

# UK Anti-Doping Ltd Annual Report and Accounts 2019/20









**UK Anti-Doping Ltd**  
**Annual Report and Accounts**  
**2019/20**

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

Ordered by the House of Commons to be printed on 28 January 2021.



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ISBN 978-1-5286-1845-8

CCS0320283492      01/21

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

# Contents

## Performance Report – Overview

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Foreword by the Chair, Trevor Pearce CBE QPM and Chief Executive, Nicole Sapstead .....	3
Strategic Report.....	11

## Performance Report – Performance Analysis

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How Performance is Measured and Monitored .....	13
Sustainability .....	14
Financial Performance.....	14

## Accountability Report – Corporate Governance

---

Directors' Report .....	16
Statement of Directors' and Accounting Officer's Responsibilities .....	18
Governance Statement .....	20

## Accountability Report – Remuneration and Staff Report

---

Remuneration Report.....	26
--------------------------	----

## The Independent Auditor's Report

---

The Independent Auditor's Report .....	32
--	----

## Financial Statements

---

Statement of Comprehensive Net Expenditure .....	36
Statement of Financial Position .....	37
Statement of Changes in Taxpayers' Equity .....	38
Statement of Cash Flows .....	39
Notes to the Financial Statements .....	40

## The Team

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### Board

Trevor Pearce CBE QPM .....	Chair
Dr Frances Akor .....	Member
Pippa Britton .....	Senior Independent Director and Vice-Chair
Nicholas Griffin QC .....	Member
Professor Nicola Phillips OBE.....	Member
Dr Claire-Marie Roberts .....	Member
Sarah Winckless MBE .....	Member

### Executive

Nicole Sapstead .....	Chief Executive
Philip Bunt .....	Chief Operating Officer
Matthew Johnson.....	Director of Legal and Regulatory Affairs
Pat Myhill.....	Director of Operations
Emily Robinson .....	(maternity leave until 7 October 2019) Director of Strategy and Education
Resham Kotecha.....	(maternity cover until 4 October 2019) Director of Strategy and Education
Gareth Wellings .....	Director of Finance

# Performance Report – Overview

## Foreword by the Chair, Trevor Pearce CBE QPM and Chief Executive, Nicole Sapstead

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This financial year saw UK Anti-Doping (UKAD) celebrate a decade of operation and we feel a sense of achievement that across those ten years we have effectively delivered our government mandate for the Prevention of Doping in Sport and our vision to protect clean sport. This report is evidence that we can never be complacent and must always strive to do more.

Our focus remains; to test, investigate and remove from sport those who take performance enhancing substances, as well as to educate athletes and their support personnel to reduce the risk of doping occurring in the first place.

At the beginning of the year we had no reason to believe the Olympics and Paralympics would not take place in Tokyo during 2020 and we have successfully implemented a core element of our pre-Games education programme, the latter resulting in over 70% of athletes, Tokyo 2020 Long Listed Olympic and Paralympic athletes and Athlete Support Personnel (ASP), being educated. This is important and this education will not be wasted as the Games move to take place in July and August 2021.

To engage our wide audience base, we have delivered a variety of outreach events: our Clean Sport at the Front Line conference aimed at educating athlete support personnel, such as nutritionists and coaches, on protecting clean sport was attended by 80 delegates and over 100 delegates attended the Doping Control Personnel (DCP) conference. And we were delighted to receive an external PR award honour for our third Clean Sport Week.

Across the year, our Assurance Team has been creating and consulting with sports on a new Assurance Framework. Nicole and I were part of the UKAD team which travelled across the UK to communicate our draft Assurance Framework to Chief Executives and Chairs of National Governing Bodies at a series of briefings. The Assurance Framework will be a set of defined responsibilities that all National Governing Bodies in the UK will need to meet in order to comply with the revised UK National Anti-Doping Policy. UKAD will be supporting sports to ensure they are able to comply with the new responsibilities.

Our Legal and Regulatory Affairs team has also been working hard to prepare us for the future, with the implementation of a new World Anti-Doping Code and International Standards which happens every five or six years and comes into effect in January 2021.

Our vision of confidence in clean sport often propels us to an even larger remit and we have gathered momentum in two important areas. One is the public health issue of Image and Performance Enhancing Drugs (IPEDs). In January 2020 we launched our IPED report warning against the use of IPEDs in a false pursuit of a better body. This was well-received and gained positive media traction. Ultimately, we need a multi-agency approach to look at the current landscape around the illicit trade in IPEDs and increase action to tackle the problem.

The second is the integrity landscape. We hosted our sport integrity and diplomacy: policy into action conference at Wilton Park. Discussions focused on ways to improve integrity, good governance in sport and support for global collaborative efforts through the use of diplomacy and soft power in the sporting arena. The conference brought together a wide range of experts and countries who would not

automatically meet. UKAD will be working across our networks to propel our work on IPEDs and integrity over the coming months.

Our outputs could never be achieved without our valued UKAD staff team, our workforce out in the field and our athlete commission. All of these people work incredibly hard to protect the right to enjoy doping-free sport. The end of the year proved particularly tough as we entered uncharted territory due to the COVID-19 pandemic. Thank you to all members of the UKAD family for the resilience they have shown during this difficult time.

We hope you find the 2019/20 Annual Report insightful and representative of our work, as we continue the fight for clean sport for our athletes.



Trevor Pearce CBE QPM

Chair, UKAD

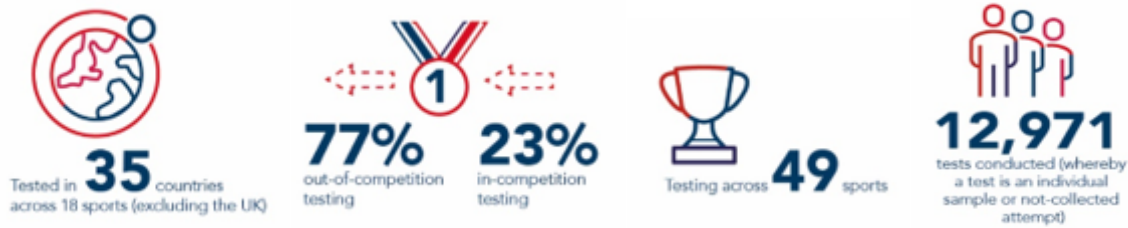


Nicole Sapstead

Chief Executive, UKAD



## Testing



UKAD's Testing team has maintained a comprehensive testing programme and continued athlete whereabouts support across a wide range of sports in the highest risk areas. The testing team's skilled workforce has enabled us to deliver a high level of service provision at major events across the sporting calendar. We have also focused our testing on the greatest areas of risk ahead of the planned Olympic and Paralympic Games.

Our DCP are essential to execute our testing programmes and we are committed to ensuring that all members of our workforce are operating at the highest standards. This year, as part of our biennial process, we undertook the reaccreditation of Doping Control Officers (DCOs).

We also welcomed over 100 delegates to our DCP conference. The conference enabled UKAD to bring DCP up to date on the latest developments in the field. In addition, our regular regional DCP workshops have continued throughout the year.

Internationally, members of the testing team were invited to Dubai and Kenya to provide in-depth testing training knowledge to these National Anti-Doping Organisations and their associated partners.

## Science and Medicine

(All statistics shown cover the period between 1 January 2019 – 31 December 2019)



This year the Science and Medicine team have submitted a comprehensive response to the WADA consultations on both The Prohibited List, and the International Standard for Therapeutic Use Exemptions (TUEs). Strengthening our partnership with the Drug Control Centre at King's College London, we made a successful joint application to become a WADA Approved Athlete Passport Management Unit (APMU).

TUEs have formed a large part of the Science and Medicine's team workload. The team undertook a review of the TUE programme with the Independent Review TUE Panel scrutinising; firstly, the applications or inputs into the TUE process; secondly, the management of applications during the TUE process; and finally, the outcome of applications. Following a review with two experienced psychiatrists and the TUE Committee, we also updated our Attention Deficit Hyperactivity Disorder (ADHD) TUE Policy to ensure that the policy still reflects current best practice in the diagnosis and treatment of ADHD in the UK.

To keep up to date with new developments, members of the team attended the Partnership for Clean Competition Anti-Doping Conference (London), the USADA Science Symposium (Tokyo), the LGC Supplement Forum (London), and a WADA APMU Training Workshop (Lausanne). We also delivered a workshop on TUEs to the United Arab Emirates (UAE) NADO, National Governing Bodies (NGBs) and sports clubs from across the region.

## Intelligence and Investigations

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**1,313**  
Incident Reports received



**30%** of ADRVs  
published since April 2019  
were intelligence-led



**21**  
Disruption actions  
taken by the I&I team

UKAD's Intelligence and Investigations (I&I) team continues to maintain strong partnerships with public sector agencies such as the National Crime Agency (NCA), Drugs and Firearms Licensing and Compliance Unit, Medicines and Healthcare products Regulatory Agency (MHRA), General Medical Council (GMC), Food Standards Agency (FSA), Gambling Commission, UK Border Force, the Government Agency Intelligence Network (GAIN), Interpol and police forces throughout the UK.

These partnerships have produced some positive results, such as Operation Stacker, where collaboration with a police force resulted in the arrest of four individuals and large quantities of performance enhancing drugs being recovered in July 2019. UKAD has received additional intelligence relating to persons who have been identified as potential individuals linked to sport who may have committed non-analytical Anti-Doping Rule Violations (ADRVs) which has built our intel and aided our investigations.

This financial year has seen the next phase of the Disruption Techniques Matrix roll-out with the I&I Team reaching out to key NGB stakeholders resulting in meetings with UKAD Investigators to deliver an understanding of how they can action intelligence that is disseminated to them to add value in the fight against doping in sport.

## Legal and Regulatory Affairs



All sport's doping tests must be analysed, processed and actioned, requiring many hours reviewing test paperwork. The Results team works closely with the DCP and the Drug Control Centre to ensure that the collection and analyses of test samples are of the highest standard.

The focus of the Case Management team this year continued to be prosecuting ADRVs. This resulted in 25 published decisions and three appeal cases brought before the National Anti-Doping panel. A significant driver in our investigations is intelligence - people passing on information regarding doping in sport.

Since the final draft of World Anti-Doping Code was approved in November 2019 the whole team has been working to prepare UKAD for the revised code ahead of January 2021. In addition, the team has managed the 41 Freedom of Information Request responses, details of which can be found on our website.

The Assurance Team has been working closely with the government to revise the existing UK National Anti-Doping Policy, which sets out the anti-doping role and responsibilities of UKAD, NGBs and Sports Councils and incorporating the feedback gained through the public consultation in October 2019.

Alongside this, the Assurance Team has been creating and consulting with sports on a new Assurance Framework. The Assurance Framework will be a set of defined responsibilities that all NGBs in the UK will need to meet in order to comply with the revised Policy. The Assurance Team will be looking to finalise the revised Policy and new Assurance Framework with the government in the near future, before supporting sports to ensure they are able to comply with the new responsibilities.

## Education and Athlete Support



In line with the Clean Games Policy, education has been delivered to all athletes and Athlete Support Personnel (ASP) who attended the Lausanne 2020 Youth Olympic Games, the World Beach Games 2019, the European Youth Summer Olympic Festival Baku 2019 and the Minsk 2020 European Games. Across the Summer School Games we provided education outreach to 1,066 young athletes and 1,389 ASP and

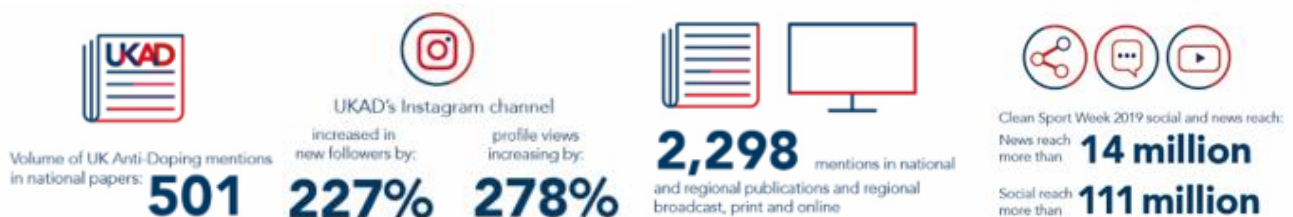
parents. In addition, by March 2020 70% of athletes had received education required for their preparation for Tokyo 2020. Roughly 1-2% of these athletes will need to repeat their education ahead of the Games currently scheduled to be held in Tokyo in 2021. All athletes will receive Code change education and their Games specific education in 2021.

Our partnership with the Association of Colleges Sport remains strong and we have continued to support their National Championships, providing education to over 1,500 college athletes, ASP and parents. This year, we have created new or revised partnership agreements with the British Association of Sport and Exercise Sciences (BASES), the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA), the British Association for Sport and Exercise Medicine (BASEM) and UK Coaching.

The Think Real programme, a values-based education programme developed in collaboration with Sport England, Team GB, ParalympicsGB and the English Institute of Sport (EIS), successfully won the Teach Secondary awards for curriculum impact and was runner up in the EVCOM Film awards. In May 2019 we launched our new Spirit of Sport values-based education programme for 7-10 year olds and the refreshed Spirit of Sport in Competition programme (11-14 year olds). In terms of higher education, 24 universities are signed up to our Clean Sport Accreditation with 16 accredited to date. In our pilot scheme four colleges signed up immediately. We have also been working with Leeds Beckett University to develop our parent education scheme providing access to updated curriculum for parents and carers.

Internationally, we were invited by WADA to present at the Global Education Conference in China and the International Conference on the Implementation of the revised World Anti-Doping Code (ICIC2020) in the Netherlands. At the request of the Council of Europe we attended two evaluation visits, assessing compliance with the Anti-Doping Convention. We also made significant contributions to the Council of Europe's submissions as part of the WADA consultation process around the International Standard for Education. On home soil, we hosted a successful, third Clean Sport at the Front-Line conference, our Clean Sport Forum event and in September 2019 more than 130 delegates from 26 different countries attended the Clean Sport Alliance's inaugural Clean Sport Insight Forum, funded by ERASMUS +.

## Communications



In 2019 we launched our Russia project report, a comprehensive debrief of UKAD's work conducted, in collaboration with WADA, in Russia during RUSADA's period of non-compliance.

Our second pivotal report this year reviewed the public health issue of Image and Performance Enhancing Drugs (IPEDs), warning against the use of IPEDs to gain a better body and highlighting the associated risks with using IPEDs. This was well-received and gained positive media coverage.

IPEDs formed the focus for our Clean Sport Week. Over 80 NGBs of sport were involved in the campaign to raise awareness of IPEDs and clean sport. The campaign featured social media videos and supporting

messages from numerous UK athletes including the men's and women's Senior England Rugby Teams. It gained coverage in many prominent and specialist media outlets including the Today programme and an interview with our CEO on the BBC2 Victoria Derbyshire show. The campaign led to a commitment from leaders of the UK's fitness and gym industry to work with UKAD to deliver a new education programme to protect gym users. The success of our third Clean Sport Week was rewarded with an external PR honour, and it is now an established event in the sporting calendar.

Over the course of the year we have gained good media coverage, with 501 UKAD mentions in national papers. Our greatest achievement is the growth of our Instagram channel, with a 227% increase in new followers, and profile views increasing by 278%. Our focus on digital media has improved our communication with younger athletes, image-led posts continue to prove popular on our social media channels and are shared widely by our partners. Looking for innovative ways to engage with new audiences we launched "Dope! the musical" on our website.

## International and Stakeholder Relations

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Our engaged and active Athlete Commission provides feedback and advice on the anti-doping experience of the athlete community. In light of Russia's non-compliance, the Athlete Commission has been vocal on the need for tough penalties for Russia and transparency in the decisions relating to those penalties. The athletes on the Commission have also assisted with communications activities and Clean Sport Week.

Throughout the year, the International team has attended significant meetings to strengthen and improve global anti-doping governance and decision making. These have included the WADA World Conference on Doping in Sport in Katowice Poland, meetings of the Institute of National Anti-Doping Organisations (iNADO), the Ad-Hoc European Committee for the World Anti-Doping Agency (CAHAMA) meetings and the Council of Europe Monitoring Group (International Anti-Doping Convention) meetings and the UNESCO Conference of Parties in Paris. We have also been invited to join four Council of Europe Monitoring Group Advisory Committees covering Legal Issues, Human Rights, Whistleblowing and Compliance.

In 2019 together with DCMS, we hosted the annual International Anti-Doping Arrangement (IADA) meeting, bringing together the member countries of Australia, Canada, Denmark, Finland, Japan, Netherlands, New Zealand, Norway and Sweden. Participants seek to optimise cooperation with WADA, UNESCO, iNADO, and the bodies associated with the Council of Europe.

This year the key focus of our international consultancy work has been on Commonwealth countries. We delivered a sustainable 'train the trainer' programme, on sample collection to the Anti-Doping Agency of



Kenya. We intend to use this model for delivery in other countries in the future as we continue to collaborate with other NADOs/RADOs to enhance their capacity building.

The use of diplomacy and soft power in the sporting arena formed a key part of discussions at our Sport integrity and diplomacy: policy into action conference held at Wilton Park.

We also engaged with the chairs and chief executives of the Sports Councils and NGBs at a series of briefings held across the Home Nations on the 2021 World Anti-Doping Code Implementation, the UK's Anti-Doping Policy and UKAD's Assurance Framework.

## **Business Services**

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The Business Services team has successfully implemented nineteen of the Tailored Review recommendations and continues to work in collaboration with DCMS on the remaining twenty-five recommendations.

A key focus for the Human Resources (HR) team this year was the introduction of blind recruitment; the process of removing identification details from applications. A new application allows UKAD managers to evaluate people on their skills and experience instead of factors that can lead to biased decisions. Having been successfully implemented, we hope this system will increase applications and create a more diverse workforce.

We are working closely with the National Cyber Security Centre (NCSC) and other bodies to prevent cyber attacks and protect our data and information systems. We have prepared for the UK's departure from the EU on 31 January, and have measures in place to ensure we are ready for the end of the transition period on 31 December 2020. We also have plans in place for our own departure from our central London office no later than the end of August 2021. Our long-term destination is the Loughborough University campus, co-located with 17 other sports bodies. We are also planning to take space in a government building in Croydon. Planning for both moves is well advanced including training staff to work as part of a multi-site organisation. The relocation approach is expected to minimise disruption to UKAD's highly skilled staff team.

## Performance Report – Overview continued

### Strategic Report for the Year Ended 31 March 2020

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#### Strategic Objectives

UKAD is the UK's NADO. It is responsible for ensuring sports bodies in the UK comply with the National Anti-Doping Policy. The strategic plan sets out four objectives for 2018-2022:

1. Catching those who cheat: To deter, detect and disrupt doping in sport, and ban those involved
2. Providing information and education: To enable those involved in sport to implement effective anti-doping education programmes by providing information, support and resources
3. Working with sports: To ensure compliance by sport and the sports councils with the National Anti-Doping Policy
4. Influence anti-doping decision-making: To influence national and international laws, rules, policies and practices to help all athletes participate in clean sport

#### Review of the Business

UKAD receives Grant-in-Aid (GIA) from Department for Digital, Culture, Media and Sport (DCMS). It also generates income from its contracted testing programme and other activities. UKAD works at arm's length from government and has the status of a Non-Departmental Public Body. It is regulated in accordance with the Management Agreement issued by the Secretary of State for Digital, Culture, Media and Sport and the financial statements are prepared in accordance with the Companies Act.

A review of UKAD's business is set out in the foreword, reporting on activities during the year and setting out the focus for 2019/20.

#### Results

The net expenditure for the period was £9,857k (2018/19: £8,534k). Our GIA is recognised as financing in the Statement of Changes in Taxpayers' Equity. A review of financial performance set out in the Performance Report provides details of the net expenditure for the year, income sources, the principal areas of expenditure, treasury policy, the investment in non-current assets and a summary of the staffing structure. An assessment of the going concern nature of the business is set out below. Achievement against our KPIs is set out in the Performance Report - Performance Analysis.

#### Key Issues and Risks Facing UKAD

UKAD reviews the principal risks and uncertainties to the business on a periodic basis and considers necessary actions and controls in place to mitigate these. UKAD has developed a risk management strategy which is fully embedded within its business planning and day-to-day operations. During the year the Board reviewed and rearticulated its risk appetite. A brief description of the principal risks and uncertainties faced is set out in the Governance Statement.

#### Going Concern

The financial statements have been prepared on a going concern basis. The going concern nature of the business was assessed by the Board at its meeting in February 2020 and reconsidered in the light of COVID-19 before the financial statements were approved. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions

that may cast significant doubt about the ability of UKAD to continue as a going concern. Baseline financing has been further increased from April 2020 but the additional funding that arose from the Tailored Review has reduced. We have not received any indications from DCMS that financing will be withdrawn. The Board will take the steps necessary to ensure that UKAD's income and expenditure remain in balance. The Statement of Financial Position at 31 March 2020 shows that UKAD had an overall net liability of £2,120k (2018/19: £2,762k). This is primarily a result of the actuarial valuation of the pension scheme, in accordance with International Accounting Standard (IAS) 19, which has seen a decrease in the pension liabilities at 31 March 2020. The liability has decreased because of market fluctuations and the way in which IAS19 requires the actuaries to measure the liabilities. The triennial valuation by the actuary as at 31 March 2019 confirmed that there are no current requirements to increase the employer contributions.

### **Employment and Training Policies and Staff Participation**

UKAD is committed to a policy of equality of opportunity in its employment practices and continues to develop a culturally diverse workforce. The organisation aims to ensure that no potential or actual employees receive more or less favourable treatment on the grounds of race, colour, ethnic or national origin, marital status, age, gender, sexual orientation, disability or religious beliefs. The organisation has established a training and development programme designed to encourage and support all employees in improving performance. UKAD has developed a staff handbook which is a comprehensive guide to its employment policies and procedures. UKAD ensures that there are arrangements to promote effective consultation and communications with all staff. All directorates have regular staff meetings at which matters relating to UKAD activities are discussed and staff are regularly briefed on the matters discussed at management and Board meetings. Meetings of all staff are held regularly. During the year UKAD maintained its Investors in People accreditation Silver status. UKAD seeks to ensure that the requirements of health and safety legislation are met in the workplace.

By order of the Board



Trevor Pearce

Chair

21 January 2021



Nicole Sapstead

Chief Executive and Accounting Officer

21 January 2021

## Performance Report – Performance Analysis

### How Performance is Measured and Monitored

UKAD measures performance against the KPIs agreed with DCMS, set out in the Management Agreement.

Performance against the strategic objectives of the organisation is measured quarterly by an assessment of progress towards achieving the key deliverables. The Board receives and reviews a report at each meeting highlighting those key deliverables which may not or will not be achieved over the four-year duration of the strategic plan.

Key Performance Indicators	Progress Made
Support and drive compliance with the Code and Policy	Fully met. The policy was created with the central aim of eliminating doping in sport and applies to all sports-orientated bodies in the United Kingdom, including UKAD, Home Country Sports Councils and National Governing Bodies of Sport. During the year DCMS led a consultation on the revised Policy and UKAD has prepared for the implementation of an assurance framework to support it. UKAD has also led the UK's response to WADA in relation to proposed revisions to the Code which will be implemented on 1 January 2021.
Deliver integrated risk-based testing programmes	Fully met. During the year UKAD again reassessed the risks of doping in sports across the UK and designed and implemented a test distribution plan which took account of that reassessment.
Deliver effective anti-doping education programmes	Fully met. During the year UKAD delivered education to all athletes and ASP who attended the Lausanne 2020 Youth Olympic Games, the World Beach Games 2019, the European Youth Summer Olympic Festival Baku 2019 and the Minsk 2020 European Games. Across the Summer School Games education outreach was provided to 1,066 young athletes and 1,389 ASP and parents. Prior to its postponement, major games education had been provided to 70% Tokyo 2020 Long Listed Olympic and Paralympic athletes and ASP due to attend Tokyo 2020. In addition, Chef de Mission scenario planning training was successfully delivered to the British Paralympic Association.
Continue to develop viable commercial models to secure additional non-Exchequer revenue	Partly met. During the year UKAD completed a comprehensive review of both current commercial activities and potential future opportunities. UKAD continues to provide testing services under contracts with NGBs and consultancy services to NADOs. Further development of identified commercial opportunities will continue to be explored.

## Sustainability

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UKAD recognises that its activities have an impact on the environment and is committed to reducing this impact. A Corporate Social Responsibility policy has been developed which sets out the principles which aim to reduce environmental impact. All staff members are made aware of how their activities may adversely affect the environment and are encouraged to help to reduce our environmental impact. Because it has fewer than 250 full-time equivalent staff, UKAD is exempt from preparing a full sustainability report.

## Financial Performance

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### Summary of Results

UKAD had net expenditure for the year of £9,857k (2018/19: £8,534k). GIA is treated as financing rather than income and as such is recognised in the Statement of Changes in Taxpayers' Equity.

### Income Sources

The majority of the organisation's funding came from GIA, received from DCMS. This is recognised in the accounts as financing rather than income. In addition, UKAD generates income from testing, consultancy and other activities which in 2019/20 came to £2,962k (2018/19: £3,634k).

### Treasury Policy

UKAD does not hold any shares or other investments. UKAD's cash policy is to draw down GIA on the basis of need, in accordance with Managing Public Money.

### Investment in Non-Current Assets

The organisation spent £62k (2018/19: £114k) on non-current assets during the year. This related to replacing information technology and the development of intangible software.

### Future Non-Current Asset Investment

In 2020/21 UKAD does not anticipate any significant spend on non-current assets.

### Expenditure

Significant areas of expenditure included the following:

- UKAD has a contract with the WADA-accredited laboratory, the Drug Control Centre, King's College London, which undertakes the analysis of samples from the UK's athlete testing programme. Results analysis and legal work accounted for £2,235k (2018/19: £2,245k)
- £2,441k (2018/19: £2,695k) spent on the direct costs of the athlete testing programme and a further £558k on the related staff costs – a total of £2,999k (2018/19: £3,199k). The costs of the athlete testing programme include the costs of DCP who collect samples for analysis
- £753k (2018/19: £678k) spent on the cost of the UK contribution to WADA
- £514k (2018/19: £472k) spent on the direct costs of the education programme and a further £310k on the related staff costs – a total of £824k (2018/19: £813k). A key part of UKAD's prevention work involves the education of those in sport to deter them from doping. The cost of the education



programme includes the costs of the national trainers, who are field workers conducting education sessions for athletes and support personnel

- £114k (2018/19: £107k) spent on the direct costs of the Intelligence and Investigations programme and a further £429k on the related staff costs – a total of £543k (2018/19: £469k).

### Future Financial Risks

During 2012 UKAD entered into a 10-year occupancy agreement on its premises at Fleetbank House. The agreement does not require UKAD to restore the premises to its original condition and as such no dilapidations provision has been made in the accounts. Along with all occupiers, UKAD has been asked to vacate Fleetbank House by the end of August 2021 to make way for the construction of a new court on the site. There are financial risks regarding the collection of our commercial income but no provision for bad debts was required (2018/19: £nil).

### Long-term Expenditure Trends

Actual operating expenditure over the last five years ended 31 March and projected expenditure based on current income and expenditure forecasts, excluding any future period net pension costs, over the next two years is set out below.

£'000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Staff cost</b>	2,682	2,960	3,678	4,327	4,938	3,923	3,997
<b>Other expenditure</b>	5,325	5,888	6,499	7,765	7,499	5,854	6,571
<b>Depreciation &amp; amortisation</b>	77	82	73	76	382	437	437
<b>Total operating expenditure</b>	8,084	8,930	10,250	12,168	12,819	10,214	11,005

# Accountability Report – Corporate Governance

## Directors' Report for the Year Ended 31 March 2020

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The Directors present their report and financial statements for the year ended 31 March 2020, in respect of United Kingdom Anti-Doping Limited (UKAD), company number 6990867.

The Directors who served during the year are detailed in the Remuneration Report.

### Future Development and Events since the Reporting Period

The government introduced measures to combat COVID-19 shortly before the end of the reporting period. Since then the impact on athletes and sport has become apparent, necessitating changes to UKAD's core testing and education programmes. Actions have been taken to ensure that the budget remains in balance and the cashflow is secure. As far as is possible, UKAD will continue to ensure that a comprehensive anti-doping programme is in place in the UK and implement our programmes ahead of the rescheduled Tokyo summer Olympics and Paralympics. UKAD will continue to work with overseas partners and, until at least 31 March 2021, maintain the partnership with the Drug Control Centre at King's College, London.

### Better Payment Practice Code

UKAD has a commitment to abide by the Better Payment Practice Code and in particular to settle bills in accordance with contracts. Invoices are normally settled within our suppliers' standard terms. 78 per cent (2018/19: 84 per cent) of undisputed invoices were paid within 30 days of receipt.

### Pension Liabilities

UKAD has a defined benefit plan and the treatment of pension liabilities is set out in notes 1.7 and 13. The increase during the year in the pension scheme net liabilities is reflected in the Statement of Financial Position and Statement of Comprehensive Net Expenditure.

### Sickness Data

Information concerning the number of days lost to sickness is set out in the Accountability Report – Remuneration and Staff.

### Diversity

The board comprises two males and five females. One Board member is a wheelchair user and another is from a BAME community. Information concerning the gender mix at the end of the financial year is set out in the Accountability Report – Remuneration and Staff.

### Board Members' Company Directorships and Other Significant Interests

Information concerning the company directorships and other significant interests is set out in the Governance Statement within this report.

### Personal Data

There were no personal data incidents to be reported in respect of the year under review.

**Auditors**

UKAD is required to have its accounts audited by the Comptroller and Auditor General.

By order of the Board

A handwritten signature in black ink, appearing to read 'Trevor Pearce', with a long horizontal flourish extending to the right.

Trevor Pearce

Chair

21 January 2021

## Accountability Report – Corporate Governance

### Statement of Directors' and Accounting Officer's Responsibilities

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The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires UKAD to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of UKAD's state of affairs at the year end and of its income and expenditure and cash flows for the financial year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that UKAD will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of UKAD and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as reasonably open to them to safeguard the assets of UKAD and to prevent and detect fraud and other irregularities.

The Accounting Officer of DCMS has designated the Chief Executive as Accounting Officer of UKAD. The relevant responsibilities of an Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for keeping proper records and the safeguarding of UKAD's assets, are set out in Managing Public Money published by HM Treasury. UKAD complies with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent 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

We confirm that the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that she/he is obliged to take as a Director in order to make her/himself aware of any relevant information and to establish that the auditor is aware of that information.

This report has been approved by the Board and is signed by the Chief Executive as Accounting Officer and the Chair on behalf of the Board.



Nicole Sapstead

Chief Executive and Accounting Officer

21 January 2021



Trevor Pearce

Chair

On behalf of the UKAD Board

21 January 2021



# Accountability Report – Corporate Governance

## Governance Statement

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### Introduction

This Governance Statement sets out the governance, risk management and internal control arrangements for UKAD. It applies to the financial year 1 April 2019 to 31 March 2020 and up to the date of approval of the Annual Report and Accounts.

UKAD is a limited company which was incorporated on 14 August 2009 and became operational on 14 December 2009. UKAD is also a Non-Departmental Public Body, funded by DCMS. UKAD is covered by the Government Resources and Accounts Act 2000, and as a result the Comptroller and Auditor General (C&AG) is the statutory auditor.

### Governance Structure

Our governance process is led by the Board which consists of the Chair and six other company Directors. The Board members were independently appointed by the Secretary of State for Digital, Culture, Media and Sport, through the Cabinet Office's public appointments procedure. Details of the appointments are included in the Remuneration Report. The Board provides independent scrutiny of the organisation and met formally four times during 2019/20. The work of the Board is supported by two committees: (1) Audit and Risk and (2) Remuneration and Human Resources. The remit of the Audit and Risk Committee covers the oversight of audit, financial and risk management. This committee met five times during 2019/20. This Governance Statement was reviewed by the Audit and Risk Committee at its meetings in May and June 2020. The Remuneration and Human Resources Committee is responsible for determining and agreeing with the Board the framework and broad policy for the remuneration of staff. The committee met three times in 2019/20.

In addition, the Board has established two commissions. The Athlete Commission, chaired by one of the Board members, met three times in 2019/20. Its remit is to provide a forum for the exchange of information and opinions on anti-doping matters. The Innovation Commission, chaired by one of the Board members, met once in 2019/20. The purpose of this commission is to signpost new trends in doping activity and to focus on coordinated opportunities for research funding that support the development of evidence-based anti-doping policy. UKAD has appointed a Research and Innovation Lead to support delivery of this commission's objectives.

During the year the Board reviewed the terms of reference for the committees and commissions. These were approved subject to minor amendments and published on the UKAD website.

The Board and its committees use a range of management information to manage the performance of the organisation, including data relating to: the financial position; human resources; performance indicators; and data on its operations (e.g. testing, results management and education). There are a range of process controls in place that ensure the quality of the data is of the standard expected for reliable and informed decisions.

## Board Performance and Compliance with the Corporate Governance Code

The Board conducted an externally facilitated effectiveness review which concluded in November 2019. It was noted that UKAD has in place all the core aspects of an effective governance process and no fundamental weaknesses were identified. The Board subsequently considered several areas highlighted in the report to support its continuing development. In addition, the Chair of the Board assesses the individual performance of each Board Director on a periodic basis. The assessment concluded that the Board has continued to be effective and it will focus on those areas where the function and contribution of the Board could be strengthened. At its meeting in February 2020 the Board reviewed its compliance with the UK Corporate Governance Code issued by the Financial Reporting Council. It concluded that it is compliant with this Code.

## Accounting Officer

My appointment as the Accounting Officer was made on 15 January 2015. As Accounting Officer, I have personal responsibility for maintaining a sound system of internal control that supports the achievement of UKAD's aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am also accountable to Parliament for maintaining effective systems for identifying, evaluating, and managing the principal risks of UKAD as detailed in the Management Agreement between UKAD and DCMS.

## Board and Committee Attendance

The table below summarises the attendance of the Board and committee members at the formal meetings during the year. The board also met informally on a number of occasions to discuss key operational matters.

	Board				Audit and Risk Committee					Remuneration and Human Resources Committee		
	May 2019	July 2019	Nov 2019	Feb 2020	May 2019	June 2019	July 2019	Oct 2019	Jan 2020	June 2019	Oct 2019	Feb 2020
<b>Trevor Pearce</b>	√	√	√	√	#	-	#	#	#	#	#	#
<b>Frances Akor</b>	√	√	x	√	√	√	√	x	x	-	-	-
<b>Pippa Britton</b>	√	√	√	√	√	√	√	√	√	-	-	-
<b>Nicholas Griffin</b>	√	x	√	√	√	√	x	√	√	-	-	-
<b>Nicola Phillips</b>	√	√	√	√	-	-	-	-	-	√	x	√
<b>Claire-Marie Roberts</b>	√	√	√	√	-	-	-	-	-	x	√	√
<b>Sarah Winckless</b>	√	√	√	√	-	-	-	-	-	√	√	√
<b>Martin Gore †</b>	-	-	-	-	√	√	√	√	√	-	-	-

Key: √ denotes a member of that meeting and attended, x denotes a member of that meeting and apologised for not attending - denotes not a member of that meeting, † denotes co-opted member of the Audit and Risk Committee, # denotes not a member but attended.

## Board Members' Company Directorships and Significant Interests

Name	Entity	Role
<b>Trevor Pearce</b>	Gambling Commission	Commissioner
<b>Frances Akor</b>	None	-
<b>Pippa Britton</b>	Sport Wales International Rugby League	Vice-Chair Advisory Panel Member
<b>Nicholas Griffin</b>	QEB Hollis Whiteman	Self-employed Barrister
<b>Nicola Phillips</b>	Commonwealth Games Wales Welsh Rugby Players Association  British Olympic Association	Non-executive Board Member Non-executive Advisory Board Member Head of Team GB Preparation Camp Tokyo 2020
<b>Claire-Marie Roberts</b>	FA Premier League Nike	Learning & Development Manager Special Advisor
<b>Sarah Winckless</b>	British Rowing Henley Royal Regatta Henley Royal Regatta Charitable Trust	Member / Umpire Director Trustee

## Approach to Risk Management and Internal Control

Our risk management approach is based on devolved accountability across the organisation so that risks are assigned to those best placed to manage them, with an overall strategic direction on risk management set centrally. Risks are regularly managed and reviewed monthly at operational level along with reporting at Board and committee level as appropriate.

The role of the Board is to determine UKAD's strategy, as well as the risk culture. The Board defines an appropriate level of risk exposure and approves major decisions within the organisation's risk profile. It also has responsibility for monitoring the management of strategic risks, for satisfying itself that risks are being actively managed and annually reviewing UKAD's approach to risk management. The Audit and Risk Committee scrutinises the work of the risk managers in these areas and provides assurance to me and the Board.

UKAD's relationship with its sponsor department, DCMS, is defined in a Management Agreement. This document sets out the governance and accountability structures for the organisation. The relationship with DCMS is maintained through regular meetings with the sponsor team and meetings during the year with the Minister for Sport, Tourism and Heritage.

Our system of internal control is designed to identify and prioritise risks to the achievement of our aims and objectives in a proportionate manner, to evaluate the likelihood of those risks being realised and the impact this may have, and to manage them efficiently, effectively and economically. It is also recognised that risk is not always negative, and that maximising opportunity is part of our risk management protocols.

## Capacity to Handle Risk

UKAD has developed an effective risk management strategy around four key principles:

- Embedding a culture which supports well-considered risk-taking, mitigation and management likely to lead to improvements in the delivery of our work
- Clear ownership of roles and responsibilities
- Establishment of corporate systems to identify, report and evaluate risks and their potential impact in line with the risk appetite defined by the Board
- Ensuring colleagues have the appropriate skills to identify and assess the potential for risks to arise in the delivery of UKAD's remit

## The Risk and Control Framework

Risk identification and assessment processes form an integral part of UKAD's strategic and business planning and these have been further embedded during 2019/20. The process of risk assessment is led by the senior management team, with input from managers and staff. All strategic risks have a designated senior manager who is responsible for reporting the status of each identified risk. New risks identified during the year are added to the risk register. The organisation has developed strategic, operational and project level risk registers, involving all staff, to ensure that risk management is embedded throughout UKAD.

After taking mitigating action, the highest scoring residual risks which are currently regularly reviewed by the Audit and Risk Committee as part of our Board Assurance Framework have been identified as:

- Unmanaged loss of critical expertise
- Unexpected loss of key suppliers
- Demoralised and demotivated staff or workers
- Failure to deliver against contract for Major Events
- Material damage occurred to UKAD's reputation
- Failure to maintain integrity of testing programme

UKAD completed all the work necessary to identify and manage the risks associated with Brexit. Since leaving the EU, the risks associated with transition period activity are being monitored and appropriate mitigation taken to ensure operational activity can continue.

The senior management team, risk managers and independent risk function review the risk registers on a monthly basis and the Audit and Risk Committee reviews the strategic risks at every meeting. The Audit and Risk Committee reports to the Board on the appropriateness and effectiveness of risk management in UKAD. During the year the Board considered its risk appetite to better inform risk management across UKAD and to more clearly illustrate when risks need to be escalated to them.

## Information Risk

UKAD has developed effective information risk and data management policies to ensure compliance with the Cabinet Office's Security Policy Framework. The Chief Operating Officer has been appointed as the Senior Information Risk Officer in accordance with this framework. We gain independent assurance of the effectiveness of our information security management procedures through our continuing certification to the ISO 27001:2013 Information Security Standard. Information security management forms part of our risk

management framework. We have experienced no reportable incidents of data breach during the year and are committed to continually reviewing and enhancing our information security processes.

### **Review of Effectiveness of the Systems of Internal Control**

As Accounting Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of our internal and external auditors and UKAD senior managers who have responsibility for the development and maintenance of the internal control framework. Mazars continued its work providing our internal audit services. In addition, UKAD has an integrated quality and information security management system in place, audited twice per year by Alcumus in accordance with the requirements of the ISO 9001:2015 and ISO 27001:2013 standards. These independent reviews provide assurance to the Board that the processes relating to UKAD's core operations are undertaken appropriately and are continually improved.

The effectiveness of the system of internal control will continue to be maintained by:

- Active monitoring of the status of strategic risks by the senior management team, Audit and Risk Committee and Board
- Review and approval by the Board of key policies which underpin internal control systems
- Oversight of the status of all risks by the Audit and Risk Committee
- Scrutiny of all internal and external audit reports by the Audit and Risk Committee, supported by follow-up reports on the management response
- Receipt of the Alcumus Report twice per year
- Receipt of the Internal Auditor's Annual Report

Mazars undertook six reviews during the year, covering the areas of risk-based testing, laboratory contract management, IT managed service procurement, payroll, code for sports governance and the case management system. In addition, Mazars followed up on the implementation of recommendations from prior years. In its Annual Report to the Audit and Risk Committee Mazars concluded that 88% (2018/19: 81%) of previous internal audit recommendations had either been implemented, superseded, or were within target date for implementation, and in its opinion good progress had been made. Mazars also reported that on the basis of their audit work, their opinion on UKAD's framework of governance, risk management and internal control is that it is substantial in its overall adequacy and effectiveness.

### **Reporting of Wrongdoing**

UKAD has procedures in place for the reporting of wrongdoing (whistleblowing) by its workforce as well as outsiders and staff are reminded about these periodically. The Audit and Risk Committee has oversight of these procedures and carries out an annual review.

### **Reporting of Suspicions about Doping**

UKAD also encourages anyone with suspicions about doping to confidentially share their concerns either directly or anonymously through our Protect Your Sport hotline.

### **Significant Internal Control Issues**

My review of the effectiveness of the internal control system shows that in 2019/20 we made good progress in developing and maintaining our systems of internal control, and there were no significant control issues during the year. I am satisfied that, whilst further work will be undertaken to strengthen

our systems, we have adequate risk management, control and governance processes to manage the achievement of our objectives.

**Accounting Officer's Conclusion**

I am heartened by the fact that considerable progress has been made in further developing and strengthening the control environment within our organisation in the past year.

A handwritten signature in black ink, appearing to read 'Nicole Sapstead', written in a cursive style.

Nicole Sapstead

Chief Executive and Accounting Officer

21 January 2021

# Accountability Report – Remuneration and Staff Report

## Remuneration Policy and Committee

The members of the Remuneration and Human Resources Committee were appointed by the Board. The role and responsibilities of the Remuneration and Human Resources Committee include:

- supporting the Board in its responsibilities on remuneration and recruitment issues
- reviewing the comprehensiveness of policies and procedures in meeting the Board and Accounting Officer's governance needs
- reviewing the reliability and integrity of relevant management systems for UKAD

During the year ended 31 March 2020, the members of the Remuneration and Human Resources Committee were Sarah Winckless (Chair), Nicola Phillips and Claire-Marie Roberts.

Board members are appointed on merit on the basis of fair and open competition.

The following information has been subject to audit.

### Remuneration of Board Members

Name	Salary/Fees £'000 2019/20	Salary/Fees £'000 2018/19
Trevor Pearce	30-35	30-35
Frances Akor	5-10	5-10
Pippa Britton	5-10	5-10
Nicholas Griffin	5-10	5-10
Nicola Phillips	5-10	5-10
Claire-Marie Roberts	5-10	5-10
Sarah Winckless	5-10	5-10

### Contract Information

Name	Date of Appointment	Length of Contract	Unexpired Term at 31 March 2020	Notice Period
Trevor Pearce *	22 February 2017	5 years	1 year 11 months	3 months
Frances Akor	1 October 2017	4 years	1 year 6 months	3 months
Pippa Britton **	23 March 2019	3 years	2 years	3 months
Nicholas Griffin	1 October 2017	3 years	6 months	3 months
Nicola Phillips	1 October 2017	4 years	1 year 6 months	3 months
Claire-Marie Roberts	1 October 2017	3 years	6 months	3 months
Sarah Winckless **	23 March 2019	3 years	2 years	3 months

\* Term extended by one year, \*\* Reappointed for a second three-year term



## Salary/Fees

‘Salary/Fees’ includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. There are no pension entitlements for Board members.

## Benefits in Kind

The monetary value of benefits in kind covers any non-cash benefits treated by HM Revenue and Customs as a taxable emolument. None were received or receivable by the Board in 2019/20 (2018/19 – nil). Tax on Board Members’ expenses of £4k (2018/19 £3k) was paid by UKAD. There were none received or receivable by the Chief Executive or the Directors Team in 2019/20 (2018/19 – nil).

## Single Total Figure of Remuneration of Chief Executive and Directors Team

£’000	Salary and allowances	Performance Related Pay	Pension Benefits (to nearest £1k)	Total
<b>2019/20</b>				
Nicole Sapstead	110-115	5-10	47	165-170
Philip Bunt <sup>i</sup>	70-75	0-5	30	105-110
Matthew Johnson	105-110	0-5	34	140-145
Pat Myhill	85-90	0-5	36	125-130
Emily Robinson <sup>ii</sup>	60-65	0-5	20	80-85
Gareth Wellings	80-85	0-5	30	115-120
Resham Kotecha <sup>iii</sup>	40-45	-	13	50-55
<b>2018/19</b>				
Nicole Sapstead	105-110	5-10	24	135-140
Philip Bunt <sup>iv</sup>	75-80	5-10	25	110-115
Matthew Johnson	100-105	5-10	33	140-145
Pat Myhill	85-90	5-10	32	120-125
Emily Robinson <sup>v</sup>	75-80	5-10	26	105-110
Gareth Wellings <sup>vi</sup>	50-55	-	22	75-80
Resham Kotecha <sup>iii</sup>	20-25	-	7	25-30

<sup>i</sup> FTE from 1 November 2018 of 0.81, FTE 85-90, <sup>ii</sup> FTE from 7 October 2019 of 0.83, FTE 90-95, <sup>iii</sup> in post 18 December 2018 to 4 October 2019, FTE 75-80, <sup>iv</sup> FTE from 1 November 2018, FTE 85-90, <sup>v</sup> FTE from 9 April 2018 of 0.89, FTE 85-90, maternity leave until 7 October 2019, <sup>vi</sup> appointed 1 July 2018

## Salary

‘Salary and allowances’ includes gross salary and allowances; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. UKAD contributes 4 per cent of gross salary towards all employees’ pension contributions. The Chief Executive is entitled under contract to receive a non-consolidated performance related payment of up to 10 per cent of salary and the Directors Team up to 7 per cent of salary subject to the achievement of specific targets. These targets and the attainment of them are determined by the Remuneration and Human Resources Committee.

## Pension Benefits

The Chief Executive and Directors Team are members of the Local Government Pension Scheme (LGPS), a tax-approved benefit occupational pension scheme set up under the Superannuation Act 1972. Benefits are based on career average revalued earnings and duration of membership. Members of the scheme accrued pension entitlement in the year at a rate of 1/49 of career average revalued earnings salary. Death in service cover is three years pay plus spouse's/civil partner's pension equal to 1/160 of the career average revalued earnings, times total membership. Financial disclosures in relation to the pension scheme are shown in Note 13 to the accounts. The table below shows the pension entitlement of the Chief Executive and Directors Team as at 31 March 2020.

### Chief Executive and Directors Team Pension Entitlements

£'000	Real Increase in Pension	Real Increase in Lump Sum	Value of Accrued Pension	Value of Accrued Lump Sum	CETV	Real Increase in CETV
<b>2019/20</b>						
Nicole Sapstead	2.5-5.0	0-2.5	25-30	10-15	365	54
Philip Bunt	0-2.5	-	10-15	-	180	33
Matthew Johnson	0-2.5	-	5-10	-	76	20
Pat Myhill	0-2.5	-	10-15	-	168	34
Emily Robinson	0-2.5	-	0-5	-	45	10
Gareth Wellings	0-2.5	-	5-10	-	66	18
Resham Kotecha	0-2.5	-	0-5	-	10	3
<b>2018/19</b>						
Nicole Sapstead	0-2.5	(0-2.5)	25-30	10-15	292	27
Philip Bunt	0-2.5	-	5-10	-	137	21
Matthew Johnson	0-2.5	-	0-5	-	43	12
Pat Myhill	0-2.5	-	5-10	-	123	21
Emily Robinson	0-2.5	-	0-5	-	28	6
Gareth Wellings	0-2.5	-	0-5	-	39	8
Resham Kotecha	0-2.5	-	0-5	-	3	1

Accrued pension represents the amount payable to the Chief Executive and Directors Team if they had left on 31 March 2020. Cash-Equivalent Transfer Values (CETV) are not payable directly but represent the potential liability if they should leave the scheme and wish to transfer accrued benefits to another scheme. These are based on assumptions certified by a qualified actuary in accordance with guidance note GN11, published by the Institute of Faculty Actuaries, and do not take account of any reduction in benefits arising from Lifetime Allowance Tax that may be due when pension benefits are drawn.

### The Cash Equivalent Transfer Value (CETV)

This 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current executive appointment. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.

### The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the individual. It is worked out using common market valuation factors for the start and end of the period.

### Our Staff

At the start of the year there were 68 people on full-time permanent contracts, three on a fixed-term contract and four on a part-time contract. By the end of 2019/20 there were 66 people on full-time permanent contracts, six on a fixed-term contract and four on part-time contracts. Some 20 staff came across from UK Sport to UKAD under the TUPE regulations in 2009/10, of whom five remain in UKAD's employment. UKAD is organised into five directorates – Business Services, Finance and Quality, Legal and Regulatory Affairs, Operations and Strategy and Education. There were 148 days (2018/19: 129 days) lost due to sickness absence during the year, equivalent to 2.0 days per person (2018/19: 1.9 days per person). There were no voluntary exit packages during the year (2018/19 – nil). Staff turnover was 23% for 2019/20 (2018/19 13%).

### Staff Costs

£'000	Permanent Staff	Contract Personnel	Total 2019/20	Total 2018/19
Wages and salaries	3,214	66	3,280	2,867
Social Security costs	349	-	349	325
Net pension cost	940	-	940	796
Pension contributions	369	-	369	339
<b>Total</b>	<b>4,872</b>	<b>66</b>	<b>4,938</b>	<b>4,327</b>

### Average Number of Staff

	Permanent Staff	Contract Personnel	Total 2019/20	Total 2018/19
Directly employed	71	4	75	67
Other	-	2	2	2
<b>Total</b>	<b>71</b>	<b>6</b>	<b>77</b>	<b>69</b>

### Contingent Labour, Consultancy and Off-Payroll Engagements

UKAD spent £66k (2018/19: £71k) on contract personnel and £52k (2018/19 £nil) on consultancy. The majority of the consultancy spend was incurred on the provision of employment advice due to the planned office relocation. There were no off-payroll engagements.

## Hutton Fair Pay Disclosures

UKAD is required to disclose the relationship between the remuneration of the highest paid member of staff in their organisation and the median remuneration of the organisation's workforce. During the period, the banded remuneration of the highest paid member of staff was £115k-120k (2018/19: £115k-120k). For 2019/20 this was 3.2 times (2018/19: 3.3 times) the median remuneration of the annualised workforce as at 31 March 2020, which equated to £36,528 (2018/19: £35,360). Total remuneration includes salary, allowances and non-consolidated performance related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions. There have been no changes to the structure of the remuneration of the highest paid member of staff or the workforce in accordance with the public sector pay restrictions. The change in ratio is a result of both changes in the remuneration of the highest paid member of staff and the median remuneration of the annualised workforce.

**This is the end of the audited information.**

## Gender Mix at the End of the Financial Year

Gender	Board	Senior Management	Other Staff
Males	2	4	36
Females	5	2	34

UKAD publishes its gender pay gap report on its website.

**Employment of disabled persons and promoting diversity**

UKAD is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse workforce brings to the organisation. A new strategy was adopted during the year which sets out the approach UKAD will take to increase diversity and benefit from these changes. UKAD is committed to building and maintaining a culture that values meritocracy, openness, fairness and transparency. The organisation will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. It will also not discriminate because of any other irrelevant factor. All UKAD employees, the UKAD Board, Doping Control Personnel and National Trainers are responsible for the promotion and advancement of the new strategy. As at 31 March 2020 UKAD had three employees who had declared a disability.

The new strategy will be reviewed on an ongoing basis to reflect changes in the law, demographics and internal business requirements. Progress relating to the new strategy will be recorded on an annual basis and a full report will be presented to the Remuneration and Human Resources Committee to debate progress and review the strategy status. The new strategy includes plans covering: leadership, training, communication and consultation, measurement, and external profile.



Nicole Sapstead

Chief Executive and Accounting Officer

21 January 2021



Trevor Pearce

Chair

On behalf of the UKAD Board

21 January 2021

## The Independent Auditor's Report

### The Certificate and Report of the Comptroller and Auditor General to the Members of United Kingdom Anti-Doping Limited

#### Opinion on financial statements

I certify that I have audited the financial statements of United Kingdom Anti-Doping Limited for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration and Staff 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 the company's affairs as at 31 March 2020 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

#### Opinion on regularity

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

#### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of United Kingdom Anti-Doping Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

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:

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

## **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, they are responsible for:

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Kingdom Anti-Doping Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the United Kingdom Anti-Doping Limited's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on United Kingdom Anti-Doping Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause United Kingdom Anti-Doping Limited to cease to continue as a going concern.

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

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

## **Other Information**

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Remuneration and Staff Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual;



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

**Matters on which I report by exception**

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

**Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
**25 January 2021**

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

## Statement of Comprehensive Net Expenditure

### Year ended 31 March 2020

	Notes	2019/20 £'000	2018/19 £'000
<b>Expenditure</b>			
Staff costs	3	(4,938)	(4,327)
Other expenditure	4	(7,499)	(7,765)
Depreciation of property, plant and equipment	5	(65)	(41)
Amortisation of intangibles	6	(14)	(35)
Depreciation of right of use assets	7	(303)	-
Total operating expenditure		(12,819)	(12,168)
<b>Income</b>			
Testing income		2,840	3,429
Consultancy income		12	102
Other income		110	103
Total income	2	2,962	3,634
Net expenditure before and after taxation for the year		(9,857)	(8,534)
<b>Other comprehensive income/(expenditure)</b>			
Remeasurements of pension liability	13	1,601	89
Finance charge on lease liabilities	12	(12)	-
Total net comprehensive expenditure for the year		(8,268)	(8,445)

The Accounting Policies and Notes on pages 40 to 56 form part of these Financial Statements

All of the income and expenditure of UKAD is in respect of continuing operations

There are no unrecognised gains and losses

# Statement of Financial Position

## As at 31 March 2020

	Notes	As at 31 March 2020 £'000	As at 31 March 2019 £'000
<b>Non-current assets:</b>			
Property, plant and equipment	5	173	186
Intangible assets	6	69	73
Right of use assets	7	304	-
Total non-current assets		546	259
<b>Current assets</b>			
Trade and other receivables	8	1,032	1,241
Cash	9	971	1,236
Total current assets		2,003	2,477
Total assets		2,549	2,736
<b>Current liabilities</b>			
Trade and other payables	10	(1,318)	(1,796)
Lease liabilities	12	(310)	-
Total current liabilities		(1,628)	(1,796)
Total assets less current liabilities		921	940
<b>Non-current liabilities</b>			
Pension (liabilities)/assets	13	(3,041)	(3,702)
Total non-current liabilities		(3,041)	(3,702)
Assets less total liabilities		(2,120)	(2,762)
<b>Taxpayers' equity</b>			
General fund		(2,120)	(2,762)
Total taxpayers' equity		(2,120)	(2,762)

The Accounting Policies and Notes on pages 40 to 56 form part of these Financial Statements

UKAD is exempt from the requirements of Part 16 of the Companies Act 2006 under section 482 (non-profit-making companies subject to public sector audit) of that Act. The financial statements are subject to audit by the Comptroller and Auditor General under The Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009.

Approved and authorised for signature on 21 January 2021



**Nicole Sapstead**  
Chief Executive and Accounting Officer  
UKAD



**Trevor Pearce**  
Chair  
On behalf of the UKAD Board

## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2020

	Notes	2019/20 £'000	2018/19 £'000
Reserves at 1 April		(2,762)	(2,315)
Total net comprehensive expenditure for the period	2	(9,857)	(8,534)
Remeasurements of pension liability	13	1,601	89
Finance charge on lease liabilities	12	(12)	-
Resource Grant-in-aid received	11	8,830	7,876
Capital Grant-in-aid received	11	80	122
<b>Reserves at 31 March</b>		<b>(2,120)</b>	<b>(2,762)</b>

There is £1 of issued ordinary share capital and retained earnings are represented by Taxpayers' Equity.

The Accounting Policies and Notes on pages 40 to 56 form part of these Financial Statements

# Statement of Cash Flows

## For the year ended 31 March 2020

	Notes	2019/20 £'000	2018/19 £'000
<b>Cash flows from operating activities</b>			
Net expenditure		(9,857)	(8,534)
Depreciation of property, plant and equipment	5	65	41
Amortisation of intangibles	6	14	35
Depreciation of right of use asset	7	303	-
(Increase)/decrease in trade and other receivables	8	209	(55)
Increase/(decrease) in trade and other payables	10	(478)	503
Increase/(decrease) in pension liability	13	(661)	707
Less movements relating to pension not passing through the net expenditure account	13	1,601	89
Net cash outflow from operating activities		(8,804)	(7,214)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(52)	(101)
Purchase of intangible assets	6	(10)	(13)
Net cash outflow from investing activities		(62)	(114)
<b>Cash flows from financing activities</b>			
Grant-in-aid received to fund current year activities	11	8,910	7,998
Repayment of lease liabilities	12	(309)	-
Net Cash outflow from financing activities		8,601	7,998
<b>Net financing</b>			
Net increase/(decrease) in cash in the year		(265)	670
Cash at the beginning of the year	9	1,236	566
Cash at the end of the year	9	971	1,236

The Accounting Policies and Notes on pages 40 to 56 form part of these Financial Statements

# Notes to the Financial Statements

## General information

UKAD, incorporated in 2009, is a limited liability company incorporated in England and Wales. The address of its registered office is Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8AE.

## 1 Statement of accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006 and with the 2019-20 Government Financial Reporting Manual (FReM) issued by HM Treasury where disclosure requirements go beyond the Companies Act 2006. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of UKAD for the purpose of giving a true and fair view has been selected. They have been applied consistently in dealing with items that are considered material to the accounts. With the exception of the pension valuation, there are no judgements or key sources of estimation uncertainty that have a significant effect on amounts recognised in the financial statements. The pension valuation is subject to significant estimation uncertainty. The assumptions made by the actuary in their valuation are detailed in note 13. The material uncertainty attached to the valuation of asset classes is disclosed in note 13.6.

These accounts have been prepared on a going concern basis, as detailed under the Strategic Report of the Business. A copy of the accounts direction given by the Secretary of State for DCMS and which applies to UKAD is available from the Accounting Officer, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8AE.

### 1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

## Notes to the Financial Statements continued

### 1.2 Changes in accounting policy

IFRS 16 (Leases) has been adopted from 1 April 2019. This standard replaces IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 has been adopted using the modified retrospective approach, which does not require restatement of comparative information. The previous determination pursuant to IAS 17 and IFRIC 4 as to whether a contract is a lease has been maintained for existing contracts.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value, requiring the recognition of a right-of-use asset on the Statement of Financial Position representing the right to use the underlying leased asset together with a corresponding lease liability representing the obligation to make future lease payments.

The right-of-use asset on recognition at 1 April 2019 was measured at an amount equal to the lease liability. The right-of-use asset and lease liability recognised in the Statement of Financial Position were initially measured at the present value of future lease payments. Depreciation of right-of-use assets and interest on lease liabilities have been recognised in the Statement of Comprehensive Net Expenditure.

The following reconciliation explains the movements from operating lease commitments disclosed at 31 March 2019 (applying IAS 17) to the opening balance for lease liabilities as at 1 April 2019 (applying IFRS 16).

	£'000
<b>Operating lease obligations at 31 March 2019</b>	<b>757</b>
Lease obligations not disclosed under IAS 17 (fixed obligations for rates and service charges) at 31 March 2019	333
Reduction in future lease obligations due to the expected reduction in lease terms	(465)
<b>Gross lease liabilities at 1 April 2019</b>	<b>625</b>
Effect from discounting at the incremental borrowing rate as of 1 April 2019*	(18)
<b>Lease liability recognised at the date of initial application</b>	<b>607</b>

\* The weighted average incremental borrowing rate used for the portfolio of lease liabilities initially recognised as at 1 April 2019 was the HM Treasury (HMT) discount rate of 1.99%.

### 1.3 Grant-in-Aid received

Grant-in-Aid received towards resource expenditure is regarded as a contribution from a controlling party. It is therefore treated as financing and credited to taxpayers' equity.

### 1.4 Doping Control Personnel

A key accounting judgement has been made in respect of the pay and associated costs relating to the doping control personnel of UKAD. It was decided that these costs will be treated as other expenditure in note 4 and will not form part of UKAD's staff costs. This is because UKAD has made an assessment that doping control personnel are legally classified as workers rather than staff.

# Notes to the Financial Statements continued

## 1.5 Non-current assets

### 1.5.1 Depreciation and amortisation

Depreciation and amortisation are provided on all non current assets at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. An adjustment to the expected useful life of leasehold improvements has been recorded in 2019/20 due to the anticipated shortened lease period for the space occupied at Fleetbank House. The following useful lives have been used:

Asset Type	Useful life
Information Technology	3 years
Right-of-Use Assets	Lease term to April 2021
Leasehold improvements	Lease term to April 2021
Furniture and Fittings	5 years
Software licenses/ Information Technology (intangibles)	4 years

### 1.5.2 Recognition and capitalisation threshold

The threshold for capitalisation of non-current assets (either as a single or as a composite asset) is £2,500, or above, exclusive of irrecoverable VAT. Furniture and fittings (e.g. workstations, chairs, filing cabinets) and low value IT assets or equipment (e.g. printers) are capitalised on a pooled basis where batches of assets bought together exceed the capitalisation threshold. Disposals from asset pools are assumed to be on a first in/first out basis.

### 1.5.3 Property, plant and equipment

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

### 1.5.4 Intangible assets

Intangible assets comprise purchased software licences, applications software (not integrated into hardware) with a life of more than one year and information technology and are measured at cost less any accumulated amortisation less any accumulated impairment losses. Intangible assets are held at cost as a proxy of valuation and not subject to a revaluation review as the change in the value of the assets would be immaterial to the accounts.

## 1.6 Provisions

Provisions for dilapidations and legal claims are recognised when UKAD has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

## 1.7 Pension obligations

UKAD has a defined benefit plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets, as actuarially determined in accordance with the assumptions disclosed in note 13. Remeasurements are charged or credited to other comprehensive income in the period in which they arise.

## 1.8 VAT

UKAD is registered for VAT and makes supplies for both business and non-business purposes. Business supplies are subject to VAT at the standard rate. 50% of VAT paid in 2019-20 was treated as recoverable. The irrecoverable portion was charged to expenditure.



## Notes to the Financial Statements continued

### 1.9 Corporation Tax

UKAD is registered to pay Corporation Tax, although its testing income is not considered to be trading income by HMRC, so not subject to Corporation Tax. A tax note has not been included because UKAD is not liable for Corporation Tax in the current period and it does not envisage that it will be liable in future years due to the nature of activities undertaken.

### 1.10 Testing income

IFRS 15, which was adopted from 1 April 2018, specifies how and when revenue will be recognised, providing a five-step model to be applied to all contracts with customers. Testing income is recognised at the point at which a doping test is completed. Consultancy income is recognised at the point when the relevant work has been completed. Payment terms, conditions, and prices are contractually agreed with customers.

### 1.11 Leases

UKAD entered into leases in respect of its office accommodation at Fleetbank House. Rentals under leases were previously charged to the Statement of Comprehensive Net Expenditure on a straight-line basis. Following the adoption of IFRS 16 from 1 April 2019 assets provided under leases are now recognised on UKAD's Statement of Financial Position as a right-of-use asset.

### 1.12 Foreign currency translations

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. Foreign currency gains or losses arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from transactions settled during the year, are included in the income statement. Non-monetary assets and liabilities measured at historical cost are translated into sterling at the rate of exchange on the date of initial recognition. UKAD's risk exposure to the movement in foreign exchange rates is disclosed in note 16.

# Notes to the Financial Statements continued

## 2 Segmental reporting

	<b>Contracted testing 2019/20 £'000</b>	<b>Other 2019/20 £'000</b>	<b>Total 2019/20 £'000</b>	<b>Contracted testing 2018/19 £'000</b>	<b>Other 2018/19 £'000</b>	<b>Total 2018/19 £'000</b>
Non-staff costs						
expenditure	(2,098)	(92)	(2,190)	(2,363)	(153)	(2,516)
Income	2,735	227	2,962	3,176	458	3,634
Net income (before staff costs)	637	135	772	813	305	1,118
Total assets	243	53	296	401	45	446
Total net expenditure for operating segments			772			1,118
Staff costs			(4,938)			(4,327)
Other expenditure			(5,309)			(5,249)
Depreciation and amortisation			(382)			(76)
Total net expenditure per the Statement of Comprehensive Net Expenditure			(9,857)			(8,534)
Total assets reported for operating segments			296			446
Non-current assets			546			259
Other receivables			736			795
Cash			971			1,236
Total assets			2,549			2,736

The activities and results for the identified segment, which comprises more than 10% of income, is reported monthly to the relevant directors. Contracted testing comprises athlete testing, sample analysis and legal expenditure and forms part of the overall test distribution plan for the year undertaken by UKAD, complementing the activity under its public interest programme. 62% of contracted testing income for 2019/20 was generated from one customer (2018/19 64%). Income generated through contracted testing services at Major Games is included in other income.

# Notes to the Financial Statements continued

## 3 Staff costs

	Permanent Staff	Contract Personnel	Total	
	£'000	£'000	2019/20 £'000	2018/19 £'000
Wages and salaries	3,214	66	3,280	2,867
Social security costs	349	-	349	325
Net pension cost	940	-	940	796
Pension contributions	369	-	369	339
Total staff costs	4,872	66	4,938	4,327

## 4 Other expenditure

	2019/20 £'000	2018/19 £'000
<b>Operating activities</b>		
Athlete testing *	2,441	2,695
Sample analysis	1,772	1,864
WADA and iNADO expenditure	760	685
Education	514	472
Legal	463	381
Communications	235	188
Science and research	122	145
Intelligence	114	107
Major games	90	137
<b>Other operating activities</b>		
IT related costs	426	466
Rentals under operating leases **	-	164
Rates and associated accommodation services **	58	108
Professional fees	135	29
Training	89	64
Other office costs	90	75
Board salary and fees, including travel and subsistence	82	80
Recruitment	56	54
<b>Auditors' remuneration</b>		
External auditor ***	24	22
Internal auditor	25	26
Quality assurance auditor	3	3
	7,499	7,765

\* All costs related to doping control personnel have been included within this expenditure category.

\*\* Lease expenditure has been recognised from 1 April 2019 under IFRS 16 as depreciation on the right-of-use asset. Comparative prior year figures for 2018/19 have not been restated.

\*\*\* External auditors received no remuneration for non-audit work.

# Notes to the Financial Statements continued

## 5 Property, plant and equipment

	Information Technology £'000	Furniture and Fixtures £'000	Office Refurbishment £'000	Totals £'000
<b>Cost</b>				
At 31 March 2019	108	118	256	482
Additions	52	-	-	52
At 31 March 2020	160	118	256	534
<b>Depreciation</b>				
At 31 March 2019	(39)	(99)	(158)	(296)
Provided during the year	(31)	(5)	(29)	(65)
At 31 March 2020	(70)	(104)	(187)	(361)
<b>Net book value</b>				
At 31 March 2020	90	14	69	173
At 31 March 2019	69	19	98	186
<b>Cost</b>				
At 31 March 2018	33	100	248	381
Additions	75	18	8	101
At 31 March 2019	108	118	256	482
<b>Depreciation</b>				
At 31 March 2018	(25)	(97)	(133)	(255)
Provided during the year	(14)	(2)	(25)	(41)
At 31 March 2019	(39)	(99)	(158)	(296)
<b>Net book value</b>				
At 31 March 2019	69	19	98	186
At 31 March 2018	8	3	115	126

## Notes to the Financial Statements continued

### 6 Intangibles

	Information Technology £'000	Software Licences £'000	Totals £'000
<b>Cost</b>			
At 31 March 2019	392	125	517
Additions	10	-	10
At 31 March 2020	402	125	527
<b>Amortisation</b>			
At 31 March 2019	(319)	(125)	(444)
Provided during the year	(14)	-	(14)
At 31 March 2020	(333)	(125)	(458)
<b>Net book value</b>			
At 31 March 2020	69	-	69
At 31 March 2019	73	-	73
<b>Cost</b>			
At 31 March 2018	379	125	504
Additions	13	-	13
At 31 March 2019	392	125	517
<b>Amortisation</b>			
At 31 March 2018	(284)	(125)	(409)
Provided during the year	(35)	-	(35)
At 31 March 2019	(319)	(125)	(444)
<b>Net book value</b>			
At 31 March 2019	73	-	73
At 31 March 2018	95	-	95

## Notes to the Financial Statements continued

### 7 Right-of-use assets

	Right of use assets £'000	Totals £'000
<b>Cost</b>		
At 31 March 2019	-	-
Initial recognition 1 April 2019	607	607
At 31 March 2020	607	607
<b>Depreciation</b>		
At 31 March 2019	-	-
Provided during the year	(303)	(303)
At 31 March 2020	(303)	(303)
<b>Net book value</b>		
At 31 March 2020	304	304
At 31 March 2019	-	-

Adoption and measurement of right-of-use assets has been identified in note 1.2.

# Notes to the Financial Statements continued

## 8 Trade receivables and other current assets

	As at 31 Mar 2020 £'000	As at 31 Mar 2019 £'000
<b>Amounts falling due within one year:</b>		
Trade receivables	296	446
Staff season ticket advances	19	36
Prepayments and accrued Income	717	759
Trade and other receivables	1,032	1,241

## 9 Cash and cash equivalents

	£'000	£'000
At 31 March 2019	1,236	566
Net change in cash and cash equivalent balances	(265)	670
At 31 March 2020	971	1,236

The balances at 31 March were held at:

Commercial banks	971	1,236
	971	1,236

## 10 Trade payables and other current liabilities

	As at 31 Mar 2020 £'000	As at 31 Mar 2019 £'000
<b>Amounts falling due within one year:</b>		
Trade payables	(294)	(445)
Accruals and deferred income	(874)	(1,141)
VAT payable	(39)	(68)
Other taxation, social security and pension contributions	(111)	(142)
Trade and other payables	(1,318)	(1,796)



# Notes to the Financial Statements continued

## 11 Related party transactions

UKAD is constituted as a company limited by guarantee, the sole guarantee of £1 is provided by the Secretary of State for Digital, Culture, Media and Sport, who is the sole member.

DCMS is regarded as a related party, as are other bodies sponsored by DCMS.

	2019/20 £'000	2018/19 £'000
Resource and capital GIA received	9,010	7,998
GIA (repaid)/received to provide working capital	(100)	-
Total GIA in the year amounted to	8,910	7,998

In addition UKAD has had dealings throughout the year with other Government Departments and other Central Government bodies, the amounts of which are not material.

Key management personnel compensation has been disclosed in the Remuneration Report.

## 12 Lease liabilities

The current lease liabilities relate to the lease of space at Fleetbank House. UKAD entered into a ten year agreement which commenced on 1 September 2012. An agreement to occupy additional space at Fleetbank House until September 2022 was entered into on 1 January 2019. UKAD anticipate the current leases will be vacated early as Fleetbank House is expected to be demolished before the termination date of the current leases, which is 31 August 2021. Discussions are continuing with the landlord, and the expected vacation date of the leases is forecast as 1 April 2021. Lease obligations have been based on the future commitments to 31 March 2021 and all fall due within one year. The interest rate used to discount the leases for IFRS 16 purposes is 1.99%, HMT discount rate.

Lease liabilities movements:

	2019/20 £'000	2018/19 £'000
Value of discounted future cash flows on right-of-use assets at implementation	607	-
Payments in year	(309)	-
Finance charge on lease liabilities	12	-
Lease liabilities at 31 March	310	-

Following the transfer of Fleetbank House from the Department for Business, Energy and Industrial Strategy to the Government Property Agency, a disagreement has arisen concerning the level of occupancy costs. The GPA has sought an additional £271,000 to the 31 March 2020 than UKAD considers due and has been recognised as a lease liability obligation. UKAD is seeking to resolve this matter and depending on the outcome of the dispute, some or all of this amount may become payable.

# Notes to the Financial Statements continued

## 13 Superannuation scheme

The Local Government Pension Scheme (LGPS) is a tax approved, defined benefit occupational pension scheme set up under the Superannuation Act 1972 and is administered by the London Pension Fund Authority (LPFA). The benefits under the scheme are based on career average revalued salary and length of service on retirement. Actuarial gains/ losses are recognised in full in the reserves during the year, in accordance with the FReM 2019/20. The Pension Scheme is funded by employees and employers at actuarially determined rates. Individual contribution rates vary depending on the level of pensionable pay. The employee contribution rates for 2020/21 are as stated below:

<b>Earnings</b>	<b>Employee contribution</b>
Up to £14,600	5.50%
£14,601 - £22,800	5.80%
£22,801 - £37,100	6.50%
£37,101 - £46,900	6.80%
£46,901 - £65,600	8.50%
£65,601 - £93,000	9.90%
£93,001 - £109,500	10.50%
£109,501 - £164,200	11.40%

Every three years an independent review is undertaken to calculate employer contribution rates. The most recent actuarial valuation, undertaken by Barnett Waddingham (the consulting actuaries to the LPFA), was as at 31 March 2019. The employer contribution rate applicable to 2019/20 was 12%.

The employer's contribution for the year amounted to £369,000 (2018/19 £339,000). The projected employer's contribution for 2020/21 is £378,000.

The figures in this note have been prepared by Barnett Waddingham in accordance with International Accounting Standard 19 (IAS19 (2011)).

## 13.1 Pension commitments

### Financial assumptions

	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
	<b>% p.a.</b>	<b>% p.a.</b>
RPI Increases	2.6%	3.4%
CPI Increases	1.8%	2.4%
Salary increases	2.8%	3.9%
Pension increases	1.8%	2.4%
Discount rate	2.4%	2.5%

### Average future life expectancies at age 65 (years)

	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
<b>Retiring today</b>		
<b>Males</b>	21.9	21.1
<b>Females</b>	24.4	23.7
<b>Retiring in 20 years</b>		
<b>Males</b>	23.3	22.9
<b>Females</b>	25.9	25.3

# Notes to the Financial Statements continued

## 13.2 Net pension liability

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Present value of funded obligation	(9,130)	(9,518)
Fair value of Scheme assets (bid value)	6,089	5,816
Net liability in Statement of Financial Position	(3,041)	(3,702)

## 13.3 Amounts recognised in the Net Expenditure Account

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Net interest on the defined liability	86	74
Administration expenses	8	6
Service cost	1,215	1,055
Total net expenditure per the Statement of Comprehensive Net Expenditure	1,309	1,135
Actual return on Scheme assets	(138)	462

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Return on plan assets in excess of interest	(288)	331
Other actuarial gains/(losses) on assets	(190)	-
Change in financial assumptions	1,914	(813)
Change in demographic assumptions	182	571
Experience (loss)/gain on defined benefit obligation	(17)	-
Remeasurements	1,601	89

## 13.5 Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Opening defined benefit obligation as at 1 April	9,518	7,748
Current service cost	1,112	1,055
Prior year employer service cost now paid	-	45
Estimated future service cost not yet paid	-	(14)
Past service costs, including curtailments	103	-
Interest cost	236	205
Change in financial assumptions	(1,914)	813
Change in demographic assumptions	(182)	(571)
Experience loss/(gain) on defined benefit obligation	17	-
Estimated benefit paid	(2)	(1)
Contributions by scheme participants	242	238
Closing defined benefit obligation as at 31 March	9,130	9,518

## Notes to the Financial Statements continued

### 13.6 Reconciliation of the opening and closing balances of the fair value of Scheme assets

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Opening fair value of Scheme assets as at 1 April	5,816	4,753
Interest on assets	150	131
Return on assets less interest	(288)	331
Other actuarial gains/(losses)	(190)	-
Administration expenses	(8)	(6)
Contributions by employer including unfunded	369	339
Estimated future service cost not yet paid	-	(14)
Prior year employer service cost now paid	-	45
Contributions by scheme participants	242	238
Estimated benefits paid plus unfunded net transfers in	(2)	(1)
Fair value of Scheme assets as at 31 March	6,089	5,816

Due to the COVID-19 pandemic, the valuers of scheme investments in Real Estate, Private Equity, Credit and Infrastructure investment asset classes were left with an unprecedented set of circumstances on which to base a judgement. Due to these factors it is considered that there is a material uncertainty attached to the valuations for these assets. The four asset classes comprise approximately 35% of the total LPFA pension fund and hence of UKAD's share of the fund.

### 13.7 Reconciliation of opening and closing deficit

	31 Mar 2020	31 Mar 2019
	£'000	£'000
Deficit at the beginning of the year	(3,702)	(2,995)
Current Service Cost	(1,112)	(1,055)
Past service costs, including curtailments	(103)	-
Employer Contributions	369	339
Interest on assets	150	131
Interest on obligation	(236)	(205)
Return on assets less interest	(288)	331
Other actuarial gains/(losses)	(190)	-
Change in financial assumptions	1,914	(813)
Administration expenses	(8)	(6)
Experience (loss)/gain on defined benefit obligation	(17)	-
Change in demographic assumptions	182	571
Deficit at the end of the year	(3,041)	(3,702)

### 13.8 Employer Asset Share - Bid Value

	31 Mar 2020		31 Mar 2019	
	£'000	%	£'000	%
Equities	3,299	54%	3,164	54%
Target Return Portfolio	1,484	25%	1,551	27%
Infrastructure	427	7%	350	6%
Property	556	9%	547	9%
Cash	323	5%	204	4%
<b>Total</b>	<b>6,089</b>	<b>100%</b>	<b>5,816</b>	<b>100%</b>

## Notes to the Financial Statements continued

### 13.9 Expected Return on Assets

For the year to 31 March 2020, the expected return on assets was (2%) per annum (2018/19: 9%), which has been used by the actuary to determine the profit and loss charge for the year ended 31 March 2020.

### 13.10 Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	8,808	9,130	9,464
Projected Service Cost	966	1,002	1,039
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	9,153	9,130	9,107
Projected Service Cost	1,002	1,002	1,002
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	9,442	9,130	8,829
Projected Service Cost	1,039	1,002	967
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present Value of Total Obligation	9,437	9,130	8,833
Projected Service Cost	1,036	1,002	969

### 13.11 Amounts for the Current and Previous Periods

	Year to 31 March 2020 £'000	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000	Year to 31 March 2017 £'000	Year to 31 March 2016 £'000
Defined Benefit Obligation	(9,130)	(9,518)	(7,748)	(7,289)	(4,437)
Scheme assets	6,089	5,816	4,753	4,112	2,994
Surplus (Deficit)	(3,041)	(3,702)	(2,995)	(3,177)	(1,443)
Experience adjustments on Scheme liabilities	(17)	-	-	403	-
Percentage of liabilities	0.002%	-	-	5.5%	-
Cumulative Actuarial Gains and Losses	94	432	308	195	(15)

The cumulative gains and losses in the table above start from 14 December 2009.

### 14 Capital commitments

There were no commitments for the purchase of non current assets at the year end (2018/19 £nil).

### 15 Losses and special payments

There were no losses and special payments for the year ended 31 March 2020 (2018/19 £nil).

## Notes to the Financial Statements continued

### 16 Financial instruments

UKAD had no borrowings and relied on GIA income from DCMS for its cash requirement and was, therefore, not exposed to liquidity risk. It also had no investments other than cash held in bank accounts and was therefore not exposed to significant interest rate risk. The majority of the financial instruments relate to trade payables, VAT and other taxation, social security and pension contributions which are exposed to little credit risk.

The majority of UKAD's transactions are denominated in sterling, although some of the activities involve foreign currency transactions. The gains and losses arising from these transactions have not been disclosed but the amounts involved are not considered material. UKAD is therefore not exposed to significant foreign exchange risk.

	As at 31 Mar 2020 £'000	As at 31 Mar 2019 £'000
<b>Financial assets</b>		
Cash and cash equivalents	971	1,236
Trade receivables	296	446
	1,267	1,682
<b>Financial liabilities</b>		
Trade payables	(294)	(445)
VAT payable	(39)	(68)
Other taxation, social security and pension contributions	(111)	(142)
	(444)	(655)
<b>Total</b>	<b>823</b>	<b>1,027</b>

### 17 Contingent liabilities

On 27 June 2019 the Supreme Court rejected the government's request to appeal, regarding age discrimination arising from public sector pension scheme transition arrangements. Court of appeal judgements were made in cases affecting judge's pensions (e.g. McCloud) and firefighter pensions (e.g. Sergeant) which had previously been considered by employment tribunals. The rulings have implications for UKAD which participates in a Local Government Pension Scheme. The impact of this judgement was not recognised in the 2018/19 accounts, on the grounds that the financial implication was not significant. The estimated cost at 31 March 2019, based on broad assumptions, was £191,000 which was equivalent to 5% of the pension scheme liability at 31 March 2019. The estimated impact on the total liabilities at 31 March 2020 has been allowed for as a past service cost, recognised in 2019/20, of £103,000.

Except for the potential additional occupancy costs as set out in note 12, there were no contingent liabilities at 31 March 2020.

### 18 Trade union facility time

Facility time is paid time off for union representatives to carry out trade union activities. The total cost of facility time for 2019/20 is £nil (2018/19 £nil).

## Notes to the Financial Statements continued

### 19 Subsequent Events

It is expected the level of testing income in 2020/21 will be impacted due to the COVID-19 pandemic. Although the financial impact is not yet fully known, this will be managed accordingly. Management has made a reassessment of forecast income and expenditure and made appropriate changes to ensure both confidence to meet future liabilities and as part of the consideration of the Boards assessment of going concern.

In July 2020 the UK government published a consultation on the proposed remedy for the court rulings related to the Local Government Pension scheme and as stated in note 17 the accounts include an estimate of the impact of the remedy on the pension liability.

The accounts were authorised for issue on the date the Comptroller and Auditor General certified the accounts. There were no other events after the Balance Sheet date which require recognition or disclosure.







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CCS0320283492  
978-1-5286-1845-8