

**OBSERVATORY FOR SPORT IN SCOTLAND SCIO**

**REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**CHARITY NUMBER: SC046823**

**Henderson Black & Co**

CHARTERED ACCOUNTANTS, ST ANDREWS

# Observatory for Sport in Scotland SCIO

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### For the Year Ended 31 August 2020

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# Observatory for Sport in Scotland SCIO

## Trustees' Report

### For the Year Ended 31 August 2020

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The trustees have pleasure in presenting their report together with the financial statements for the year ended 31 August 2020.

The Observatory for Sport in Scotland (OSS) is a "Think and Do" Tank. A registered charity (SCO46823), it is independent of government.

#### Charitable purposes

The charity's purposes are:

- The advancement of education, primarily, but not exclusively, by undertaking, commissioning or analysing research in order to produce data and analysis that can be widely disseminated to promote the wide range of community sport activity as a force for the improvement of all aspects of life. Potential benefits will be the positive impact on health and well-being, gender and race relations, education and social welfare, contributing to civic society and the wealth of the nation
- Based on its objective research and analysis the organisation will drive open, ongoing and transparent debate and decision-making aimed at improving sport opportunities across Scotland.

#### The OSS Vision and Mission

OSS has a simple vision, a healthier, happier Scotland where every person can access sport and its wider benefits for life. Correspondingly, its mission is to widen participation in all forms of community sport activity and to help arrest the physical and mental health crisis enveloping Scotland in the 21st century.

#### Context

OSS recognises community sport and recreation in Scotland is "owned" collectively by a wide community of interests; national and local government, business, the third sector, governing bodies, clubs, coaches, volunteers and individual sportsmen and women. In 2019-20 OSS has sought to work collaboratively across this swathe of sometimes competing stakeholders. This work included staging a National Summit in November 2019, effectively a unique platform for the totality of the sector where views were shared and challenged, raising awareness about participation levels with sports bodies and businesses, responding to government enquiry, and building relationships with governing bodies, leisure trusts and the like.

No one however could have predicted the impact of Covid-19, evident early in 2020. The negative impact on community sport was immediate and all too evident. Restrictions on participating along with direct and indirect loss of income for sport across the board has painted a grave picture for 2021 and OSS will not be unscathed by it. It also means a different dimension to the challenges facing community sport which the OSS has to consider in the delivery of its mission in 2021, hopefully a post Covid-19 era. Positively, it has nudged the OSS into a more digitally savvy way of working; webinars and video meetings became and remain the efficient new normal.

#### A Strategic Approach

Putting its vision and mission into practice saw OSS structure its work in 2019-20 under a four-pillar strategic framework, which in turn drove the 2020 Business Plan strategic objectives:

**Evidence & Analysis.** To identify knowledge gaps in research, evidence and analysis into sport and recreation in Scotland, and develop high-quality and relevant evidence to shape policy and practice.

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**Influencing.** To develop strong and trusted relationships with stakeholders across Scottish sport, government and communities, and become a reliable, supportive and influential presence.

**Organisation.** To enable OSS to be an effective organisation with good leadership and management, and capacity to grow from 2019 to 2025.

**Sustainability.** To ensure the OSS is a well-financed, sustainable organisation with diverse sources of funding.

#### Evidence and Analysis

At its core OSS is a “think and do” tank. Its most powerful tool is objective and independent research and analysis. The aim is to shine a bright and unflinching light on the truth of social, financial and cultural barriers to participation in community sport and recreation, across age, gender, ethnicity and ability, and identify solutions.

The summer 2019 publication of *‘Sport Participation in Scotland: Trends and Future Prospects’* (Nick Rowe), *‘Sport Participation in Scotland: Quantifying the Benefits’* (Dr Larissa Davies), and *‘Sports for the Future: decline, growth, opportunity and challenge’* (Prof Simon Shibli), was a springboard for the OSS to develop a series of research papers and reviews addressing key knowledge gaps and widening engagement across the Scottish community sport landscape:

- *‘Sport and Social Inequality’*, by Professor Tess Kay (March 2020)
- *‘Sport, Obesity and the Coronavirus: A Tale of Two Epidemics’*, by Nick Rowe (April 2020) and covered in The Times newspaper.
- *‘Ageing and Sport Participation’* by Professor Richard Davison in (May 2020)
- *‘Gender and Sport’*, by Jane Dennehy (June 2020)
- *‘Research Needs of Scottish Sport’*, by John Taylor (June 2020)

A series of research ideas were proposed by delegates at the November 2019 Summit and approaches from Scottish Disability Sport and Scottish Women in Sport led to two projects launching in 2020, investigating *Disability and Sport*, and *Women in Leadership Roles in Sport*. These were funded by the OSS and engaged over 40 organisations, and will report in December 2020 and March 2021 respectively, potentially leading to further projects in 2021.

Further development of research into *New Models of Community Sport Delivery*, was conducted through the OSS Research Advisory, OSS Sport Leaders group and across wider stakeholders, and presented to Scottish Government, sportscotland, Community Leisure UK and COSLA. Those partners decided to proceed with a similar focus internally and so OSS-led independent research was put on hold until their study completes in early 2021.

The principal challenges to OSS research in 2021 are that Research Advisory Committee (RAG) still has an interim chair (to whom OSS is very grateful) with no obvious candidates for a longer term RAG Chair. Project funding has been secured for a series of research reviews, and new thinking is being developed, in tandem with a range of stakeholders, in order to attract funding for larger projects.

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### For the Year Ended 31 August 2020

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The Trustees would like to extend their gratitude to all research authors and editor Jon Best for their expertise, quality of work and commitment.

#### **Influencing**

OSS seeks to influence through its relationships across Scottish Government, sportscotland, sport bodies, leisure trusts, health, education, criminal justice, business, local communities, and the media, primarily via regular meetings, traditional and social media, and events.

OSS has significantly grown its reach in 2019-20. The OSS contacts database increased from 400 in August 2019 to 1,800 people by August 2020. All national and many local print media titles and BBC Scotland have reported on the OSS during 2019-20; the developing website and social media following has grown to over 1,000 unique followers; and a series of six webinar events providing a platform for public discussion and debate on six areas of Scottish sport, held to replace physical events due to Covid-19, attracted over 2,000 viewers.

OSS made progress in a key objective of 'doing', by contributing to policy development. Notable examples include Professor Richard Davison providing expert support to the Scottish Parliament's Health and Sport Committee at an October 2019 round-table discussion on 'Social Prescribing'; a detailed written submission to the government consultation on the new National Planning Framework (NPF4) being written by board member and planning expert Bob Reid; and an invitation from the Scottish Government's Interim Director of Policy for the inaugural Cycling World Championships 2023 to provide guidance on a legacy research framework.

The first OSS National Sport Summit, held in November 2019, provided a significant platform for the OSS work and research, and allowed wide engagement with existing and new stakeholders, from government to community sport practitioners, and helped the OSS to achieve key strategic goals for 2019. The two-day conference at Tynecastle Stadium was opened by Hearts FC Chair and CEO Ann Budge, and featured the Scottish Government Chief Medical Officer, Director of Population Health, Active Scotland Head of Strategy and sportscotland CEO, COO and Head of Strategy among more than 40 presenters from across Europe. It targeted an audience of more than 100 but attracted over 260 delegates as well as widespread coverage in print and broadcast media. The feedback was unanimously positive with a common message that the event and the OSS provided a welcome independent lead in the sport landscape.

In seeking to further engage the business community in Scottish sport, the OSS held a first Business Breakfast in London in January 2020. This was hosted by board member Martin Gilbert and Aberdeen Standard Investments and involved influential supporters, including Lord Campbell and Sir Kenny Dalglish, among a range of Scottish business people. This secured wider support for, and willingness to represent, the OSS, as well as new donations.

The arrival of Covid-19 in March brought a sudden halt to further events planned for 2020. Instead, the OSS staged its series of online webinars from March to June. These attracted over 1,200 live attendees with video replays watched by a further 800+ people. This again received very positive feedback, most notably that the OSS was filling a void in engaging people in all forms of activity from national to local levels,

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many of whom felt excluded from the national conversation around sport and its impact on health, education and the economy.

The OSS website and social media channels increased content, launching a 'Research Library' in May in response to demands for a Scottish hub for research, with weekly updating of articles.

#### Organisation

Taking forward OSS in 2019-20 was an OSS Board of 11 independent Trustees led by its Chair, and supported by three honorary office-bearers - Vice-Chair, Treasurer and Secretary - and two members of OSS staff, Executive Director (David Ferguson) and Fundraising Manager (Cécile Dermit), Ms Dermit joining the OSS in September, 2019.

Essential to the operation of OSS are a number of sub-committees and groups:

- Executive Committee - meets monthly and carries out work to support the operational side of OSS, as well as agreeing Board agendas and papers.
- Research Advisory Committee (RAG) - advises and guides the Board on all research and is key to OSS' Evidence and Analysis objectives, supported from 2020 by Research Associates.
- Fundraising Committee - leads work on fundraising and OSS' Sustainability objectives.
- OSS Business Leaders' Forum - developing interface with the business community.
- OSS Sports Leaders' Forum - a wide range of people engaged in community sport, PE and physical activity provides insight and guidance on challenges on the ground, and helps to identify and influence research priorities for the OSS.

OSS relies almost entirely on volunteers and warm and sincere thanks are given here to each and every member of the OSS family.

As the OSS moves into its next stage of development Chair and founder Charlie Raeburn will step down as Chair in December 2020. A strong shortlist of candidates has been compiled to identify a successor.

Very sadly, in November 2020 OSS lost to cancer one of its greatest supporters and assets, advisor Iain More. Iain was central to the launch of the OSS, supporting Charlie Raeburn, and to its development through his significant expertise in fundraising and relentless work ethic. He will be much missed by all in the OSS.

#### Sustainability

OSS relies on charitable donations from individuals, corporates and trusts & foundations. Sustainability is OSS' greatest challenge and, after a difficult year with Covid-19, securing sufficient funding for 2021 is an immediate and pressing concern. Corporate giving has been directly affected, as have trusts and foundations who have faced increased pressure from the charitable sector. The Fundraising Committee remain focused and determined in pursuing the comprehensive and systematic fundraising strategy created in 2019, guided by the experienced hand of Stuart Armstrong. Between September 2019 and August 2020 the OSS received £95,342 in donations contributing to an overall income of £108,598.

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#### Reserves policy

The trustees' policy is to hold reserves to meet normal running costs and known commitments for three to six months. At the year end, unrestricted reserves amounted to £50,964 of bank balances (2019 - £73,717) less liabilities of £1,220 (2019 - £976). Restricted reserves amounted to £7,526 (2019 - £10,456).

#### Summary

OSS can look back with some pride on the growth, progress and successes achieved in 2019-20.

While the Covid-19 pandemic was unexpected and hugely impactful, the flip side is that it has heightened concerns around Scotland's health and the growing levels of physical inactivity. The OSS response is to provide explanations for this and evidenced solutions that will help to tackle the declining participation levels and concomitant health problems in all ages, particularly in Scotland's poorer communities. As an organisation, the OSS has strengthened in almost all facets, significantly increasing its research knowledge, expertise and capacity, drawing in and formalising support from business, sports bodies and leaders, academia, and a wide range of people engaged in sport activity across communities, and is well placed to provide key support.

Notwithstanding the challenges, and some opportunities, in the wake of the pandemic, OSS needs urgently to stabilise its funding to enable it to continue to be an independent and impactful voice for community sport and wider health benefits in Scotland.

#### Structure, Governance and Management

##### Constitution

The charity is a Scottish Charitable Incorporated Organisation (a SCIO). It was registered on 31 August 2016. The charity comprises the Board of Trustees. The people serving on the Board are referred to as the charity trustees under the constitution.

##### Appointment of trustees

The Board are the charity's trustees and they meet five times per year. The Board may appoint new members by way of a resolution passed by a majority vote at a Board meeting. The maximum number of Board members is 12 with 4 required for a quorum.

##### Management

The Board is responsible for monitoring and controlling the financial position of the organisation. The Executive Director and Treasurer provide management accounts for each Board meeting.

# Observatory for Sport in Scotland SCIO

## Trustees' Report

For the Year Ended 31 August 2020

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### Reference and Administrative Information

#### Charity name

Observatory for Sport in Scotland SCIO

#### Charity number

SC046823

#### Contact Address

5 Drumsheugh Gardens, Edinburgh, EH3 7QJ

#### Current Trustees

Charlie Raeburn	(Chair)	
Professor Richard Davison	(Hon. Treasurer)	
Claire Phillips	(Hon. Secretary)	
Barry Rose		(resigned 6 September 2019)
Henrik H Brandt		
Martin Gilbert		
Dr Remco Hoekman		
Fanchea Kelly		
Bob Reid		
Richard Yule		
Professor Tess Kay		(resigned 6 September 2019)
Stuart Armstrong		(appointed 6 September 2019)
Glen Gilson		(appointed 6 September 2019)

#### Independent Examiner

Jonathan Adamson CA

#### Bankers

The Co-operative Bank

#### Statement of Trustees' Responsibilities

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements, which they are responsible for preparing, comply with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the terms of the charity's Constitution. The applicable law also sets out the responsibilities of the trustees for the preparation and content of the Annual Report.

Approved by the trustees on 11 December 2020 and signed on their behalf by:

Charlie Raeburn  
(Trustee)

Richard Davison  
(Trustee)

## **Observatory for Sport in Scotland SCIO**

### **Independent Examiner's Report to the Trustees of Observatory for Sport in Scotland SCIO**

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I report on the accounts of the charity for the year ended 31 August 2020 which are set out on pages 8 to 11.

#### **Respective Responsibilities of the Trustees and Examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act") and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the 2006 Regulations"). The charity's trustees consider that the audit requirement of Regulation 10(1) (d) of the 2006 Regulations does not apply. It is my responsibility to examine and report on the accounts under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees for my work or for this report.

#### **Basis of Independent Examiner's Statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

#### **Independent Examiner's Statement**

In the course of my examination no matter has come to my attention:-

1. which gives me reasonable cause to believe that in any material respect the requirements:-
  - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act and Regulation 4 of the 2006 Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Jonathan Adamson CA  
Partner  
Henderson Black & Co  
Chartered Accountants**

**Chestney House  
149 Market Street  
St Andrews  
Fife, KY16 9PF**

**11 December 2020**

## Observatory for Sport in Scotland SCIO

### Statement of Receipts and Payments for the year ended 31 August 2020

		Unrestricted General Fund	Restricted Funds	Total Funds 2020	Total Funds 2019
	Note	£	£	£	£
<b>Receipts</b>					
Donations	6	95,342	-	95,342	102,360
Summit income		13,256	-	13,256	-
<b>Total receipts</b>		<u>108,598</u>	<u>-</u>	<u>108,598</u>	<u>102,360</u>
<b>Payments</b>					
Cost of charitable activities	7	134,063	218	134,281	137,524
<b>Total payments</b>		<u>134,063</u>	<u>218</u>	<u>134,281</u>	<u>137,524</u>
<b>Deficit for the period</b>		(25,465)	(218)	(25,683)	(35,164)
<b>Transfers between funds</b>	8	2,712	(2,712)	-	-
<b>Deficit for the period</b>		<u>(22,753)</u>	<u>(2,930)</u>	<u>(25,683)</u>	<u>(35,164)</u>

The notes on page 10 and 11 form an integral part of these accounts.

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## Statement of Balances as at 31 August 2020

	<b>Unrestricted</b>			
	<b>General</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Fund</b>	<b>Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening cash at bank and in hand	73,717	10,456	84,173	119,337
Deficit for the period	(22,753)	(2,930)	(25,683)	(35,164)
Closing cash at bank and in hand	<u>50,964</u>	<u>7,526</u>	<u>58,490</u>	<u>84,173</u>
<b>Bank and Cash Balances</b>				
Bank accounts	50,964	7,526	58,490	84,173
	<u>50,964</u>	<u>7,526</u>	<u>58,490</u>	<u>84,173</u>
<b>Assets</b>				
Gift aid to be reclaimed	2,313	-	2,313	8,550
	<u>2,313</u>	<u>-</u>	<u>2,313</u>	<u>8,550</u>
<b>Liabilities</b>				
Charitable activities	350	-	350	256
Payroll services	150	-	150	-
Independent examiner's fee	720	-	720	720
	<u>1,220</u>	<u>-</u>	<u>1,220</u>	<u>976</u>

The notes on page 10 and 11 form an integral part of these accounts.

Approved by the trustees and authorised for issue on 11 December 2020.

Charlie Raeburn  
**Trustee**

Richard Davison  
**Trustee**

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## Notes to the Accounts for the year ended 31 August 2020

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### 1 Principal Accounting Policies

#### 1.1 Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements are prepared in sterling, which is the functional currency of the charity.

#### 1.2 Nature and purpose of funds

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity. The trustees maintain an unrestricted general fund for the day-to-day running of the charity.

Restricted funds relate to grants received for a specific purpose.

### 2 Related party transactions

During the year, a total of £8,000 (2019 - £6,000) was donated to the charity by the trustees.

### 3 Trustees' remuneration

No remuneration was paid in the year (2019 - nil).

### 4 Control

Control of the charity lies in the hands of the trustees.

### 5 Donated services and facilities

The value of work done by trustees in giving of their time for meetings and other matters on behalf of the charity is not reflected in the accounts as it cannot be quantified.

### 6 Donations

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Donations	95,342	-	95,342	102,360
	<u>95,342</u>	<u>-</u>	<u>95,342</u>	<u>102,360</u>

## Observatory for Sport in Scotland SCIO

### Notes to the Accounts for the year ended 31 August 2020

7 Cost of charitable activities	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Summit expenses	16,331	-	16,331	-
Consultancy	11,991	-	11,991	31,146
Staff salaries	82,963	-	82,963	75,965
Travel and accommodation	6,109	130	6,239	6,655
Event expenses	1,040	-	1,040	1,692
IT/Website/Database	8,198	-	8,198	660
Printing	1,690	-	1,690	1,914
Bank charges	27	-	27	62
Advertising	3,840	-	3,840	6,210
Accountancy and payroll services	648	-	648	2,082
Independent examination fee	780	-	780	780
Insurance	344	-	344	344
Telephone	-	-	-	270
Recruitment	-	-	-	9,600
Miscellaneous expenses	102	88	190	144
	<u>134,063</u>	<u>218</u>	<u>134,281</u>	<u>137,524</u>

8 Restricted Funds	At 31 August 2019	Income	Expenditure	Transfer to Unrestricted	At 31 August 2020
Highlife Highlands	7,526	-	-	-	7,526
Raeburn Foundation	2,930	-	(218)	(2,712)	-
	<u>10,456</u>	<u>-</u>	<u>(218)</u>	<u>(2,712)</u>	<u>7,526</u>

#### Purpose of restricted funds

Highlife Highlands: Grant received in June 2018 for evaluation work on girls dance programmes.

Raeburn Foundation: Grant received in May 2019 for staff development to fund fact-finding trips. It was agreed in the year with the donor to transfer the balance of this fund to unrestricted funds.