

THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST
1 APRIL 2009 – 31 MARCH 2010

ANNUAL REPORT

The Annual Report incorporates the Director's Report, Management Commentary and Remuneration Report. The Sports Council for Wales has adopted International Financial Reporting Standards (IFRS) for the first time. The comparative financial statements for the year ended 31 March 2009 were originally prepared under UK GAAP and have been converted for the purposes of comparison. The date of the transition to IFRS is 1 April 2008, and this opening position has been prepared with reference to IFRS standards.

HISTORY AND 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. These Statements of Account are prepared pursuant to Article 15 of the Royal Charter for the Sports Council for Wales in a form determined by the Welsh Assembly Government with the approval of HM Treasury. A copy of the Accounts Direction is available for public inspection at the Sports Council's offices at Sophia Gardens in Cardiff.

The Sports Council for Wales Trust was constituted on 16 May 1972 and is registered as a charity with the Charity Commissioners in England and Wales, with the charitable objectives of:

- 1.1 preserving and safeguarding the physical and mental health of the community through physical recreation (including sport) and the education in relation thereto;
- 1.2 the provision of facilities for physical recreation (including sport) which shall be available for members of the public at large.

The results of the Trust are consolidated into these financial statements.

BOARD

The Sports Council for Wales currently comprises of a Board of 10 members. The name of the Council Chief Executive and the names of the Council Members who served throughout the year are listed below.

Prof L McAllister */**	(Chair appointed 01.02.2010)
Mr Phil Carling **	(Chair retired 31.01.2010)
Mr Robert Harris	
Mr H Meredydd *	
Mrs A Baumgardt	
Mr R Palmer *	
Mr D L Roberts	
Dr W M Leyshon	
Mr M Warren */**	
Mrs S M Thomas	
Mr D R Turner	(Co-opted member resigned 30.06.2009)*
Dr H Jones	(Chief Executive)

* Member of the Audit committee

** Member of the Remuneration committee

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

REGISTERED OFFICE

Sophia Gardens
Cardiff
Wales
CF11 9SW

DECLARATIONS OF INTEREST

All Members and Senior Staff of the Sports Council for Wales have completed a return detailing any interests in Organisations which provide, or may seek to provide, commercial services to the Council for 2009/10. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 22 of these accounts.

MANAGEMENT COMMENTARY

The Welsh Assembly Government funds the Sports Council for Wales to deliver its strategic policy objectives in relation to sport and physical recreation.

On the 1st April 2010 the organisation began to trade under the name Sport Wales Cymru rebranding itself in order to present a more modern organisation.

Sport Wales' Business Plan presents our business objectives and targets for the financial year; it provides a means of measuring, monitoring and reporting on our performance on a quarterly basis.

Our Board have individual and collective responsibility to the Assembly Government in relation to performance management, scrutiny and advocacy issues. A key part of this is to monitor Sport Wales' strategic performance through the Business Plan. Progress against our strategic objectives and actions is scrutinised on a quarterly basis.

A traffic light system has been adopted in order to facilitate scrutiny of our business performance¹. Only significant issues, those of a corporate nature that Board Members should be concerned about, are highlighted. Targets that haven't been met over the course of the year, but where the approach appears to be the right one are not considered to be important to flag. This enables Board Members to focus on and scrutinise the high-level issues, and mitigate against the Sports Council either target-chasing or setting un-ambitious targets.

We utilise a thematic approach to our work; this enables the development of the different facets of sport and physical recreation to be viewed more holistically. 'Active Young People', for example, involves looking at extra-curricular activity, club activity, performance pathways, as well as looking at the synergies between programme specific activity (for example, Free Swimming, 5x60, PE and School Sport (PESS)).

Our strategic priorities for 2009/10 were:

- The roll-out of 5x60;
- Introduction of Local Authority Partnership Agreements (LAPAs) to all authorities;
- Production of a People Development Action Plan;
- Review of Performance and Excellence.

¹ Sport Wales' traffic light system for scrutinising business performance:

Green: the approach appears to be the right one;

Amber: some initial concerns raised about the approach;

Red: significant concerns raised about the approach.

The work of Sport Wales is, however, broad and diverse; the following section explores in more detail our performance over the period 2009/10.

Active Young People

- Sport Wales is leading the way in the development of supporting resources for the Foundation Phase curriculum. We have been tasked to develop resources to support the physical and creative skills element of the Foundation Phase curriculum, and significant progress has been made. The resource package includes: technical skills cards; story books; and an interactive CD Rom. Four thousand resource packs have been produced and distributed, and resource awareness sessions have taken place across Wales. We have trained 143 tutors to deliver training from April 2010; this is four months ahead of schedule.
- Through both Dragon Sport and 5x60, Sport Wales now has direct contact with 96% of primary schools and 99% of secondary schools in Wales. We are now also offering 5x60 in 6 special schools in Wales. These programmes are crucial in encouraging and providing the opportunities for children and young people to participate in extra-curricular sport and physical recreation.
- There are over 175,000 registrations in Dragon Sport activities and over 80,000 in 5x60 activities. There are on average 8 sessions per week per school being delivered by 5x60 co-ordinators targeted at non-participating or infrequent participants.
- 98% of schools in Wales are now delivering PESS. Through this work, standards in Physical Education are continuously being raised; this marries nicely with our extra-curricular work.
- 471,435 unstructured aquatic occasions have taken place during the Easter, Whitsun and summer holiday periods for the 16 and under age group via the Free Swimming Initiative.
- There has been an increase in the number of structured aquatic occasions: up from 67,692 in 2008/09 to 71,127 in 2009/10. This reflects the increased focus on structured aquatic activity and physical literacy over the period.

Active Adults

- 339,054 unstructured aquatic occasions have taken place between April and September for the 60+ age group via the Free Swimming Initiative. This has increased from 307,820 over the same period in 2008/09.
- Increases have also been seen in the number of structured aquatic occasions: up from 36,874 in 2008/09 to 42,068 in 2009/10. Similar to Free Swimming for the 16 and under age group, this increase reflects the focus on structured aquatic activity over the period.
- There were 430,243 reported affiliated clubs members within Sport Wales supported National Governing Bodies of Sport. This has increased by 3,000 from the previous year.
- We have adopted an informed and targeted approach to our investment. A range of programmes of work, for example, Regeneration Challenge, Mentro Allan, Workplace Challenge, have tailored research and evaluation frameworks in place so that we are able to evaluate and utilise the evidence base to help inform policy and practice.

- Sport Wales' main vehicle for advocating increase in adult sport and physical recreation are the Local Authority Partnership Agreements (LAPAs). These have been established with each of the 22 local authorities and they are increasingly demonstrating evidence-based planning and clearer outcomes. There remains more to be done but sound foundations have been established with local authorities.

Developing People

- Sport Wales continues to prioritise developing skills, knowledge and ability of people working within sport and physical recreation in Wales.
- A consistent and quality assured approach to tutoring and mentoring development has, for example, been implemented during 2009/10.
- A programme of training opportunities to develop the skills and knowledge of people working on Active Young People programmes was put in place; this involved a national conference and 50 training events.
- 7,226 continuing professional development training opportunities have been received by teachers over the course of the year. This has increased from 4,500 during 2008/09.
- Coaches and coach education is core to facilitating sport and physical recreation; 2,327 generic coaches have, for example, been trained during 2009/10. We have seen an increase in the number of sport specific leaders who have been trained – up from 5,500 in the previous year to 9,071; this is primarily related to 5x60 with one of its objectives to train older pupils to facilitate activity sessions within and outside of school.
- In addition to technical coaching skills, leadership skills are also important for the development of sport in Wales. Sport Wales, in conjunction with UWIC, has established a Masters Degree course in sports leadership that will develop the skills required of potential leaders of National Governing Bodies.

Delivering Performance

- Sport Wales has continued to ensure that National Governing Bodies (NGBs) have sound governance in place. 47 NGBs have completed self-assurance assessments; this compares to 40 the previous year.
- In order to ensure that athletes are able to maximise the benefits of their training and performance in competition, Sport Wales has established 27 partnerships with HE/FE institutions' sport science departments to provide coach and athlete support throughout Wales.
- 61 Olympic and Paralympic athletes on the World Class pathway based in Wales are being supported, where requested, via Service Level Agreements with their sports.
- The North Wales Regional Institute of Sport has been launched; support service networks for more than 70 identified athletes based in North Wales have been established with a number of partners, including Bangor University and Glyndŵr University.
- Sport Wales also continues to provide direct support to elite and talented performers to ensure they have every opportunity to deliver on the international stage: 40 athletes in Wales have reached the criteria for Elite Cymru; and 132 athletes have reached the criteria for Talent Support (now Talent Cymru).

Strong Sport Wales

- Over the course of the year, the two National Centres (Plas Menai National Watersports Centre and the National Centre) have been reviewed in terms of their role and purpose to ensure that they are on a sound financial footing to provide appropriate facilities and services to meet the needs of NGBs and elite athletes.
- During 2009/10, Sport Wales has invested time in improving its bottom-up understanding of the delivery and development of sport and physical recreation in the regions of Wales. Sport Wales' regions all now have in-house regional plans that are being reviewed on a quarterly basis.
- An evaluation framework continues to be implemented to determine the impact of projects that have been funded through Sport Wales' corporate grants. This forms part of our wider process of identifying examples of good practice which, in turn, will help to inform future development and advocacy work.
- Our two major population-based surveys which monitor participation levels in sport (Active Adults Survey 2008/09 and Active Young People 2009) were undertaken. The data from these surveys has been analysed and disseminated, and is being utilised to help shape policy and practice.
- Sport Wales' various websites have continued to receive increased numbers of visits. The main corporate website has, for example, received 797,068 sessions during 2009/10 compared to 697,643 in 2008/09. There were 60,631 sessions during 2009/10 on the 5x60 website and 179,705 sessions on the Disability Sport website. It appears that this method of communication is favoured with our stakeholders.
- Sport Wales' first campaign, Time for Action, was launched in September 2009. It achieved publicity across 30 different outlets and included regional feature material. It also appeared in trades, web and wires and Wales national outlets as well as The Daily Telegraph. Our second campaign, Shape Up on a Shoestring, launched early November 2009 and generated more than 50 different clips of print coverage which focussed on feature material and real life case studies. This achieved significant coverage and secured a strong geographical spread across the whole of Wales.
- Significant work on Equality issues has been made within Sport Wales over the year. We have consulted with key stakeholders, staff and equality organisations on our Equality Scheme. Our Equality Action Plan sets out our work for the year; this is updated quarterly. We have also undertaken equality impact assessments on six core functions of our work. We achieved the Foundation level of the Equality Standard for Sport in June 2009. One of the key ways in which we're embedding equality in our work is through the use of departmental Equality Champions; the Champions are advocates and are the first point of call for equality issues.

Table 1 details trend data for some of our key performance indicators.

Active Young People		
Objective	Outcome 2009/10	Outcome 2008/09
Number of structured aquatic sessions provided for the 16 and under age group	79,127	67,692
Number of unstructured aquatic sessions provided for the 16 and under age group	471,435	535,188
Number of <i>Dragon Sport</i> registrations	176,148	159,610
Number of pupils participating in <i>5x60</i>	80,557	42,260
Number of pupils participating in <i>5x60</i> on five or more times in a year	45,660	21,388
Active Adults		
Objective	Outcome 2009/10	Outcome 2008/09
Number of structured aquatic sessions provided for the 60+ age group	42,068	36,874
Number of unstructured aquatic sessions provided for the 60+ age group	339,054	307,820
Number of affiliated club members within Sport Wales-supported National Governing Bodies	430,243	427,098
Number of affiliated clubs within Sport Wales-supported National Governing Bodies	4,386	4,471
Developing People		
Objective	Outcome 2009/10	Outcome 2008/09
Number of continuing professional development opportunities offered to teachers through Active Young People training programmes	7,226	4,500
Number of Active Young People organisers trained	4,150	3,913
Number of students attending Sports Leaders Awards courses	5,434	3,921
Number of sport specific active coaches	14,519	11,297
Number of sport specific leaders	9,071	5,500
Number of generic coaches trained	2,327	1,798
Wales, A Successful Sporting Nation		
Objective	Outcome 2009/10	Outcome 2008/09
Number of national governing bodies have completed self-assurance assessments	47	40
Number of Olympic and Paralympic athletes on the World Class Pathway, based in Wales, that Sport Wales provides support services to via Service Level Agreements with the sports	61	77
Number of athletes reaching the criteria for <i>Elite Cymru</i>	53	36
Number of athletes reaching the criteria for <i>Talent Cymru</i>	161	132
Strong Sport Wales		
Objective	Outcome 2009/10	Outcome 2008/09
Number of sessions on the Sport Wales website	797,068	697,643
Percentage of undisputed invoices paid within 30 days of receipt	99%	98%
Investment in training per head	£468	£500
Sickness absence rate	3.04%	2.75%

Over the period of our Corporate Plan, 2009-2011, we aim to:

- Increase levels of participation in sport by children and young people in Wales;
- Give children and young people the skills and confidence to take part in sport through the provision of high quality physical education and the effective delivery of physical literacy;
- Raise levels of participation in sport among the adult population of Wales;
- Improve the number of and skills of volunteers and professionals involved in the delivery of sport;
- Create a culture that encourages innovation and enterprise within the workforce; and
- Deliver international success for Wales on the sporting stage.

Within this, our work will focus around children and young people. It is important that we ensure that children and young people have the skills, confidence and opportunities to take part in sport, and for this to continue into adulthood.

END OF YEAR POSITION

The accounts record a net expenditure for the year ending 31 March 2010 of £28,712,000 (2008/09 re-stated £26,813,000). The net movement on the general fund for the year, after the funding received from the Welsh Assembly Government, was an under spend of £1,611,000 (2008/09 re-stated £804,000).

RISK IDENTIFICATION AND MANAGEMENT

Corporate risks are assigned to and managed by the appropriate manager, Head of Service, Director or in some cases by the Accounting Officer. Operating risks, especially those of the two national centres, are the responsibility of the two centre managers unless delegated to their subordinates.

During 2009/10 the main component of the risk management strategy was the Risk Register. The Risk Register is an electronic solution that is accessible to relevant managers via the Council's internal network.

The Risk Register identifies significant corporate risks, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures.

The Risk Register is reviewed at regular intervals by managers, and reported on to the Audit Committee.

In addition to the above, managers continue to attend the Audit Committee and explain the risks for which they have responsibility, the controls in place to mitigate the risks, and details of any future action required. This process allows Audit Committee members to hear first-hand how risks are being managed, whilst allowing audit committee members to ask questions that will enable them to obtain the assurances they need.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Environmental Issues and Policy

The Sports Council for Wales is actively pursuing policies that will seek to reduce the impact the Council's operations have on the environment. Whilst the Council will undertake a number of initiatives to reduce environmental impact, the main delivery will be achieved via the Green Dragon Environmental Standard and by working in conjunction with the Carbon Trust.

The work undertaken so far by the Council has reduced gas, oil and electricity consumption over a number of years, resulting not only in a lower carbon footprint but also in reduced fuel costs. The determination by the Council to reduce the environmental impact of its activities has been recognised with the awarding of level two of the Green Dragon standard to both the Council's National Centres.

Social and Community Issues

Our work is guided by three key documents: One Wales, the programme for the coalition government; Creating an Active Wales, the five year strategic action plan to deliver Climbing Higher; and the Performance and Excellence Review. The first two very much focus on social and community issues.

One Wales is a 'comprehensive and progressive government programme for improving the quality of life of people in all of Wales' communities, from all walks of life, concentrating on the most vulnerable and disadvantaged'.

The principles of social justice, sustainability and inclusivity that underpin One Wales complement the Welsh Assembly Government's long-term strategy for sport and physical activity, Creating an Active Wales. The objective of the strategy is to have:

An active, healthy and inclusive Wales, where sport and physical activity provide a common platform for participation, fun and achievement, which binds communities and the nation and where the outstanding environment of Wales is used sustainably to enhance confidence in ourselves and our place in the world.

We recognise that we cannot deliver the Government's agendas without our partners. Sport in Wales is the result of partnership work. As well as planning and delivering our contributions to these strategies, we also support our partners in planning, developing and sustaining their contributions.

Factors Affecting the Future Performance and Development

We will build on our existing solid base of programmes to develop and deliver our priorities and aspirations for the future. Our financial resources have been allocated in such a way as to support the delivery of our Business Plan objectives; including our commitment to deliver the Assembly Government's One Wales commitments and actions within Creating and Active Wales.

The Assembly Government's policies seek to make a difference across Wales as a whole. In order to better reflect local needs, we have moved towards a decentralised approach to sports delivery and development. If the challenging Government targets are to be achieved, then local innovation is required.

To help facilitate this, we have created Local Authority Partnership Agreements (LAPAs) between Sport Wales and each of the 22 local authorities in Wales. This is the start of a new approach to partnership working, developing and embedding shared values, common goals and joint aspirations in addressing the challenges of achieving a 'better, fitter and healthier Wales'. The LAPA process therefore seeks to build on our existing relationships with Local Authorities, which have already ensured the successful implementation of initiatives such as Dragon Sport, 5x60 and Community Chest, whilst encouraging new and innovative approaches of engaging with individuals and communities.

We have challenged Local Authorities to consider how sport can be made an integral part of their service planning and provision. The LAPA provides a framework for addressing the diverse and varying needs of our numerous communities, with the philosophy of developing 'local solutions' to local issues'.

Our Elite Sport Strategy, for example, sets out how we will take forward the delivery of elite sport in Wales. It responds to the recent review of performance and excellence sport in Wales, and the policy statement made by Alun Ffred Jones A.M., Minister for Heritage in November 2009.

Our strategy seeks to determine how we will categorise the sports we will work with at elite level, and to clarify how each sport can expect to be supported. In so doing, we will identify sports and programmes in which Sport Wales investment can bring the greatest returns by having the most direct impact and achieving the widest possible range of results, while still demonstrating value for money.

SICKNESS ABSENCE DATA

The sickness data for 2009/10 is as follows:

Days Lost (Short Term)	Days Lost (Long Term)	Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
695.47	454.12	1,149.59	145.48	7.90

The Sports Council for Wales management are provided with quarterly sickness reports to enable them to understand and manage sickness absence.

The average days lost through sickness in the Welsh Assembly Government for 09/10 was 8 days per person and in the Public Sector as a whole the benchmark was 9.7 average days lost.

EMPLOYEE POLICY

The Sports Council for Wales has an extensive range of policies which reflect current legislation, and aim to secure retention and motivation. These policies are reviewed regularly with staff involvement via a recognition agreement with the PCS Union. All policies are equality checked before implementation.

PENSION SCHEME

Employees of the Sports Council for Wales are members of the Cardiff and Vale of Glamorgan Pension Fund (the Fund). The Fund is a defined benefit scheme providing benefits based on final pensionable pay, and its assets are held separately from those of the Sports Council for Wales. Any pension built up before April 2008 is calculated at a rate of 1/80th with a lump sum of three times pension. Pension built up from 1 April 2008 is calculated at the rate of 1/60th and there is an option to take an extra lump sum in exchange for pension. The contributions of employees are set at 5.5% to 7.5% based on salary range (or 5% for manual staff, who joined the scheme before October 1998).

PERSONAL DATA MANAGEMENT

Current Practises

Sport Wales takes all reasonable measures to protect the personal data obtained from its stakeholders, customers and, of course, it's employees during the course of its business activities.

All sources of personal and sensitive data are recorded in the Council's Risk Register and assigned to managers to ensure the ongoing proper maintenance and use of the data.

Data management controls include password protection on all databases holding personal and sensitive data, restricting access to data, holding manual data in locked cupboards and ensuring data handling protocols are in place. In addition, all removable storage devices (USB Sticks) are now encrypted and secured with passwords. Restrictions on connecting non-Sport Wales USB devices to computers have been implemented which reduces the risk of data being removed without authorisation.

Finally the Staff Handbook contains a section which provides guidance on data protection issues and this is available to all staff via the corporate intranet.

Future Data Protection Controls

During the 2010/11 financial year Sport Wales will review its information technology procedures and will introduce further measures to protect personal data. These include such measures as encrypting portable computers and rollout of SmartCards for authentication of users on the network.

During 2009/10 there were no personal data related issues to report.

SUPPLIER PAYMENT POLICY AND PERFORMANCE ACHIEVED

The Sports Council for Wales complies with the Better Payment Code (which can be located on www.payontime.co.uk) and has a policy of paying payable accounts within 30 days of receipt of agreed invoices following the supply of goods or services, this policy will be used for the current and following year. During 2009/10 99% of transactions by number were paid within 30 days. The Sports Council for Wales agree and abide by the terms of settlement with its suppliers, all variation to this procedure must be agreed in writing. Analysis of payments made during the year reveals that the payable settlement days were 3 days (2008/09 23 days). No interest was incurred by the Council during the year as a result of late payments.

The Sports Council for Wales is also aiming to pay suppliers wherever possible within 10 days in accordance with the Managing Public Money guidance issued in October 2008. During 2009/10 88% of transactions by number were paid within this timescale.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Council mainly holds financial instruments to finance its operations, for example trade receivables and trade payables, and cash balances arise directly from its operations.

The financial risk management of exposures arising from trading financial instruments, primarily trade receivables and trade payables, is through a series of policies and procedures. These risks are managed as follows:-

Liquidity Risks

The Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2010/11, to meet all current contracted commitments. The Council considers that it is not exposed to significant liquidity risks.

Interest Rate Risks

Cash balances, which are drawn down from the Welsh Assembly Government to pay grant commitments and operating costs, are held in instant access variable rate bank accounts which on average carried an interest rate of 0.50% (2008/09 2.08%) in the year. The year-end cash balance held by the Council in the bank was £443,000.

Foreign Currency Risk

The Council is not exposed to any foreign exchange risks.

Cash Flow Risk

The Council is not exposed to any cash flow risk.

REMUNERATION OF AUDITORS

The Audit Committee oversees the nature and amount of non audit work undertaken by Wales Audit Office our external auditors. During the year 2009/2010 £36,000 non audit work was undertaken by Wales Audit Office for an independent review of Local Authority Partnership Agreements (£32,000) and Additional Assurance work (£4,000).

Statement on Disclosure of Relevant Audit Information.

- a) As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
- b) The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

REMUNERATION REPORT

In accordance with Chapter 5 of the Financial Reporting Manual, the Council is required to disclose the following concerning remuneration during the year of Council Members and Senior Staff with responsibility for running policy making departments. Treasury guidance requires the financial statements to disclose the cash equivalent transfer value of pensions for the Council Members and Senior Staff.

Remuneration Policy

The Chair, Vice Chair and members of the Council are paid in accordance with the Welsh Assembly Government "Remuneration and expenses of Chairs and Members of ASGBs and NHS Bodies" policy.

The Remuneration Committee which consists of the Council Chair, Vice Chair and Chair of the Audit Committee supported by the Council's Human Resources Manager meets to agree the annual pay award for all staff via the Welsh Assembly Government's pay remit process.

Service Contracts

The Senior Staff of the Council are employed on terms and conditions broadly analogous to the Welsh Assembly Government terms and conditions.

The Council Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed for a further three year period. The Chairman is remunerated at a daily rate of £337 and is contracted to work two days per week (three days up until 31 January 2010). The Vice Chair is remunerated at a daily rate of £311 and is contracted to work one day per week, although this position has been vacant since 1 February 2010. Other Council Members receive a daily rate of £282 and are contracted to work two days per month.

Notice Period

The Chief Executive is entitled to 4 months notice of termination of contract by the Sports Council of Wales and the remaining Senior Staff are entitled to three months notice of termination of contract.

Salary

"Salary" includes gross salary and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £76,416. In 2008/09 the Chief Executive was eligible to a bonus, his salary therefore comprised a gross salary of £69,192 and a non-consolidated bonus for the year of £4,868.

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

Benefits in Kind

There are no benefits in kind

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interest of the Senior Managers of the Council.

Remuneration (subject to audit)

<u>Name</u>	<u>Title</u>	<u>Salary 2009/10 £000</u>	<u>Salary 2008/09 £000</u>
Prof. L McAllister (from 01/04/07)	Chair (Appointed 01.02.2010) (Full year equivalent:35 - 40) Vice Chair (To 31.01.2010) (Full year equivalent:15 -20)	15 - 20	15 - 20
P Carling (from 1/02/07 to 31/01/10)	Chair (Retired 31.01.2010) (Full year equivalent:50 - 55)	40 - 45	50 - 55
Dr H Jones (from 01/01/03)	Chief Executive	75 - 80	70 - 75
C James (from 01/02/06)	Director of Corporate Services	65 - 70	65 - 70
A Hamilton (from 01/09/07)	Head of People & Programme Development	55 - 60	55 - 60
A Williams (from 14/12/94)	Manager Plas Menai Watersports Centre	55 - 60	55 - 60
S Powell (from 01/09/07)	Head of Performance and Excellence	50 - 55	45 - 50
M Frost (from 01/09/07)	Head of Regions	55 - 60	55 - 60
M Zaple (from 01/04/97)	Manager Welsh Institute of Sport	55 - 60	55 - 60
G Davies (to 28/02/09)	Director of Operations	-	65 - 70
S Thomas (from 06/04/09)	Head of Communications	50 - 55	-
A Baumgardt (reappointed from 01/04/09 to 31/03/12)	Council Member	5 - 10	5 - 10
R Palmer (reappointed from 01/04/09 to 31/03/12)	Council Member	5 - 10	5 - 10
R Harris (reappointed from 01/04/09 to 31/03/12)	Council Member	5 - 10	5 - 10
H M Davies (reappointed from 01/04/09 to 31/03/12)	Council Member	5 - 10	5 - 10

Name	Title	Salary 2009/10 £000	Salary 2008/09 £000
D L Roberts (from 01.04.08 to 31/03/11)	Council Member	5 - 10	5 - 10
S M Thomas (from 01.04.08 to 31/03/11)	Council Member	5 - 10	5 - 10
M J Warren (from 01.04.08 to 31/03/11)	Council Member	5 - 10	5 - 10
Dr W M Leyshon (from 01/04/08 - 31/03/11)	Council Member	5 - 10	5 - 10

Pension Benefits (subject to audit)

Name	Real increase in Pension and lump sum at age 65	Total accrued Pension at age 65 at 31 March 2010 (lump sum)	CETV at 31 March 2010	CETV at 31 March 2009	Real Increase CETV in Year
	£000	£000	£000	£000	£000
Dr H Jones <i>Chief Executive</i>	0 - 2.5	20.0 - 25.0 (55.0 -60.0)	497	409	82
C James <i>Director of Corporate Services</i>	0 - 2.5	5.0 - 10 (10.0 -15.0)	108	84	19
A Hamilton <i>Head of People and Programme Development</i>	0 - 2.5	5.0 - 10.0 (20.0 -25.0)	185	147	34
A Williams <i>Manager Plas Menai Watersports Centre</i>	0 - 2.5	15.0 - 20.0 (40.0 -45.0)	364	323	37
S Powell <i>Head of Performance and Excellence</i>	0 - 2.5	5.0 - 10.0 (15.0 -20.0)	103	82	17
M Zapple <i>Manager Welsh Institute of Sport</i>	0 - 2.5	5.0 - 10.0 (20.0- 25.0)	300	265	31
M Frost <i>Head of Regions</i>	0 - 2.5	0 - 5.0 (5.0 - 10.0)	133	112	17
S Thomas <i>Head of Communications</i>	0 - 2.5	0 - 5.0 (0.0 -0.0)	6	-	3

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to

secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Council's pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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 drawn.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

ACCOUNTING OFFICER: Dr H G Jones
11 August 2010

STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Royal Charter, dated 4 February 1972, the Sports Council for Wales is required to prepare for each financial year statements of accounts in the form and on the basis determined by the Welsh Assembly Government, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Council's state of affairs at the year end, including its net expenditure, changes in equity and cash flows for the financial year.

In preparing the accounts, the Council is required to comply with the requirements of the Government Financial Reporting Manual and in particular:

- observe the accounts direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departure in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has appointed the Chief Executive as the Accounting Officer for the Sports Council for Wales. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, and for safeguarding the Council's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury.

ACCOUNTING OFFICER: Dr H G Jones
11 August 2010

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Council's policies, aims, and objectives. I also have personal responsibility for safeguarding the proceeds from the National Lottery distributed to the Council and the Council's assets, in accordance with the responsibilities assigned to me in Managing Welsh Public Money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. Finally the system of internal control provides reasonable assurance that the Council has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Capacity to handle risk

As Accounting Officer I am personally responsible for ensuring that the Sports Council for Wales has an effective risk management process. We have a documented Risk Management Policy that contains definitions relating to risk management and the policy also sets out how we identify, analyse and manage risk.

Corporate risks are assigned to and managed by the appropriate manager, Head of Service, Director or in some cases by myself as the Accounting Officer. Operating risks, especially those of the two national centres, are the responsibility of the two centre managers unless delegated to their subordinates.

The Risk Management Policy is available to all staff and managers via the Council's intranet, and the Council's Risk Register is available to most managers via the Council's internal network.

The risk and control framework

During 2009/10 the main component of the risk management strategy was the Risk Register. The Risk Register is an electronic solution that is accessible to relevant managers via the Council's internal network.

The Risk Register identifies significant corporate risks including risks to information, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures. The Risk Register is reviewed at regular intervals by managers, and reported on to the Audit Committee.

During 2009/10 the policy of requesting managers to attend audit committee's continued. In attending the committees, managers talked through their sections of the Risk Register, with an emphasis on explaining the controls they had in place to prevent the risk actually happening.

Risk appetite is implemented via the individual risk assessments of managers and monitored via the internal audit reports presented to the Audit Committee.

In 2009/10 there were no information risk issues to report.

Review of effectiveness

As accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the Sports Council for Wales who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control via the Audit Committee meetings and I plan to address weaknesses and ensure continuous improvement of the system in place.

The Council's audit committee not only reviews the Risk Register, but also reviews management procedures for risk assessment and the high level controls in place to moderate business risk. In particular, it examines:

- the strategic objectives of the Council;
- the operation of the risk management review framework;
- internal audit reports and the annual internal audit report;
- the Annual Report and accounts;
- observations made by external audit, particularly the annual management letter and the Additional Assurance Report; and
- compliance with the Management Statement and Financial Memorandum issued by the Welsh Assembly Government as well as compliance with the Lottery Statement of Financial Requirement.

The internal audit service of the Sports Council for Wales during 2009-10 was provided by KTS Owens Thomas Ltd, which operated to standards defined in the Government Internal Audit Manual. Internal audit submit regular reports which include the Head of Internal Audit's independent annual opinion on the adequacy and effectiveness of the Council's system of internal control, together with recommendations for improvement.

Whilst the current system of internal control is strong, nevertheless there are always areas which will benefit from the implementation of improvements. With this ethos of continuous improvement in mind, controls will be improved during 2010/11 by actioning the following:

- To revise the existing risk appetite documentation and to have the level of risk appetite, by risk category, endorsed by the Council;
- To provide training for managers in key areas of control that will include risk management, budgetary control and procurement; and
- To implement a new computerised accounting system that brings many enhancements, but particularly enhancements to procurement and system access controls.

ACCOUNTING OFFICER: Dr H G Jones
11 August 2010

THE CERTIFICATE OF THE AUDITOR GENERAL FOR WALES TO THE SPORTS COUNCIL FOR WALES

I certify that I have audited the financial statements of the Sports Council for Wales for the year ended 31 March 2010 by agreement as provided for under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006. These comprise the Consolidated Net Expenditure Account, the Statement of Financial Position, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

Respective responsibilities of the Council, Chief Executive and auditor

The Council and Chief Executive as Accounting Officer is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Government of Wales Act 2006 and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Council's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government of Wales Act 2006 and Welsh Ministers' directions made thereunder. I report to you whether, in my opinion, the information which comprises the Board, Management Commentary, End of year position and the Environmental, social and community issues given in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion the Sports Council for Wales has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Sports Council for Wales' compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Sports Council for Wales' corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report, comprising the History and statutory background, Registered office, Declarations of interest, Risk identification and management, Sick leave policy, Employee policy, Pension scheme, Personal data management, Supplier payment policy and performance achieved, Financial risk and capital management, Remuneration of auditors and the unaudited part of the Remuneration Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Sports Council for Wales' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government of Wales Act 2006 and directions made thereunder by Welsh Ministers, of the state of the Sports Council for Wales' affairs as at 31 March 2010 and of its net expenditure, changes in equity and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government of Wales Act 2006 and Welsh Ministers' directions made thereunder; and
- information given within the Annual Report, comprising the Board, Management Commentary, End of year position and the Environmental, social and community issues, is consistent with the financial statements.

Opinion on Regularity

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

Gillian Body

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

13 August 2010

**NET EXPENDITURE ACCOUNT FOR THE SPORTS COUNCIL FOR WALES AND THE
SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2010**

		<u>2009/2010</u>	<u>Re-stated 2008/2009</u>
	Notes	£000	£000
EXPENDITURE			
Grant Expenditure	6	19,814	18,388
Staff Costs	8	5,695	5,698
Other Expenditure	9	4,751	4,552
Depreciation: owned assets	11	541	650
Total Expenditure		<u>30,801</u>	<u>29,288</u>
 INCOME			
Income from Activities	4	3,189	3,041
Other Income	4	32	298
Total Income		<u>3,221</u>	<u>3,339</u>
Net Expenditure		(27,580)	(25,949)
Cost of Capital Charge		(389)	(518)
Pension Finance Cost		(750)	(370)
Surplus on Disposal of Property, Plant & Equipment	10	5	-
Interest Receivable		2	30
		<u>(1,132)</u>	<u>(858)</u>
Net Expenditure before Taxation		(28,712)	(26,807)
Taxation Payable	7	-	(6)
Net Expenditure after Taxation		<u>(28,712)</u>	<u>(26,813)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The net expenditure cost for the financial year attributable to the activities of the Sports Council for Wales was £28,712,000 (2008/2009 re-stated £26,813,000).

The 2008-2009 figures have been re-stated due to a change in accounting policy as shown in Note 1.9

The notes on pages 27 to 48 form part of these accounts

STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES

	Notes	<u>At 31 March 2010 £000</u>	<u>Re-stated At 31 March 2009 £000</u>	<u>Re-stated At 1 April 2008 £000</u>
Non-Current Assets				
Property, Plant and Equipment	11(a)	304	158	159
Total Non-Current Assets		<u>304</u>	<u>158</u>	<u>159</u>
Current Assets				
Trade and Other Receivables	12	5,472	5,535	5,685
Cash and Cash Equivalents		443	623	316
Total Current Assets		<u>5,915</u>	<u>6,158</u>	<u>6,001</u>
Total Assets		<u>6,219</u>	<u>6,316</u>	<u>6,160</u>
Current Liabilities				
Trade and Other Payables	13	(443)	(1,011)	(1,017)
Grant Accruals	14	(84)	(384)	(193)
Total Current Liabilities		<u>(527)</u>	<u>(1,395)</u>	<u>(1,210)</u>
Non-Current Assets Plus Net Current Assets		<u>5,692</u>	<u>4,921</u>	<u>4,950</u>
Non Current Liabilities				
Pension Liability	20	<u>(15,170)</u>	<u>(10,950)</u>	<u>(6,390)</u>
Total Non Current Liabilities		<u>(15,170)</u>	<u>(10,950)</u>	<u>(6,390)</u>
Assets Less Liabilities		<u>(9,478)</u>	<u>(6,029)</u>	<u>(1,440)</u>
Reserves				
General Fund		5,692	4,921	4,950
Pension Reserve		(15,170)	(10,950)	(6,390)
Revaluation Reserve		-	-	-
		<u>(9,478)</u>	<u>(6,029)</u>	<u>(1,440)</u>

The 2008 and 2009 figures have been re-stated due to a change in accounting policy as shown in Note 1.9

The notes on pages 27 to 48 form part of these accounts

ACCOUNTING OFFICER: DR. H G Jones
11 August 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST

	Notes	<u>At 31 March 2010 £000</u>	<u>Re-stated At 31 March 2009 £000</u>	<u>Re-stated At 1 April 2008 £000</u>
Non-Current Assets				
Property, Plant and Equipment	11(b)	18,683	19,591	17,576
Total Non-Current Assets		<u>18,683</u>	<u>19,591</u>	<u>17,576</u>
Current Assets				
Trade and Other Receivables	12	5,472	5,535	5,685
Cash and Cash Equivalents	16	447	627	320
Total Current Assets		5,919	6,162	6,005
Total Assets		<u>24,602</u>	<u>25,753</u>	<u>23,581</u>
Current Liabilities				
Trade and Other Payables	13	(443)	(1,011)	(1,017)
Grant Accruals	14	(84)	(384)	(193)
Total Current Liabilities		<u>(527)</u>	<u>(1,395)</u>	<u>(1,210)</u>
Non-Current Assets Plus Net Current Assets		<u>24,075</u>	<u>24,358</u>	<u>22,371</u>
Non Current Liabilities				
Pension Liability	20	<u>(15,170)</u>	<u>(10,950)</u>	<u>(6,390)</u>
Total Non Current Liabilities		<u>(15,170)</u>	<u>(10,950)</u>	<u>(6,390)</u>
Assets Less Liabilities		<u><u>8,905</u></u>	<u><u>13,408</u></u>	<u><u>15,981</u></u>
Reserves				
General Fund		14,748	13,137	12,333
Pension Reserve		(15,170)	(10,950)	(6,390)
Revaluation Reserve		9,327	11,221	10,038
		<u>8,905</u>	<u>13,408</u>	<u>15,981</u>

The 2008 and 2009 figures have been re-stated due to a change in accounting policy as shown in Note 1.9

The notes on pages 27 to 48 form part of these accounts

**ACCOUNTING OFFICER: DR. H G Jones
11 August 2010**

**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SPORTS COUNCIL FOR WALES
AND THE SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 MARCH 2010**

Cash flow from operating activities

		<u>2009/2010</u>	<u>Re-stated</u>
		£000	2008/2009
			£000
Net expenditure after cost of capital and interest	Note	(28,712)	(26,807)
Cost of capital adjustment		389	518
Depreciation of property, plant & equipment	11	541	650
Pension costs		400	(310)
Surplus on disposal of property, plant & equipment	10	(5)	-
Interest received	15	(2)	(30)
(Increase)/Decrease in trade and other receivables	12	63	150
(Decrease) in trade payables	13	(568)	(6)
Decrease in grant accruals	14	(300)	191
Net cash (outflow) from operating activities		<u>(28,194)</u>	<u>(25,644)</u>

Cash flows from investing activities

Purchase of property, plant and equipment	15	(1,114)	(1,051)
Interest received	15	2	30
Taxation paid	7	-	(6)
Net cash (outflow) from investing activities		<u>(1,112)</u>	<u>(1,027)</u>

Cash flows from financing activities

Net cash used in financing activities		(29,306)	(26,671)
Funding received from the Welsh Assembly Government	15	29,126	26,978
Net (decrease)/increase in cash and cash equivalents		<u>(180)</u>	<u>307</u>

Net (decrease)/increase in cash, cash equivalents and bank overdrafts

Cash and cash equivalents at the beginning of the year		627	320
Cash and cash equivalents at the end of the year	16	<u>447</u>	<u>627</u>
		<u>(180)</u>	<u>307</u>

The 2008-2009 figures have been re-stated due to a change in accounting policy as shown in Note 1.9

The notes on pages 27 to 48 form part of these accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2009

	<u>Government Grant Reserve</u>	<u>Revaluation Reserve</u>	<u>General Fund</u>	<u>Pension Reserve</u>	<u>Total</u>
	£000	£000	£000	£000	£000
Funds as at 1 April 2008 (after IFRS adjustment)	7,538	10,038	1,546	(6,390)	12,732
Changes in accounting policy (Note 1.9)	(7,538)		10,787		3,249
Restated balance at 1 April 2008	-	10,038	12,333	(6,390)	15,981
Net Operating Cost for the Year			(26,813)		(26,813)
Funding Received			25,921		25,921
Deferred Grant Received			1,057		1,057
Revaluation of Property, Plant & Equipment		1,614			1,614
Pension Costs			(310)	310	-
Transfer to General Fund		(431)	431		-
Reversal of Notional Cost of Capital			518		518
Actuarial loss				(4,870)	(4,870)
Funds as at 31 March 2009	-	11,221	13,137	(10,950)	13,408

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED 31 MARCH 2010

	<u>Government Grant Reserve</u>	<u>Revaluation Reserve</u>	<u>General Fund</u>	<u>Pension Reserve</u>	<u>Total</u>
	£000	£000	£000	£000	£000
Funds as at 1 April 2009 (after IFRS adjustment)	8,370	11,221	2,270	(10,950)	10,911
Changes in accounting policy (Note 1.9)	(8,370)		10,867		2,497
Restated balance at 1 April 2009	-	11,221	13,137	(10,950)	13,408
Net Operating Cost for the Year			(28,712)		(28,712)
Funding Received			29,126		29,126
Revaluation of Tangible Fixed Assets		(1,486)			(1,486)
Pension Costs			400	(400)	-
Transfer to General Fund		(408)	408		-
Reversal of notional cost of capital			389		389
Actuarial loss				(3,820)	(3,820)
Funds as at 31 March 2010	-	9,327	14,748	(15,170)	8,905

The funds in the Council's own non-consolidated accounts at 31 March 2010 were £(9,478,000), (31 March 2009 (£6,029,000)) with £18,383,000 (2008/09 £19,437,000) attributable to the Sports Council for Wales Trust.

The notes on pages 27 to 48 form part of these accounts

THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (IFRS based FReM) issued by HM Treasury. 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 the Sports Council for Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Sports Council for Wales are described below. These have been applied consistently in dealing with items that are consider material to the accounts

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

In previous years there has been a fundamental uncertainty in respect of the legal ownership of fixed assets held by the Sports Council for Wales Trust, which was resolved in 2008/09. After considering advice from both its own solicitors and the Charity Commission, the Council decided at its July 2009 meeting not to pursue ownership of the two national centres at that time.

1.2 Funding

The Council receives funding from the Welsh Assembly Government to finance the excess of its capital and revenue expenditure over its income. The funding is credited direct to the General Fund. The Council also receives funding from the Welsh Assembly Government to implement the Physical Education and School Sport Task Force Action Plan, which is also credited directly to the General Fund. Other operating income comprises income from fees, sponsorship and certain incidental trading activities.

The Sports Council for Wales Trust, a charitable body wholly owned by the Sports Council for Wales, receives grants from the Sports Council for Wales for capital expenditure on property, plant and equipment relating to land and buildings. The Trust also holds equipment and vehicles purchased prior to April 2006. Since April 2006 capital expenditure on equipment and vehicles is only included in the Council's accounts. The proceeds from the disposal of property, plant and equipment by the Trust are surrendered to the Sports Council for Wales.

1.3 Property Plant & Equipment

Freehold land is included in the statement of financial position at open market value and the buildings at depreciated replacement cost to reflect the specialist nature of the buildings. Professional valuations are obtained every year. Leasehold land under the operating lease is not included in the Council's statement of financial position.

Equipment and vehicles are included in the statement of financial position at historic cost less a provision for depreciation. In the opinion of the Council, there is no material difference between the historic and current cost net book values of these assets. The threshold for capitalisation of assets is £5,000 for the Council and £1,000 for the Trust.

1.4 Depreciation

Depreciation is provided on a straight line basis on all property, plant & equipment having regard to their estimated useful lives and anticipated residual values. The average asset lives used for this purpose are as follows:

Freehold property	35 years
Leasehold property	50 years
Equipment - computers	3 years
Other	3 - 10 years
Vehicles	5 years

The policy of the Council is to depreciate assets from the month following acquisition. As a result of building improvements undertaken during the prior year at Sophia Gardens the asset life of the building was extended from 35 years to 50 years.

1.5 Inventories

The Council does not hold any inventories of material value.

1.6 Pensions

Contributions to the Council's pension schemes are charged to the Net Expenditure Account so as to spread the cost of pensions over employees' working lives with the Council. In accordance with IAS 19, the charge to the Net Expenditure Account is calculated based upon service and pension finance costs calculated by the actuary. The Council share of the assets and liabilities of the pension fund are reflected as a net pension liability on the Statement of Financial Position.

1.7 Taxation

Non-recoverable Value Added Tax is charged to the Council's accounts in respect of taxable expenditure on non-trading activities. UK Corporation Tax is calculated at 21% (21% 2009) of the interest accruing on the Council's investment income, but not that of the Trust.

1.8 Grants payable

Financial assistance by way of grants may be given to further the objectives of the Council. Grants are offered on the basis of entering into a financial commitment based on the period of the project, which in many cases does not coincide with the Sports Council for Wales accounting period. All grant expenditure is accounted for on the basis of project start date and end date and expenditure is accrued accordingly.

1.9 Prior Period Adjustments

The Sports Council for Wales has amended its accounting policy in respect of grant payments. From 2009-2010 the Sports Council for Wales will account for all grant expenditure on the basis of project start date and end date and will accrue the expenditure accordingly. As a result of this change of accounting policy, and in accordance with IAS8, there is a prior period adjustment in the 2008-2009 and 2007-2008 accounts to adjust the opening reserves position of the Sports Council for Wales, and to restate the 2008-2009 comparative figures.

In 2006/07 the Financial Reporting Manual introduced a change to the way in which general capital grants should be accounted for. Under these changes payments from a controlling party are required to be regarded as funding and credited to the General Fund rather than as operating income for the year, or as a movement on the Government Grants Reserve. For these purposes the Welsh Assembly Government is regarded as a controlling party. This required change was not adopted until the current year and prior year transactions and balances have now been restated.

This change does not affect the overall level of taxpayers' equity as represented by reserves.

1.9 Prior Period Adjustments - continued

Reconciliations of the prior period adjustments are as follows:

2007-2008

	As at 31 March 2008 (as previously stated) £000	Impact on re-statement £000	As at 31 March 2008 (re-stated) £000
Net Expenditure for 2007-08 (after IFRS adjustment) <u>Prior Period Adjustment</u>	(25,617)		
Grant prepaid		3,351	
Grant accrued		(102)	
Release of deferred government grant		273	
	<hr/> (25,617)	<hr/> 3,522	<hr/> (22,095)
General fund (after IFRS adjustment) <u>Prior Period Adjustment</u>	1,546		
Grant prepaid		3,351	
Grant accrued		(102)	
Merger of government grant reserve and general fund		7,538	
	<hr/> 1,546	<hr/> 10,787	<hr/> 12,333
See statement of financial position and statement of changes in equity			

1.9 Prior Period Adjustments - continued

Reconciliation of the prior period adjustments continued

2008-09	As at 31 March 2009 (as previously stated) £000	Impact on re-statement £000	As at 31 March 2009 (re-stated) £000
Net Expenditure for 2008-09 (after IFRS adjustment) <u>Prior Period Adjustment</u>	(25,735)		
Release of deferred government grant		(225)	
Grant prepaid (2007-08 reversed)		(3,351)	
Grant accrued (2007-08 reversed)		102	
Grant prepaid		2,447	
Grant accrued		50	
Notional cost of capital – affect of prior year adjustment		(101)	
See Net Expenditure Account	(25,735)	(1,078)	(26,813)
General Fund (after IFRS adjustment) <u>Prior Period Adjustment</u>	2,270		
Grant prepaid		2,447	
Grant accrued		50	
Merger of government grant reserve and general fund		8,370	
See statement of financial position and statement of changes in equity	2,270	10,867	13,137

1.10 Consolidation

The accounts of the Sports Council for Wales Trust, a charitable body wholly owned by the Sports Council for Wales, have been consolidated within these accounts. The Lottery Distribution activities of the Sports Council for Wales are reported under the National Lottery Act 1993, as amended, in a separate account which is not required to be consolidated with these accounts.

1.11 Capital Charge

A notional charge reflecting the cost of capital employed is included in operating costs and calculated at 3.5% (2008/09 3.5%) of average capital employed in accordance with HM Treasury requirements.

1.12 Use of estimates and judgements

The preparation of the financial statements requires the Council to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:-

Note 21 – Measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

Note 12 – Land is valued at market value and buildings are carried at depreciated replacement cost. These valuations are carried out by external valuers in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. A number of key assumptions are made during this process.

1.13 Financial Instruments

1.13.1 Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.13.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.13.3 Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

1.13.4 Borrowings

There are no Interest bearing loans or overdrafts.

1.14 Impairment

The carrying value of The Sports Council for Wales assets, are reviewed at each reporting period date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and its value in use.

2. FIRST-TIME ADOPTION OF IFRS

2010 was the first year that The Sports Council for Wales presented its financial statements under IFRS. As IFRS requires comparative figures for the year ended 31 March 2009 and 1 April 2008, the date of the transition was the 1 April 2008.

The only changes to the cash flow statements are presentational. Reconciliations of the 2008 income statement and balance sheet from UK GAAP, as previously reported, to IFRS are shown below. The only adjustment under IFRS is with regard to employee benefits, which are recognised in the income statement when they are earned rather than when they are paid. This has a direct effect on the calculation of the notional cost of capital, which is also included in the reconciliation. The effects of the prior year adjustments (note 1.9) are also included to reconcile the closing balances.

	<u>£000</u>
Taxpayer's Equity at 31 March 2008 under UK GAAP	12,821
Adjustment for:	
Employee benefit – holiday pay accrual	(89)
Prior year adjustments (see note 1.9)	<u>3,249</u>
Taxpayer's Equity at 1 April 2008 under IFRS	<u><u>15,981</u></u>
	 £000
Taxpayer's Equity at 31 March 2009 under UK GAAP	11,013
Adjustment for:	
Employee benefit – holiday pay accrual	(102)
Prior year adjustments (see note 1.9)	<u>2,497</u>
Taxpayer's Equity at 31 March 2009 under IFRS	<u><u>13,408</u></u>
	 £000
Net Expenditure for 2008-09 under UK GAAP	25,722
Adjustment for:	
Employees benefit – holiday pay accrual brought forward	(89)
Employees benefit – holiday pay accrual carried forward	102
Prior year adjustments (see note 1.9)	<u>1,078</u>
Net Expenditure for 2008-09 under IFRS	<u><u>26,813</u></u>

3. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis on internal reports about components of the Council that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

The Sports Council for Wales reports segmental information based on the management information produced in accordance with the FREM.

	<u>Plas Menai National Watersport Centre</u>	<u>Welsh Institute of Sport</u>	<u>Sports Development</u>	<u>Total 2009/2010</u>	<u>Re-stated Total 2008/2009</u>
	£000	£000	£000	£000	£000
Expenditure:					
Grant expenditure	-	-	17,193	17,193	16,510
Staff costs	984	1,463	2,167	4,614	4,912
Other expenditure	889	1,034	1,129	3,052	4,032
	1,873	2,497	20,489	24,859	25,454
Income:					
Revenue	1,230	1,793	3,752	6,775	6,483
Net operating costs	643	704	16,737	18,084	18,971
Segment property plant & equipment	5,556	138	12,989	18,683	19,591

3. SEGMENT INFORMATION - CONTINUED

A reconciliation of the segment expenditure and income to the figures in the Net Expenditure Account are provided below.

	£000
Grant expenditure – segment information	17,193
Reversal of prior year adjustment (note 1.9)	2,497
LAPA Prepayments	(244)
Grant expenditure items shown as other expenditure	368
Grant expenditure (Note 6)	<u>19,814</u>
	£000
Staff costs – segment information	4,614
HQ Staff costs	1,301
Other items	(220)
Staff costs (Note 8)	<u>5,695</u>
	£000
Other Expenditure – segment information	3,052
Central support services	906
Other items	793
Other expenditure (Note 9)	<u>4,751</u>
	£000
Revenue – segment information	6,775
Consolidation adjustment	(322)
PESS Income posted straight to reserves	(3,298)
Other items	66
Revenue (Note 4)	<u>3,221</u>

4. REVENUE

	<u>2009/2010</u> £000	<u>2009/2010</u> £000	<u>Re-stated</u> <u>2008/2009</u> £000
Income from activities:			
Sports Development Grants:			
Let's Walk Cymru	337		157
Mentro Allan	100		72
Other	43		-
	<u>480</u>		<u>229</u>
National Sports Centres		<u>2,709</u>	<u>2,812</u>
		3,189	3,041
Other operating income:			
Recovery of grants		21	242
Other income		11	56
		<u>32</u>	<u>298</u>
Total Income		<u>3,221</u>	<u>3,339</u>

5. GRANTS RECEIVABLE FROM GOVERNMENT

(a)	<u>2009/2010</u> <u>£000</u>	<u>Re-stated</u> <u>2008/2009</u> <u>£000</u>
Transferred to general fund	<u>29,126</u>	<u>26,978</u>

(b) Under the Sportsmatch scheme the Sports Council matches grants made by private bodies to sporting projects in Wales. In 2009/10 the Assembly granted £450,000 (2008/09 £450,000) against which total Council expenditure was £283,000 (2008/09 £445,000).

6. GRANT EXPENDITURE

	<u>2009/2010</u> <u>£000</u>	<u>Re-stated</u> <u>2008/2009</u> <u>£000</u>
Let's Walk Cymru	229	259
Performance and Excellence	6,417	6,021
PE and School Sport	2,615	1,897
People and Programme Development	162	146
Regions	10,108	9,620
SportsMatch	283	445
	<u>19,814</u>	<u>18,388</u>
Public Sector	12,205	9,182
Private Sector	7,609	9,206
	<u>19,814</u>	<u>18,388</u>

7. TAXATION

	<u>2009/2010</u> <u>£000</u>	<u>2008/2009</u> <u>£000</u>
Taxation payable on interest received at 21% (2008-09 21%)	<u>-</u>	<u>6</u>

8. STAFF COSTS

(a)	2009/2010	2008/2009
Permanent:	£000	£000
Salaries and Wages	5,956	Restated 5,908
Social Security Costs	436	438
Pension Service Costs and Other Costs	751	854
	<u>7,143</u>	<u>7,200</u>
Agency and instructional staff	183	180
Less: Allocated to SPORTLOT	<u>(1,631)</u>	<u>(1,682)</u>
	<u>5,695</u>	<u>5,698</u>

The average number of permanent employees (excluding paid Council members) during the year on a whole time equivalent basis was made up as follows:

(b)	2009/2010	2008/2009
	No	No
Total	<u>170.1</u>	<u>170.3</u>

Due to the nature of their role we are unable to provide the Agency and instructional staff numbers on a full time equivalent basis.

9. OTHER EXPENDITURE

	2009/2010	2008/2009
	£000	£000
Auditor's Fees – Audit services	34	Restated 26
Other work	36	4
Travelling, subsistence and hospitality expenses of:		
Members	30	35
Headquarters staff	32	11
National Sports Centres	3	3
Sports Development	157	155
Central support services	906	738
Marketing and communications	740	672
Research	652	504
Interest payable to Welsh Assembly Government	2	24
Other Expenditure:		
National Sports Centres	1,658	1,611
Sports Development	484	755
Operating leases	21	12
Movement in provision for doubtful debts	(4)	2
	<u>4,751</u>	<u>4,552</u>

10. DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	<u>2009/2010</u> £000	<u>2008/2009</u> £000
Gross book value	207	186
Accumulated depreciation	(205)	(180)
Net book value	<u>2</u>	<u>6</u>
Proceed from sale	7	6
Surplus on sale of asset	<u>5</u>	<u>-</u>

11. PROPERTY, PLANT & EQUIPMENT

(a) Council:

	<u>Equipment</u> £000	<u>Vehicles</u> £000	<u>ICT</u> £000	<u>Total</u> £000
Cost or Valuation as 1 April 2009	127	50	75	252
Additions	99	-	111	210
Disposals	-	-	(7)	(7)
At 31 March 2010	<u>226</u>	<u>50</u>	<u>179</u>	<u>455</u>
Depreciation at 1 April 2009	(46)	(10)	(38)	(94)
Charge for the year	(23)	(13)	(28)	(64)
Disposals	-	-	7	7
At 31 March 2010	<u>(69)</u>	<u>(23)</u>	<u>(59)</u>	<u>(151)</u>
Net Book Value at 31 March 2010	<u>157</u>	<u>27</u>	<u>120</u>	<u>304</u>
Net Book Value at 1 April 2009	<u>81</u>	<u>40</u>	<u>37</u>	<u>158</u>

(b) Consolidated:

	<u>Plas Menai Freehold land and buildings</u>	<u>Welsh Institute of Sport buildings</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>ICT</u>	<u>Total</u>
	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2009	5,714	13,415	2,002	177	338	21,646
Adjustment to prior year	-	-	(15)	-	-	(15)
Additions	-	925	100	-	111	1,136
Disposals	-	-	(78)	(21)	(108)	(207)
Revaluation	(369)	(1,525)	-	-	-	(1,894)
At 31 March 2010	<u>5,345</u>	<u>12,815</u>	<u>2,009</u>	<u>156</u>	<u>341</u>	<u>20,666</u>
Depreciation at 1 April 2009	-	-	(1,653)	(134)	(268)	(2,055)
Charge for the year	(148)	(260)	(78)	(15)	(40)	(541)
Disposals	-	-	75	21	109	205
Revaluation	148	260	-	-	-	408
At 31 March 2010	<u>-</u>	<u>-</u>	<u>(1,656)</u>	<u>(128)</u>	<u>(199)</u>	<u>(1,983)</u>
Net Book Value at 31 March 2010	<u>5,345</u>	<u>12,815</u>	<u>353</u>	<u>28</u>	<u>142</u>	<u>18,683</u>
Net Book Value at 1 April 2009	<u>5,714</u>	<u>13,415</u>	<u>349</u>	<u>43</u>	<u>70</u>	<u>19,591</u>

Included in Plas Menai Freehold land and buildings is land valued at £175,000 (2008/09 £175,000)

The land and buildings held by the SCW Trust were valued as at 31 March 2010 at £18,160,000 by Messrs Cooke & Arkwright, Chartered Surveyors in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. This valuation excludes the land at Welsh Institute of Sport, which is leasehold.

12. TRADE AND OTHER RECEIVABLES (DUE WITHIN 1 YEAR)

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2010</u> <u>£000</u>	<u>Re-stated</u> <u>At 31</u> <u>March</u> <u>2009</u> <u>£000</u>	<u>Re-stated</u> <u>At 1</u> <u>April</u> <u>2008</u> <u>£000</u>
Trade receivables	297	144	131
SPORTLOT	206	254	352
VAT	103	73	182
Prepayments and accrued income	207	100	118
Grant prepayment	3,012	3,790	4,869
Grant repayable	1,635	1,149	16
Provision for bad and doubtful debts	(1)	(4)	(2)
Central government bodies	13	29	19
	<u>5,472</u>	<u>5,535</u>	<u>5,685</u>
	<u>At</u> <u>31 March</u> <u>2010</u> <u>£000</u>	<u>Re-stated</u> <u>At 31</u> <u>March</u> <u>2009</u> <u>£000</u>	<u>Re-stated</u> <u>At 1</u> <u>April</u> <u>2008</u> <u>£000</u>
Intra-government balances			
Balances with other central government bodies	378	378	627
Balance with local authorities	1,805	2,035	3,152
	<u>2,183</u>	<u>2,413</u>	<u>3,779</u>
Balance with bodies external to government	3,289	3,122	1,906
	<u>5,472</u>	<u>5,535</u>	<u>5,685</u>

13. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2010</u> <u>£000</u>	<u>Re-stated</u> <u>At 31</u> <u>March</u> <u>2009</u> <u>£000</u>	<u>Re-stated</u> <u>At 1</u> <u>April</u> <u>2008</u> <u>£000</u>
Trade payables	52	43	80
Other payables	5	5	6
Taxation payable	-	6	12
Other taxation and Social Security creditors	-	184	209
Pension scheme creditors	-	108	141
Accruals	253	349	353
Deferred income	131	313	185
Central government bodies	2	3	31
	<u>443</u>	<u>1,011</u>	<u>1,017</u>

	<u>At</u> <u>31 March</u> <u>2010</u> <u>£000</u>	<u>Re-stated</u> <u>At 31</u> <u>March</u> <u>2009</u> <u>£000</u>	<u>Re-stated</u> <u>At 1</u> <u>April</u> <u>2008</u> <u>£000</u>
Intra-government balances			
Balances with other central government bodies	2	193	250
Balance with local authorities	-	-	-
	<u>2</u>	<u>193</u>	<u>250</u>
Balance with bodies external to government	441	818	767
	<u>443</u>	<u>1,011</u>	<u>1,017</u>

14. GRANT ACCRUALS

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2010</u> <u>£000</u>	<u>Re-stated</u> <u>At 31</u> <u>March</u> <u>2009</u> <u>£000</u>	<u>Re-stated</u> <u>At 1</u> <u>April</u> <u>2008</u> <u>£000</u>
Accrued Grants	<u>84</u>	<u>384</u>	<u>193</u>

15. GROSS CASH FLOWS

	<u>2009/2010</u> <u>£000</u>	<u>2008/2009</u> <u>£000</u>
Cash Flows From Investing Activities		
Interest received	2	30
Capital Expenditure and Financial Investment		
Payments to acquire property, plant and equipment	(1,121)	(1,057)
Receipts from the sale of property, plant and equipment	7	6
	<u>(1,114)</u>	<u>(1,051)</u>
Cash Flows From Financing Activities		
Funding received from the Welsh Assembly Government (note 5)	29,126	26,978

16. CASH AND CASH EQUIVALENTS

	<u>2009/2010</u> <u>£000</u>	<u>2008/2009</u> <u>£000</u>
Balance at 1 April	627	320
Net change in cash and cash equivalent balances	(180)	307
Balance at 31 March	<u>447</u>	<u>627</u>
The following balances at 31 March were held at: Commercial banks and cash in hand	447	627
Balance at 31 March	<u>447</u>	<u>627</u>

17. CAPITAL COMMITMENTS AT NATIONAL SPORTS CENTRES

	<u>31 March</u> <u>2010</u> <u>£000</u>	<u>31 March</u> <u>2009</u> <u>£000</u>
Contracted but not paid	211	780

18. FINANCIAL INSTRUMENTS

The Sports Council for Wales relies mainly on Welsh Assembly Government voted funding, income from activities and Lottery Awards to finance its operations. Other than items such as trade receivables and trade payables that arise from its operations and cash resources, it holds no other financial instruments nor enters into derivative transactions.

Liquidity Risks

The Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2010/11, to meet all current contracted commitments. The Council considers that it is not exposed to significant liquidity risks.

Interest Rate Risks

Cash balances, which are drawn down from the Welsh Assembly Government to pay grant commitments and operating costs, are held in instant access variable rate bank accounts which on average carried an interest rate of 0.50% (2008/09 2.08%) in the year. The year-end cash balance held by the Council in the bank was £443,000.

Foreign Currency Risk

The Council is not exposed to any foreign exchange risks.

Cash Flow Risk

The Council is not exposed to any cash flow risks.

19. CONTINGENT LIABILITIES

At the year end there are three claims outstanding against the Council and the final settlement of a fourth case. The basis of the three claims are being contested, but in the event that the Court finds against the Council there may be a liability to pay damages and costs. The maximum potential liability relating to all four cases is not disclosed here as such disclosure could prejudice the Council's position and/or a reliable estimate cannot be made of their liability.

20. EMPLOYEE BENEFITS

The Council's employees belong to the Cardiff and Vale of Glamorgan Pension Fund which is part of the Local Government Pension Scheme. The fund provides defined benefits, based on the members' final pensionable salary.

The latest triennial valuation of the Fund was carried out as at 31 March 2010 and the actuary's report will be prepared in accordance with Guidance Note GN9 issued by the Institute and Faculty of Actuaries, current at the valuation date, to the extent that it applies to the Local Government Pension Scheme. This report has not yet been received.

The actuarial valuation at 31 March 2010 showed an increase in the deficit from £10,950,000 to £15,170,000. The Council's contribution to the fund for the year to 31 March 2010 amounted to £1,100,000 (2008/09 £1,533,000) at a rate of 21% (2008/09 20.1%) of pensionable remuneration. From 2010/11 the rate will be 21.9%. Included within the total contribution was £61,000 of advanced contributions in respect of the early retirement costs following the redundancies of members of staff.

The Council expects to contribute £1,140,000 to the fund in 2010/11. In addition to this "strain on fund" contributions may be required.

Main Financial Assumptions

	31 March 2010	31 March 2009
	(% p.a)	(% p.a)
Inflation	3.9	3.6
Rate of general long-term Increase in salaries	5.4	5.1
Rate of increase to pensions in payment	3.9	3.6
Rate of increase to deferred pensions	3.9	3.6
Discount rate	5.5	6.5
Expected return on assets	7.5	6.2
Mortality assumptions: Assumes future lifetime from age 65, retiring today		
- Male	21.2	21.1
- Female	25.2	25.0
Assumes future lifetime from age 65, retiring in 20 years		
- Male	23.5	23.4
- Female	27.4	27.3

The Council employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2010.

a) Analysis of movements in surplus (deficit) during the year

	31 March 2010 £M	31 March 2009 £M
Fair value of fund assets	17.39	12.48
Present value of liabilities	(32.56)	(23.43)
(Deficit) in scheme at end of year	(15.17)	(10.95)

(b) Analysis of amount charged to Operating Costs

	31 March 2010 £M	31 March 2009 £M
Current service cost	0.69	0.60
Past service cost	0.06	0.25
Interest on pension scheme liabilities	1.53	1.38
Expected return on pension scheme assets	(0.78)	(1.01)
Total operating charge	1.50	1.22

c) Changes to the present value of Liabilities during the year

	31 March 2010 £M	31 March 2009 £M
Opening present value of liabilities	23.43	19.92
Current service cost	0.69	0.60
Interest cost	1.53	1.38
Contributions by participants	0.33	0.33
Actuarial (gains)/losses on liabilities	7.24	1.48
Net benefits paid out	(0.72)	(0.53)
Past service cost	0.06	0.25
Closing present value of liabilities	32.56	23.43

d) Changes to the fair value of assets during the year

	31 March 2010 £M	31 March 2009 £M
Opening fair value of assets	12.48	13.53
Expected return on assets	0.78	1.01
Actuarial gains / (losses) on assets	3.42	(3.39)
Contributions by the employer	1.10	1.53
Contributions by participants	0.33	0.33
Net benefits paid out	(0.72)	(0.53)
Closing fair value of assets	17.39	12.48

e) Actual return on assets

	31 March 2010 £M	31 March 2009 £M
Expected return on assets	0.78	1.01
Actuarial gain / (loss) on assets	3.42	(3.39)
Actuarial return on assets	4.20	(2.38)

f) Analysis of amounts recognised in Changes in Reserves

	31 March 2010 £M	31 March 2009 £M
Total actuarial (losses)/gains	(3.82)	(4.87)
Total (loss)/gains in reserves	(3.82)	(4.87)

g) History of asset values, present value of liabilities and deficit

	31 March 2010 £M	31 March 2009 £M	31 March 2008 £M	31 March 2007 £M	31 March 2006 £M
Fair value of assets	17.39	12.48	13.53	12.90	11.24
Present value of liabilities	(32.56)	(23.43)	(19.92)	(20.39)	(15.56)
(Deficit)	(15.17)	(10.95)	(6.39)	(7.49)	(4.32)

h) History of Experience gains and losses

	31 March 2010 £M	31 March 2009 £M	31 March 2008 £M	31 March 2007 £M	31 March 2006 £M
Experience (loss)/gain on assets	3.42	(3.39)	(1.18)	0.21	1.51
Experience (losses) on liabilities	0.19	(0.06)	(0.75)	(0.09)	(0.00)

21. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to impact on these financial statements. The Accounting Officer authorised these financial statements for issue on 13 August 2010.

22. RELATED PARTY TRANSACTIONS

The Sports Council for Wales is a Public Body, sponsored by the Welsh Assembly Government. The Assembly is regarded as a related party. During the year, the Council received funding from the Assembly, the National Lottery, the Lottery distributing function of the Sports Council for Wales, is also considered to be a related party. During the year, the Council entered into transactions of a material nature with organisations in which the following board members and senior management employees have declared an interest:

<u>Name</u>	<u>Relationship</u>	<u>Grants Awards and Other Payments 2009/2010 £'000</u>	<u>Net Commitment £'000</u>
Prof. L McAllister <i>Chair</i>	Director of Welsh Football Trust funded by FAW Football in the Community	761	-
	Vice President Cardiff City ladies FC	1	-
A Hamilton <i>Head of People & Programme Development</i>	Member Welsh Netball Association	186	6
	Son is a member of the Welsh Hockey Union	300	-
A Williams <i>Manager Plas Menai Watersports Centre</i>	Member Welsh Yachting Association	161	-
	Member Welsh Canoeing Association	200	-
S Powell <i>Head of Performance and Excellence</i>	Member Welsh Hockey Union	300	-
M Frost <i>Head of Regions</i>	Member of Cricket Board of Wales	399	-
	Member of Glamorgan County Cricket Club	8	-
Dr. W M Leyshon <i>Council Member</i>	Member of clubs affiliated to Athletics Association of Wales	352	-
R Harris <i>Council Member</i>	Cllr Ceredigion County Council	348	-
A Baumgardt <i>Council Member</i>	Facilitated an SCEG meeting in the year	1	-
M Warren <i>Council Member</i>	Director of Finance at UWIC	26	-

Remuneration of Senior Managers and Council Members

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within the Remuneration Reports on pages 12 to 15.