

annual accounts





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# Sport Wales Accounts

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## **SUMMARY FINANCIAL STATEMENT**

This Financial Statement provides a summary of the consolidated accounts of the Sports Council for Wales and the Sports Council for Wales Trust for the financial year ending 31 March 2011. It does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Sports Council for Wales and the Sports Council for Wales Trust. For further information the full annual accounts and the auditor's report on those accounts should be consulted. A copy of the audited accounts, which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Director of Corporate Services at Sophia Gardens, Cardiff, CF11 9SW.

## **STATUTORY BACKGROUND**

The Sports Council for Wales was established by Royal Charter dated 4 February 1972, with the objectives of "fostering the knowledge and practice of sport and physical recreation among the public at large in Wales and the provision of facilities thereto". It is financed by annual funding from the Welsh Assembly Government and from income generated from its activities.

## **REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS**

The accounts record a net expenditure for the year ending 31 March 2011 of £25,673,000 (2009/10 re-stated £28,323,000). The net movement on the general fund for the year, after the funding received from the Welsh Assembly Government, was an over spend of £217,000 (2009/10 under spend £1,611,000).

The Council's principal aims are to pursue and undertake policies and schemes aimed at increasing participation and improving performance in sport and physical recreation and, generally, to disseminate information and to promote knowledge of sport and physical recreation in Wales. As well as work carried out directly by its own staff during the year in meeting these aims, the Council also provided facilities through the Sports Wales National Centre and Plas Menai National Watersports Centre, and made grants to national and local sports organisations.

The National Lottery Act 1993 (as amended) nominates the Sports Council for Wales as the body responsible for distributing funds generated by the lottery to sport in Wales. In November 1994, the Council launched the Lottery Fund for Sport in Wales. Further information regarding the activities of the Council and significant new developments can be found elsewhere within the Annual Report. Lottery distribution results are included in the separately prepared accounts for that body.

## BOARD

During 2010/11, Sport Wales comprised the following board members;

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Prof L McAllister */**	(Chair)
Mr Robert Harris	
Reverend H M Davies *	
Mrs A Baumgardt	
Mr R Palmer *	
Mr D L Roberts	
Dr W M Leyshon	(Retired 31/03/2011)
Mr M Warren */**	
Mrs S M Thomas	(Retired 31/03/2011)
Dr H Jones	(Chief Executive)

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\* Member of the Audit committee

\*\* Member of the Remuneration committee

The Sports Council for Wales is the Trustee of the Sports Council for Wales Trust.

## Report of the Auditor General for Wales to the Sports Council for Wales on the Summary Consolidated Financial Statements

I have examined the summary consolidated financial statements contained in the Annual Accounts of the Sports Council for Wales set out on pages 6 to 8.

### Respective responsibilities of the Council, Chief Executive and Auditor

The Accounting Officer is responsible for preparing the Annual Accounts. My responsibility is to report my opinion on the consistency of the summary consolidated financial statements with the statutory consolidated financial statements. I also read the other information contained in the Annual Accounts and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary consolidated financial statements.

### Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

### Opinion

In my opinion the summary consolidated financial statements are consistent with the statutory consolidated financial statements for the year ended 31 March 2011 on which I have issued an unqualified opinion.

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Huw Vaughan Thomas  
Auditor General for Wales  
25 July 2011

Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

**SUMMARY STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL  
FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2011**

	2010/2011 £000	Re-stated 2009/2010 £000	Re-stated 2008/2009 £000
<b>EXPENDITURE</b>			
Grant Expenditure	20,705	19,814	18,388
Staff Costs	6,639	5,695	5,698
Past Service Costs (RPI – CPI)	(3,950)	0	0
Other Expenditure	4,335	4,751	4,552
Depreciation: owned assets	580	541	650
<b>Total Expenditure</b>	<b>28,309</b>	<b>30,801</b>	<b>29,288</b>
Income from Activities	2,921	3,189	3,041
Other Income	25	32	298
	2,946	3,221	3,339
<b>Net Expenditure</b>	<b>(25,363)</b>	<b>(27,580)</b>	<b>(25,949)</b>
Pension Finance Cost	(320)	(750)	(370)
Surplus on Disposal of Property, Plant & Equipment	7	5	–
Interest Receivable	3	2	30
	(310)	(743)	(340)
<b>Net Expenditure after interest and before taxation</b>	<b>(25,673)</b>	<b>(28,323)</b>	<b>(26,289)</b>
Taxation Payable	–	–	(6)
<b>Net Expenditure after Taxation</b>	<b>(25,673)</b>	<b>(28,323)</b>	<b>(26,295)</b>

**Note 1**

Senior Staff and Council Members  
Remuneration (£000)

2010/11	2009/10
572	595

**Note 2**

A proportion of the Senior Management salary costs are allocated to lottery.

**SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF  
THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR  
WALES TRUST AS AT 31 MARCH 2011**

	At 31 March 2011 £000	At 31 March 2010 £000
<b>NON-CURRENT ASSETS</b>	18,299	18,683
<b>CURRENT ASSETS</b>	6,256	5,919
<b>TOTAL ASSETS</b>	<b>24,555</b>	<b>24,602</b>
<b>CURRENT LIABILITIES</b>	(1,529)	(527)
<b>NON-CURRENT ASSETS LESS NET CURRENT ASSETS/ LIABILITIES</b>	<b>23,026</b>	<b>24,075</b>
<b>DEFINED BENEFIT PENSION LIABILITY</b>	(13,000)	(15,170)
<b>ASSETS LESS LIABILITIES</b>	<b>10,026</b>	<b>8,905</b>
<b>FINANCED BY</b>		
Reserves	10,026	8,905

The change in accounting policy in respect of the treatment of notional cost of capital has no retrospective effect on the Statement of Financial Position.

## CONSOLIDATED SUMMARY OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2011

	2010/2011 £000	2009/2010 £000
Net Cash (Outflow) from Operating Activities	(27,232)	(28,194)
Returns on Investment and Servicing of Finance	3	2
Capital Expenditure and Financial Investment	(621)	(1,114)
Net Cash Outflow before Financing	(27,850)	(29,306)
Financing	28,906	29,126
Increase/(Decrease) in Cash	1,056	(180)

**Accounting Officer:** Dr HG Jones

**DATE:** 14/07/2011

### Note 1

This summary financial statement has been prepared in accordance with the Companies Act 2006, having regard to the Companies (Summary Financial Statement) Regulations 2008 (SI 2008 / 374) as far as is relevant.

### Note 2

Full declaration of Related Party Transactions has been made in accordance with International Accounting Standard (IAS) 24, and is detailed in the full financial statements which are available on request.

# Sport Wales Lottery Accounts

## SUMMARY FINANCIAL STATEMENT

This Financial Statement provides a summary of the accounts prepared for the financial year ending 31 March 2011 in accordance with Section 26(1) of the National Lottery etc Act 1993 and the Statement of Financial Requirements issued under Section 26(3) of the Act. The Act nominated the Sports Council for Wales as the body responsible for distributing funds generated by the Lottery to sport in Wales.

These summary financial statements do not contain sufficient information to allow for a full understanding of the results and state of affairs of the Lottery fund for sport in Wales. For further information the full annual accounts and the auditor's report on those accounts should be consulted. A copy of the audited accounts, to be laid before Parliament and which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Director of Corporate Services, Sophia Gardens, Cardiff, CF11 9SW.

## BOARD

During 2010/11, Sport Wales comprised the following board members;

Prof L McAllister */**	(Chair)
Mr Robert Harris	
Reverend H M Davies *	
Mrs A Baumgardt	
Mr R Palmer *	
Mr D L Roberts	
Dr W M Leyshon	(Retired 31/03/2011)
Mr M Warren */**	
Mrs S M Thomas	(Retired 31/03/2011)
Dr H Jones	(Chief Executive)

\* Member of the Audit committee

\*\* Member of the Remuneration committee

## REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

### Financial Results

Net income for the financial year amounted to £2,669,000 (2009/10 £2,494,000). This has been transferred to reserves.

### Capital Grants

The fund's principal activities are aimed at increasing participation and improving performance in sport and physical recreation. The Sports Council for Wales introduced its plans for the distribution of lottery funds to capital projects in September 1994. A two stage process is used for all capital applications. The first stage of the application enables the initial focus to be more on the added benefits to sport and the aims, objectives and proposed management of the project. Applicants seek provisional approval of a scheme prior to undertaking the investment necessary to present the full application.

Capital grants totalling £918,000 (2009/10 £2,297,000) were met during the year. The amount provided in the accounts for hard commitments (signed contracts) relating to capital grants fell by £577,000 in 2010/11 (2009/10 fall of £1,672,000).

### Revenue Grants

In April 1996 the National Lottery directions were amended to allow revenue funding. The revised directions specifically required the Sports Council for Wales to take account of:

- 1) the desirability of developing talents and skills, particularly of young people
- 2) funding major international sporting events.

Revenue grant payments totalling £5,018,000 (2009/10 £4,966,000) were met during the year. This amount comprised of payments on the following schemes:

Programme	2010/2011 £000	2009/2010 £000
Elite Cymru	362	374
Coach Cymru	1,580	1,411
Dragon Sport	1,086	1,195
Disability Sport	492	580
Community Chest	1,142	1,128
Talent Cymru	356	278
	<b>5,018</b>	<b>4,966</b>

Community Chest includes an amount of £65,707 (2009/10 £58,434) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

## MEMBERS OF THE LOTTERY PANELS

Sport Wales' Royal Charter allows it to appoint committees or panels to exercise any of its functions. For the purposes of Lottery administration, Sport Wales have appointed a Members Panel. The Members Panel has been delegated authority to authorise projects on behalf of Sport Wales within financial limits of authority awarded.

### The Members Panel members are listed below:

\*Mr R Palmer – Chair

\*Prof L McAllister – Vice Chair

\*Mr D L Roberts

\*Dr W M Leyshon

Miss Anne Ellis OBE

\*Member of The Sports Council for Wales

On 1st April 2011 the Members Panel ceased to operate.

**Statement of the Comptroller and Auditor General to the Houses of Parliament and Members of the National Assembly for Wales**

I have examined the summary financial statements of the Sports Council for Wales Lottery Distribution Account for the year ended 31 March 2011 set out on pages 13 to 16.

**Respective responsibilities of the Council, Chief Executive and Auditor**

The Council and Chief Executive are responsible for preparing the Annual Accounts in accordance with the National Lottery Act etc 1993 and Secretary of State directions issued thereunder.

My responsibility is to report my opinion on the consistency of the summary financial statements within the Annual Accounts with the full annual Lottery Distribution Accounts, Remuneration Report and Annual Report and their compliance with the relevant requirements of the Financial Reporting Manual issued by HM Treasury.

I also read the other information contained in the Annual Accounts and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

I conducted my work in accordance with Bulletin 2008/3 'The Auditor's Statements on the Summary Financial Statement in the United Kingdom' issued by the Auditing Practices Board. My certificate on the full 2010-11 Lottery Distribution Accounts, Remuneration Report and Annual Report describes the basis of my opinions on those financial statements, the Remuneration Report and the Annual Report.

**Opinion**

In my opinion the summary financial statements are consistent with the full Lottery Distribution Accounts, Remuneration Report and Annual Report of the Sports Council for Wales for the year ended 31 March 2011 and comply with the National Lottery etc Act 1993 and Secretary of State directions issued thereunder.

I have not considered the effects of any events between the date on which I signed my certificate on the full annual Lottery Distribution Accounts and the date of this statement.

Amyas C E Morse  
Comptroller and Auditor General  
14 July 2011

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

**CHIEF EXECUTIVE'S STATEMENT**

The auditor has issued unqualified opinions on the full annual Lottery Distribution Accounts, the auditable part of the Remuneration Report and on the consistency of the Annual Report with those annual financial statements.

**SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT  
STATEMENT OF COMPREHENSIVE NET INCOME FOR THE YEAR  
ENDED 31 MARCH 2011**

	<b>2010/2011</b>	<b>2009/2010</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Grant commitments made in year	5,742	5,161
Less Lapsed and revoked commitments	(342)	(222)
Staff costs	1,547	1,631
Depreciation: owned assets	21	11
Other Operating Costs	268	354
Olympic Lottery Distribution Fund	1,952	1,952
<b>Total Expenditure</b>	<b>9,188</b>	<b>8,887</b>
<b>Gross Income</b>		
Proceeds from National Lottery Distribution Fund (NLDF)	11,632	11,133
Investment returns from the NLDF	88	79
Recoveries of grant	15	11
Other Income	137	185
<b>Total Income</b>	<b>11,872</b>	<b>11,408</b>
Net Income/(expenditure) before interest and taxation	2,684	2,521

	2010/2011 £000	2009/2010 £000
<b>Investment Income</b>		
Interest receivable	1	1
<b>Net income/ (expenditure) before taxation</b>	2,685	2,522
Taxation Payable	–	–
<b>Net income/ (expenditure) after taxation</b>	2,685	2,522
<b>Other Comprehensive Expenditure</b>		
Loss/(Surplus) on the revaluation of NLDF investments	16	28
<b>Total Comprehensive income/ (expenditure) for the year ended 31 March 2011</b>	2,669	2,494
Balance at 1 April	4,667	2,173
Balance at 31 March	7,336	4,667

**Note 1**

Senior Staff and Council Members Remuneration

572	595
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**Note 2**

A proportion of Senior Management salary costs are allocated to lottery.

**SUMMARY STATEMENT OF FINANCIAL POSITION**

	31 March 2011 £000	31 March 2010 £000
<b>Non Current Assets</b>	103	113
<b>Current Assets</b>		
Trade receivables and other current assets	137	193
Investments – balance held in NLDF	11,928	10,421
Cash at cash equivalents	966	297
<b>Total Current Assets</b>	13,031	10,911
<b>Total Assets</b>	13,134	11,024
<b>Current Liabilities</b>		
Provision for Hard Grant Commitments	(5,535)	(4,508)
Other current liabilities	(205)	(228)
	(5,740)	(4,736)
<b>Non Current assets plus Net Current Liabilities</b>	7,394	6,288
<b>Non Current Liabilities</b>		
Provision for Hard Grant Commitments	(58)	(1,621)
<b>Assets Less Liabilities</b>	7,336	4,667
<b>Reserves:</b>		
Income and Expenditure Reserve	7,336	4,667

**SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2011**

	2010/2011 £000	2009/2010 £000
Net cash inflow/(outflow) from operating activities	673	(529)
Investing activities, financing activities and taxation	(4)	(85)
Increase/(Decrease) in cash	669	(614)

Accounting Officer: Dr H G Jones

Date: 13/07/2011

## Notes

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1. This summary financial statement has been prepared in accordance with the Companies Act 2006, having regard to the Companies (Summary Financial Statement) Regulations 2008 (SI 2008 / 374) as far as is relevant.
2. Panel members and staff are required to declare all potential conflicts of interest. Details of all related party transactions are contained in the full annual accounts, copies of which are available on request.
3. The balance held at 31 March 2011 at the National Lottery Distribution Fund is un-audited, as the audit of the Fund is incomplete. Any adjustment arising from that audit will be reflected in the 2011/2012 accounts and is not expected to be material. The balance is based on the distribution of National Lottery funds set out in the National Lottery etc Act 1993 (as amended).