure that they are stated at fair value. This is carried out through applying indices. Increases in valuations are credited to the Revaluation Reserve. Downward movements are accounted through the revaluation reserve to the extent that there is a credit in that reserve that relates to the revalued asset.

Tollymore National Outdoor Centre is formally valued by Land and Property Services every 5 years, supplemented by annual desktop valuations. The last full valuation was undertaken at 31 March 2016.

## **1.6 Operating Income**

### Government Grants

Grant-in-Aid received used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, and credited to the General Reserve, because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs.

### Lottery Recharges

Administrative overheads and salaries are apportioned to the Lottery Distribution fund and comprise administrative costs and salaries incurred by Sports Council from which the Lottery benefited indirectly. The apportionment is made at full economic cost and calculated on appropriate bases. Recharges of expenses and salaries are shown in other income.

### Other Operating Income

All other operating income received is credited to income in the year in which it is receivable. Fees and charges for services provided by Sports Council are determined in accordance with HM Treasury's "Fees and Charges Guide".

## **1.7 Leases**

### **Finance Leases:**

Leases where substantially all of the risks and rewards are held by Sports Council are classified as financing leases. Sports Council does not hold any finance leases.

### **Operating Leases:**

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the period of the lease. Operating lease payments in year, along with all future commitments are disclosed in Note 12.

## **1.8 Financial Instruments**

Sports Council is not exposed to the same degree of financial risk faced by business entities. This is due to the organisation being essentially a non-trading entity and financed as a Non-Departmental Public Body. It has no powers to borrow or invest in surplus funds and has limited year-end flexibility. It is therefore exposed to little liquidity, currency or market risks. Sports Council does not hold any complex financial instruments and there is no impact on the financial risk of the organisation.

### **1.8.1 Financial Assets**

#### **Trade and other receivables**

Trade and other receivables mainly arise from regular users of services at the House of Sport and Tollymore National Outdoor Centre. Bad debt provision is assessed annually. Receivables do not carry any interest and are recognised at their recoverable amount, which equates to their fair value.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

### **1.8.2 Financial Liabilities**

#### **Trade and other payables**

Trade payables represent liabilities for goods and services provided to Sports Council prior to the end of the reporting period, which are unpaid. Purchase orders are not included as trade payables. Payables are not interest-bearing and are recognised at their nominal value, which equates to their fair value.

#### **Grant Payables**

Grant payables relate to any amounts of unpaid grant at 31 March which have been included in the Statement of Comprehensive Net Expenditure.

## **1.9 Payment of Grants**

Sports Council pays grants in accordance with the terms and conditions inherent in the respective funding agreement. Grants awarded to organisations and individuals are charged to the Statement of Comprehensive Net Expenditure in the year in which the underlying activity giving entitlement to the grant occurs. Any amounts of unpaid grant at 31 March each year are included as liabilities in the Statement of Financial Position.

## **1.10 Provisions**

Sports Council provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period date on the basis of the best estimate of the expenditure required to settle the obligation.

## **1.11 Contingent liabilities**

Contingent Liabilities are disclosed in accordance with IAS 37. In addition to the contingent liabilities disclosed in accordance with IAS 37, Sports Council discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefits is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

## **1.12 Critical accounting estimates and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying Sports Council's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- **Depreciation of property, plant and equipment**

Depreciation is provided in the accounts so as to write down the respective assets to their residual values over their expected residual lives and as such the selection of the estimated useful lives and the expected residual values of the assets require the use of estimates and judgements. Details of the estimated useful lives are shown above in Note 1.3.

- **Impairment of property, plant and equipment**

Where there is an indication that the carrying values of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset.

### **1.13 Value Added Tax**

Sports Council is registered for Value Added Tax (VAT) but cannot reclaim VAT on purchases. All purchase transactions are therefore stated inclusive of VAT.

### **1.14 Employee Benefits**

Under IAS 19 an employing entity should recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for the Service. Sports Council has recognised flexi balances and annual leave entitlements that have been earned by year end but not yet taken. These are included in current liabilities.

### **1.15 Pension Costs**

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme.

In accordance with IAS 19 the Scheme Managers / trustees are required to undertake a sensitivity analysis for each significant actuarial assumption as at the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date. This analysis, including details of the methods and assumptions used in preparing the sensitivity analysis, the limitation of these methods, and the reasons for any changes in methods and assumptions used in preparing the sensitivity analysis, are set out in Note 11 to the Accounts.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuation of the scheme was at 31 March 2016.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of Sports Council's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure so as to recognise the cost of pensions over the employees' working lives.

A revised version of IAS 19 came into effect for accounting periods commencing on or after 1 January 2013. The figures in the accounts have been calculated under the revised IAS 19. Sports Council is no longer required to recognise an expected return on assets item in the Statement of Comprehensive Net Expenditure. This is now replaced with a net financing charge which is based on the discount rate assumption.

Actuarial gains and losses are recognised in Other Comprehensive Net Expenditure.

## **1.16 Reserves**

### **General Reserve**

This is the balance arising from recurrent grants provided by the sponsor department (Department for Communities) through grant-in-aid and the net expenditure as reported in the Statement of Comprehensive Net Expenditure for the year.

### **Revaluation Reserve**

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets.

### **Pension Reserve**

This is the balance required by Sports Council to meet the current deficit in its share of the NILGOSC pension scheme.

## **1.17 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2019**

Additional or revised accounting standards and new (or amendments to) interpretations contained within FReM 2018-19 have been considered. The adoption of these standards has not had a significant impact on Sports Council's financial position or results.

## **1.18 Accounting standards, interpretations and amendments to published standards not yet effective**

Sports Council has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Sports Council considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

## **2. Operating Costs by Operating Segment**

In line with IFRS 8, Sport Council does not have any segmental data to disclose. The Board Members review the financial performance on a bi-monthly basis, based on similar information contained with the Statement of Comprehensive Net Expenditure of the financial statements.



**3. Operating Expenditure****3A Staff Costs**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	3,162,071	4,153,912
Social Security Costs	309,109	359,176
Pension Costs	1,192,157	1,725,983
Agency Costs	779,509	574,846
<b>Total</b>	<b><u>5,442,846</u></b>	<b><u>6,813,917</u></b>

**3B Grants**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Sporting Clubs	107,301	132,617
Sporting Communities	2,225,333	2,094,515
Sporting Winners	-	15,543
Capital programme	2,610,219	1,656,898
<b>Total</b>	<b><u>4,942,853</u></b>	<b><u>3,899,573</u></b>

**3C Other operating expenditure**

	<b>2018-19</b>	<b>2017-18<sup>1</sup></b>
	<b>£</b>	<b>£</b>
Computer Software and Support	521,248	437,173
Courses, Meetings and Seminars	242,623	150,852
Managed Services	269,059	290,822
Rent and Rates	251,533	265,043
Travel and Subsistence	153,732	136,181
Publicity and Publications	142,430	73,193
Repairs and Maintenance	139,211	195,852
Sports Development	97,146	90,331
Heat and Light	86,352	80,662
Insurance	70,882	74,968
Caretaking and Cleaning	66,305	68,954
Research	47,455	70,000
Telephones and Postage	45,385	58,354
Hospitality and Networking	44,215	27,730
Training	43,663	78,081

<sup>1</sup> 2017/18 figures have been reclassified to provide better information to readers of the accounts

Legal Fees	41,454	98,054
Internal Audit	40,821	57,909
Memberships and Subscriptions	22,485	22,124
Printing and Stationary	20,296	25,932
Sundry Expenses	6,073	12,253
Fees and Bank Charges	1,106	1,540
Consultancy Bad Debt		
Written Off	778	1,412
Tax	-	2
<i>Non Cash:</i>		
Permanent Diminution	(737)	(169)
Loss on disposal of PPE	43,499	4,945
Auditors' remuneration	35,000	27,000
<b>Subtotal</b>	<b>2,432,014</b>	<b>2,349,198</b>
Depreciation	476,103	479,474
Amortisation	21,220	21,893
<b>Total</b>	<b>2,929,337</b>	<b>2,850,565</b>

#### 4 Income

##### 4A Income from sale of goods and services

	2018-19	2017-18
	£	£
Lottery recharges	1,405,443	1,414,893
Tollymore income from services	338,652	362,852
Staff seconded to other organisations	103,723	164,629
Other service charges	77,042	79,204
<b>Total</b>	<b>1,924,860</b>	<b>2,021,578</b>

##### 4B Other operating income

	2018-19	2017-18
	£	£
EU funding	7,396	17,411
Other income	-	3,595
<b>Total</b>	<b>7,396</b>	<b>21,006</b>
<b>Total Income</b>	<b>1,932,256</b>	<b>2,042,584</b>

## 5A Property, plant and equipment

<u>2018-19</u>	<u>Buildings &amp; Leasehold</u> £	<u>Specialist Sports Equipment</u> £	<u>Furniture &amp; Fittings</u> £	<u>Motor Vehicles</u> £	<u>Information Technology</u> £	<u>Total</u> £
<b><u>Cost or Valuation</u></b>						
At 1 April 2018	6,095,055	872,879	188,692	137,094	948,389	8,242,109
Additions	14,122	85,014	47,938	-	7,622	154,696
Disposals	-	(17,432)	-	(23,063)	(109,071)	(149,566)
Revaluation	(72,279)	-	-	-	-	(72,279)
Indexation	362	5,024	3,139	1,472	143	10,140
At 31 March 2019	6,037,260	945,485	239,769	115,503	847,083	8,185,100
<b><u>Depreciation</u></b>						
At 1 April 2018	43,400	674,816	118,427	71,569	911,048	1,819,260
Charge in year	383,066	53,784	11,593	10,234	17,426	476,103
Disposals	-	(13,267)	-	(18,068)	(105,577)	(136,912)
Revaluation	(369,793)	-	-	-	-	(369,793)
Indexation	46	1,225	1,587	601	20	3,479
At 31 March 2019	56,719	716,558	131,607	64,336	822,917	1,792,137
<b><u>Carrying amount</u></b>						
At 31 March 2018	6,051,655	198,063	70,265	65,525	37,341	6,422,849
<b><u>Carrying amount</u></b>						
At 31 March 2019	5,980,541	228,927	108,162	51,167	24,166	6,392,963
<b><u>Asset Financing</u></b>						
Owned	-	228,927	108,162	51,167	24,166	412,422
Short Leasehold	5,980,541	-	-	-	-	5,980,541
<b><u>Carrying amount</u></b>						
At 31 March 2019	5,980,541	228,927	108,162	51,167	24,166	6,392,963

5B Property, plant and equipment<sup>2</sup>

<b>2017-18</b>	<b><u>Buildings &amp; Leasehold</u></b> £	<b><u>Specialist Sports Equipment</u></b> £	<b><u>Furniture &amp; Fittings</u></b> £	<b><u>Motor Vehicles</u></b> £	<b><u>Information Technology</u></b> £	<b><u>Total</u></b> £
<b><u>Cost or Valuation</u></b>						
At 1 April 2017	5,760,933	865,583	185,121	162,025	1,012,531	7,986,193
Additions	171,006	4,146	1,138	-	6,620	182,910
Disposals	-	-	-	(27,521)	(74,638)	(102,159)
Revaluation	163,116	3,150	2,433	2,590	3,876	175,165
At 31 March 2018	6,095,055	872,879	188,692	137,094	948,389	8,242,109
<b><u>Depreciation</u></b>						
At 1 April 2017	35,455	586,415	106,599	82,338	956,207	1,767,014
Charge in year	345,906	86,343	11,034	9,567	26,624	479,474
Disposals	-	-	-	(21,026)	(74,638)	(95,664)
Revaluation	(337,961)	2,058	794	690	2,855	(331,564)
At 31 March 2018	43,400	674,816	118,427	71,569	911,048	1,819,260
<b><u>Carrying amount</u></b>						
At 31 March 2017	5,725,478	279,168	78,522	79,687	56,324	6,219,179
<b><u>Carrying amount</u></b>						
At 31 March 2018	6,051,655	198,063	70,265	65,525	37,341	6,422,849
<b><u>Asset Financing</u></b>						
Owned	-	198,063	70,265	65,525	37,341	371,194
Short Leasehold	6,051,655	-	-	-	-	6,051,655
<b><u>Carrying amount</u></b>						
At 31 March 2018	6,051,655	198,063	70,265	65,525	37,341	6,422,849

<sup>2</sup> Depreciation charge in year 2018/19 has been restated due to an immaterial disclosure error between asset classes.

Tollymore National Outdoor Centre (TNOC) buildings were valued at £5,980,541 by Land and Property Services (LPS), an independent MRICS qualified valuer, at 31 March 2019. Sports Council requested LPS to value the building on the assumption that the life of the building and its useful life to Sports Council should be restricted to the term of the operating lease of the land on which the building resides.

All other buildings, property, plant and equipment were valued at 31 March 2019 through application of indices (where possible) as published by the Office for National Statistics.

The leases entered into in respect of the land at TNOC and Altnadue Quarry have been expensed to the Net Expenditure Account (see Note 12).

## 6 Intangible assets

	2018-19 £	2017-18 £
<b>Cost or Valuation</b>		
At 1 April	321,451	316,373
Additions	13,360	-
Disposals	(219,842)	-
Revaluation	-	-
Indexation	318	5,078
<b>At 31 March</b>	<b>115,287</b>	<b>321,451</b>
	2018-19 £	2017-18 £
<b>Amortisation</b>		
At 1 April	266,269	240,945
Charge in Year	21,220	21,893
Disposals	(187,292)	-
Revaluation	-	-
Indexation	180	3,431
<b>At 31 March</b>	<b>100,377</b>	<b>266,269</b>
<b>Carrying amount at 1 April</b>	<b>55,182</b>	<b>75,428</b>
<b>Carrying amount at 31 March</b>	<b>14,910</b>	<b>55,182</b>
<b>Asset Financing:</b>		
Owned	14,910	55,182
<b>Carrying amount at 31 March</b>	<b>14,910</b>	<b>55,182</b>

Intangible assets comprise of purchased software and licenses.

**7 Trade and other receivables**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade Receivables	44,891	46,404
Owned by Sports Council Lottery Account	282,979	118,749
Prepayments and Accrued Income	103,854	161,400
Other Debtors	5,153	-
<b>Total</b>	<b><u>436,877</u></b>	<b><u>326,553</u></b>

**8 Cash and cash equivalents**

	<b>2018-19</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Balance at 1 April	297,694	519,477
Net change in cash and cash equivalent balances	<u>(135,827)</u>	<u>(221,783)</u>
<b>Balance at 31 March</b>	<b><u>161,867</u></b>	<b><u>297,694</u></b>

The following balances at 31 March were held at:

Commercial banks and cash in hand	<u>161,867</u>	<u>297,694</u>
<b>Balance at 31 March</b>	<b><u>161,867</u></b>	<b><u>297,694</u></b>

In line with the Management Statement and Financial Memorandum (MSFM), cash balances accumulated during the course of the year were kept at the minimum level consistent with the efficient operation of Sports Council.

In line with the MSFM, the Department makes available in the current financial year (subject to approval by the Assembly of the relevant estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as accruals.

Sports Council has no borrowings and no financing activities, relying primarily on Exchequer funding for its cash requirements.

**9 Trade payables, financial and other liabilities**

	2018-19 £	2017-18 £
<b>Amounts falling due within one year:</b>		
Trade Payables	318,088	646,764
VAT Payable	10,811	20,128
Other Tax and Social Security Payable	-	-
Accruals and Deferred Income	686,473	771,563
<b>Total trade and other payables</b>	<b>1,015,372</b>	<b>1,438,455</b>
Grants payable	2,549,158	1,914,781
<b>Total</b>	<b>3,564,530</b>	<b>3,353,236</b>

**10 Provisions**

	2018-19 £	2017-18 £
Balance at 1 April	47,120	47,120
Provided in Year	-	-
Utilised in Year	-	-
No Longer Required	(47,120)	-
<b>Balance at 31 March</b>	<b>-</b>	<b>47,120</b>

**11 Retirement Benefit Obligation**

	2018-19 £	2017-18 £
<b>Pension Deficit</b>	<b>6,017,000</b>	<b>6,534,000</b>

Funding/Governance Arrangements

The funded nature of the scheme requires Sports Council and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. For 2018-19 the contribution rates were 19% employers and ranging between 5.5% and 10.5% employees (2017-18: 18% employers and ranging between 5.5% and 10.5% employees). The latest full actuarial valuation of Sports Council's liabilities took place as at 31 March 2016. The calculation of the defined benefit obligation involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the Statement of Financial Position and the charge to the Statement of Changes in Net Expenditure. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

The NILGOSC Committee is responsible for the governance of the fund.

### Assets

The assets allocated to the Employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to employers' liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the NILGOSC Committee) is shown in the disclosures.

The NILGOSC Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

### Risks

- Asset volatility - the liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.
- Changes in bond yield - a decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent that the Fund invests in corporate bonds).
- Inflation risk - the majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.
- Life expectancy - the majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.
- Exiting employers - employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphans liabilities' may, in retrospect not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:



### 11.1 Principal financial assumptions (% per annum)

	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Years</b>	<b>Years</b>
Duration of liabilities (years) <sup>(1)</sup>	24.7	24.7
	<b>% p.a.</b>	<b>% p.a.</b>
Discount Rate	2.5%	2.6%
RPI Price Inflation	3.2%	3.1%
CPI Price Inflation (Pension increases) <sup>(2)</sup>	2.1%	2.0%
General salary increase rate <sup>(3)</sup>	3.6%	3.5%

- (1) The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated to the nearest 0.1 years based on the output of the most recent valuation exercise of the Employers liabilities. The assumptions are rounded to the nearest 0.1% p.a.
- (2) Pension increases on pension in excess of Guaranteed Minimum Pension in payment where appropriate. The revaluation rate of pension accounts is set equal to the assumption for pension increases.
- (3) The assumed rate of general salary increases has been set as 1.5% above the CPI inflation assumption which is consistent with the assumption used at the 2016 Valuation.

### 11.2 Mortality assumptions

Our proposed mortality table and allowances for future improvements in longevity at the accounting date are set out below.

**Post retirement mortality (retirement in normal health)**

	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Males</b>		
Year of Birth base table	Standard SAPS S2P Tables	Standard SAPS S2P Tables
Rating to above base table* (years)	0	0
Scaling to above base table rates	95%	95%
Improvements to base table rates	CMA 2017 core projections with a long term rate of improvement of 1.5% p.a.	CMA 2014 core projections with a long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (Member aged 65 at accounting date)	22.6	23.3
Future lifetime from age 65 (Member aged 45 at accounting date)	24.3	25.4

	<b>31 March 2019</b>	<b>31 March 2019</b>
<b>Females</b>		
Year of Birth base table	Standard SAPS S2P Tables	Standard SAPS S2P Tables
Rating to above base table* (years)	0	0
Scaling to above base table rates	90%	90%
Improvements to base table rates	CMA 2017 core projections with a long term rate of improvement of 1.5% p.a.	CMA 2014 core projections with a long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (Member aged 65 at accounting date)	24.9	25.9
Future lifetime from age 65 (Member aged 45 at accounting date)	26.7	28.2

\* A rating of x years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual x years older than them. The mortality tables shown apply to normal health retirements. Different rates may apply to retirements in ill health.

Each member is assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre 2009 service) is 75% of the permitted maximum.

**11.3 Asset allocation**

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to Sports Council in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid (e.g. bulk transfer value payment).

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

			<b>Asset Allocation at 31 March 2019 Total</b>	<b>Asset Allocation at 31 March 2018 Total</b>
	<b>Quoted</b>	<b>Unquoted</b>		
Equities	59.5%	0.0%	59.5%	71.4%
Property	0.0%	11.2%	11.2%	10.0%
Government Bonds	16.5%	0.0%	16.5%	5.2%
Corporate Bonds	7.0%	0.0%	7.0%	7.2%
Cash	2.7%	0.0%	2.7%	4.5%
Other	<u>0.1%</u>	<u>3.0%</u>	<u>3.1%</u>	<u>1.7%</u>
<b>Total</b>	<b>85.8%</b>	<b>14.2%</b>	<b>100.0%</b>	<b>100.0%</b>

#### 11.4 Reconciliation of funded status to Statement of Financial Position (SoFP)

	<b>Value as at 31 March 2019 (£000)</b>	<b>Value as at 31 March 2018 (£000)</b>
Fair Value of assets	31,090	28,486
Present value of funded defined benefit obligation	<u>37,107</u>	<u>35,020</u>
Funded status	(6,017)	(6,534)
Impact of minimum funding requirement/asset ceiling	<u>-</u>	<u>-</u>
Asset/(Liability) recognised on the Statement of Financial Position	<u>(6,017)</u>	<u>(6,534)</u>

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active members	62%
Deferred Pensioners	13%
Pensioners	25%

### 11.5 Breakdown of amounts recognised in Statement of Comprehensive Net Expenditure (SoCNE)

	Year Ending 31 March 2019 (£000)	Year Ending 31 March 2018 (£000)
<b>Operating Cost</b>		
Current service cost*	1,041	1,039
Past service cost (including curtailments)	96	580
Settlement cost	-	-
<b>Financing Cost</b>		
Interest on net defined benefit liability/(asset)	160	150
<b>Pension expense recognised in Statement of Comprehensive Net Expenditure</b>	<b>1,297</b>	<b>1,769</b>
<b>Re-measurements in Other Comprehensive Expenditure</b>		
Return on plan assets in excess of that recognised in net interest	(1,298)	(701)
Actuarial losses/(gains) due to change in financial assumptions	1,790	-
Actuarial losses/(gains) due to changes in demographic assumptions	(1,604)	-
Actuarial (gains)/losses due to liability experience	42	99
<b>Total amount recognised in Other Comprehensive Expenditure</b>	<b>(1,070)</b>	<b>(602)</b>
<b>Total Amount recognised in the Statement of Comprehensive Net Expenditure and Other Comprehensive Expenditure</b>	<b>227</b>	<b>1,167</b>

\* The current service cost includes an allowance for the administration expenses of £0.012m (31 March 2018: £0.013m).

**11.6 Movement in deficit during the year**

	<b>Year Ending 31 March 2019</b>	<b>Year Ending 31 March 2018</b>
	<b>(£000)</b>	<b>(£000)</b>
Deficit in scheme at beginning of year	(6,534)	(6,183)
<b>Movement in the year</b>		
Current service costs	(1,041)	(1,039)
Past service costs (including curtailments)	(96)	(580)
Contributions	744	816
Net charge on Assets	(160)	(150)
Actuarial gain	1,070	602
<b>Deficit in Scheme at End of Year</b>	<b><u>(6,017)</u></b>	<b><u>(6,534)</u></b>

**11.7 Changes to present value of defined benefit obligation during the accounting period**

	<b>Year Ending 31 March 2019</b>	<b>Year Ending 31 March 2018</b>
	<b>(£000)</b>	<b>(£000)</b>
Opening defined benefit obligation	35,020	32,610
Current Service cost	1,041	1,039
Interest expense on defined benefit obligation	908	846
Contribution by participants	213	235
Actuarial losses on liabilities -due to change in financial assumptions	1,790	-
Actuarial gains on liabilities - due to changes in demographic assumptions	(1,604)	-
Actuarial losses on liabilities due to liability experience	42	99
Net benefits paid out	(399)	(389)
Past service costs (including curtailments)	96	580
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
<b>Closing defined benefit obligation</b>	<b><u>37,107</u></b>	<b><u>35,020</u></b>

**11.8 Changes to the fair value of assets during the accounting period**

	Year ending 31 March 2019 (£000)	Year ending 31 March 2018 (£000)
Opening fair value	28,486	26,427
Interest income on assets	748	696
Re-measurement gains on assets	1,298	701
Contributions by the employer	744	816
Contributions by the participants	213	235
Net benefits paid out	(399)	(389)
Net increase in assets from disposals/acquisitions	-	-
Settlements	-	-
<b>Closing fair value of assets</b>	<b>31,090</b>	<b>28,486</b>

**11.9 Actual return on assets**

	Year ending 31 March 2019 (£000)	Year ending 31 March 2018 (£000)
Interest income on assets	748	696
Re-measurement gain on assets	1,298	701
<b>Actual return on assets</b>	<b>2,046</b>	<b>1,397</b>

**11.10 Sensitivity analysis**

The results shown above are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2019 and the projected service cost for the year ending 31 March 2020 are set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are summarised in the notes above. Sensitivity of unfunded benefits is not included on materiality grounds.

**Funded LGPS benefits****Discount rate assumption**

<b>Adjustment to discount rate</b>	<b>+0.1 p.a.</b>	<b>Base Figure</b>	<b>-0.1 p.a.</b>
Present value of total obligation (£M)	36.202	37.107	38.034
% change in present value of total obligation	-2.40%		2.50%
Projected service cost (£M)	0.958	0.992	1.027
Approximate % change in projected service cost	-3.40%		3.50%

**Rates of general increase in salaries**

<b>Adjustment to discount rate</b>	<b>+0.1 p.a.</b>	<b>Base Figure</b>	<b>-0.1 p.a.</b>
Present value of total obligation (£M)	37.417	37.107	36.801
% change in present value of total obligation	0.80%		-0.80%
Projected service cost (£M)	0.992	0.992	0.992
Approximate % change in projected service cost	0.00%		0.00%

**Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption**

<b>Adjustment to discount rate</b>	<b>+0.1 p.a.</b>	<b>Base Figure</b>	<b>-0.1 p.a.</b>
Present value of total obligation (£M)	37.72	37.107	36.504
% change in present value of total obligation	1.70%		-1.60%
Projected service cost (£M)	1.027	0.992	0.958
Approximate % change in projected service cost	3.50%		-3.40%

**Post retirement mortality assumption**

<b>Adjustment to discount rate</b>	<b>+0.1 p.a.</b>	<b>Base Figure</b>	<b>-0.1 p.a.</b>
Present value of total obligation (£M)	38.258	37.107	35.965
% change in present value of total obligation	3.10%		-3.10%
Projected service cost (£M)	1.03	0.992	0.955
Approximate % change in projected service cost	3.80%		-3.80%

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

### 11.11 Estimated pension expense in future periods

The figures below are provided based on the assumption as at 31 March 2019 outlined above.

#### Funded Benefits

<b>Analysis of amount charged to Statement of Comprehensive Net Expenditure</b>	<b>Year ending 31 March 2020</b>
	<b>(£000)</b>
Current service cost*	992
Interest on the net defined benefit liability	122
<b>Total</b>	<b>1,114</b>

\* The projected service cost includes an allowance for administration expenses of £0.013m and estimated payroll costs of £3.145m in the period ending 31 March 2020.

The pension cost shown in next year's accounts might be different to that shown above. Reasons why the pension cost may change include:

- A) Actual increase in payroll being different to that used in the calculations. The difference in payroll will particularly affect the current service cost;
- B) Past service costs may not be zero (this cost is that resulting from benefit augmentations or early retirement of individual members before age 60 or on the grounds of efficiency);
- C) Curtailment / settlement events may occur; and
- D) Actual cash-flows over the next year may differ from those assumed.



**11.12 Funded benefits**

The following data has been used in evaluating the figures noted above.

**Active Members as at 31 March 2016**

	<b>Number</b>	<b>Total Pay (£M)</b>
Total	128	4.052

**Pensioner & deferred pensioner members as at 31 March 2016**

<b>Type</b>	<b>Number</b>	<b>Total Pension (£M)</b>
Deferred members	93	0.17
Pensioners and dependants	46	0.34

**Funded cash-flow data provided**

	<b>Months Provided</b>	<b>Amount Provided (£M)</b>	<b>Amount Used (£M)</b>
Employer – Normal contributions	11	0.529	-
Employer – Additional capital contributions	12	0.073	-
Employer – Early retirement strain on fund payments	11	0.095	-
<b>Total contributions by the Employer</b>		-	<b>0.744</b>
Employee – Normal contributions	11	0.195	-
Employee – Added years contributions	11	-	-
<b>Total contributions by participants</b>		-	<b>0.213</b>
Death in service lump sums*	-	-	-
Benefits paid (i.e. pension paid)	-	-	-
<b>Net benefits paid out**</b>		-	<b>0.399</b>

\*Calculated over the year to be £0.005m

\*\* The 'Net benefits paid out' figure includes an allowance for expenses of £0.012m

**Annualised pensionable payroll over the accounting period**

	<b>Amount (£M)*</b>
Period ending 31 March 2019	3.036
Period ending 31 March 2018	3.330

\* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period.

### 11.13 Fund return

The investment return used to roll forward the notional share of assets from the last formal valuation of the fund to the accounting date has been calculated using returns provided by the Fund Administering Authority, where known. Where necessary, index returns appropriate to the mix of assets have been used for any remaining period to obtain an estimate of the total return over the period to the accounting date. To that return, a deduction of 0.3% p.a. has been made to allow for investment management expenses based on the Fund's experience.

The overall Fund return over the accounting period has been calculated as 7.1%. This includes an adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate.

### 12 Leases

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

	<b>2018-19</b>	<b>2017-18</b>
Obligations under operating leases comprise:	£	£
<b>Land and Buildings</b>		
Not later than one year	100,648	99,398
Later than one year and not later than five years	222,592	217,592
Over Five Years	114,114	168,512
<b>Total</b>	<b>437,354</b>	<b>485,502</b>

£144,398 (31 March 2018: £144,398) was included as an expense on operating leases within rent and rates in the Statement of Comprehensive Net Expenditure.

The land which Tollymore National Outdoor Centre resides on is leased and is subject to rent reviews every five years. Sports Council also leases land for outdoor activities. This 5 year lease expired on 31 March 2019 and a new lease entered into, effective from 1 April 2019 to 31 March 2024, with an annual value of £1,250.

The House of Sport rental agreement with the Department for Communities is on a rolling basis, cancellable with 6 months prior notice. There are no specific rent reviews contained within the lease.

Sports Institute facilities are rented from Ulster University.

### 13 Capital Commitments

There were no capital commitments as at 31 March 2019 (31 March 2018: Nil).

### 14 Other Financial Commitments

There were no other financial commitments as at 31 March 2019 (31 March 2018: Nil).

## 15 Contingent liability disclosed under IAS 37

Sports Council is aware of two contingent liabilities at 31 March 2019 as follows:

One contingent liability exists as a result of a historic judicial review. The likelihood of outgoing expenditure has been deemed unlikely, and the value of any such expenditure cannot be calculated by Sports Council.

### Court of Appeal judgment on backdated PSNI Holiday Pay

On 17 June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated holiday pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's judgment.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including: further legal advice with regards to the judgment; the scope; timescales; process of appeals; and engagement with trade unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. Department of Finance is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

## 16 Related-party transactions

Individual	Organisation	Relationship	In Kind	Payments in Year	Grants Awarded in Year	Balance at 31 March 2019
Antoinette McKeown	Armagh GAA County Board	Persons connected – Current Board Member	-	-	16,685	16,685
	Cathal Fegan School of Tae Twando	Person connected – Club member	AED (worth £700)	-	-	-
	Institute of Directors	Current Member	-	415	-	-
	The Chief Executives Forum	Member - Current	-	1,624	-	-
	Playboard	CEO - Former (1997-2001)	-	75	-	-
	Glenavon FC	Person connected – Former Assistant Manager	-	-	12,600	12,600
	Glentoran FC	Person Connected – Current Employee	-	-	13,437	13,437

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	Tullycarnet Boxing Club	Person connected – Current Board Member	AED (worth £700)	-	-	-
Leigh Brown	Banbridge Hockey Club	Person Connected - Club Member	AED (worth £700)	-	-	-
John News	Cycling Ireland	Current Member	-	350	-	-
	Sported	Former volunteer mentor	-	74,458	75,305	10,497
Jackie Bryson	English Sports Council	Manage Plas y Brenin on behalf of Sport England	-	4,184	-	-
	Mountain Training Trust	Chief Executive	-	360	-	-
	Mountaineering Council of Ireland	Attend Mountain Training UK meetings as an observer.	-	848	-	-
	Sports Coach UK	Former Board Member	-	4,836	-	-
Jay Colville	Cycling Ireland	Member of Dromara Cycling Club, associated with Cycling Ireland	-	350	-	-
	Sported	Former volunteer mentor	-	74,458	75,305	10,497
Kyle Ferguson	Irish FA Foundation	Educational partnership & consultancy	AED (worth £700)	12,186	-	-
	Irish Football Association	Educational partnership & consultancy	-	1,750	21,745	21,745
	University of Ulster	Employee	-	Grant - 28,325 Services 181,090	33,500	8,375
Kieran Harding	Glentoran FC	Current Employee	-	-	13,437	13,437
	Irish FA Foundation	Current Employee	AED (worth £700)	12,186	-	-
	Irish Football Association	Current Employee	-	1,750	21,745	21,745
Darryl Petticrew	Disability Sport NI	Person Connected – CEO	-	1,166,258	769,098	341,630
Catherine O'Mullan	OML Belfast Ltd	Board Member of Odyssey Trust Company	-	30,000	30,000	-

### **Other related parties include:**

Sports Council is a Non-Departmental Public Body sponsored by Department for Communities. The Department for Communities is regarded as a related party and during the year Sports Council had various material transactions with it as shown in the Statement of Changes in Taxpayers Equity.

Sports Council's National Lottery Distribution Account is also regarded as a related party to Sports Council Exchequer Account. At 31 March 2019 £330,593 (2017-18: £118,749) was owed by Sports Council National Lottery Distribution Account to this account in respect of salary and other administrative costs incurred.

As a matter of policy and procedure, Sports Council maintains a publicly available register of interests where Board Members and staff declare any direct interest in grant applications made to Sports Council or any commercial relationships of Sports Council. In addition, Exchequer grants were paid during the year to a number of organisations in which Board Members declared an interest. Having declared an interest, Board Members are required to leave the meeting while the relevant application is discussed and a decision is made.

### **17 Third party assets**

There were no third party assets as at 31 March 2019 (31 March 2018: Nil).

### **18 Events after the reporting period**

Events after the reporting period are those material events, both favourable and adverse, that occur between the end of the reporting period and the date when the accounts are authorised for issue. There were no such events.

### **Date of authorisation for issue**

The Accounting Officer authorised the issue of these financial statements on 29 June 2020.