

**THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST**  
**1 APRIL 2007 – 31 MARCH 2008**

**ANNUAL REPORT**

The Annual Report incorporates the Director's Report, Management Commentary and Remuneration Report.

**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, 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 and while the accounts have been audited, an audit opinion will not be provided until the accounts have been approved by the Board in September 2008.

**MANAGEMENT**

The Sports Council for Wales is managed by a Council of up to 14 members including a Chair and Vice Chair. The name of the Council Chief Executive and the names of the Council members who served throughout the year are listed below.

Mr Phil Carling **	(Chair)
Prof. L McAllister ***	(Vice Chair)
Councillor K Evans (retired 31.03.08) ***	
Mr H Meredydd*	
Mrs A Baumgardt	
Mr R Palmer*	
Mrs C Gittoes (retired 31.03.08)	
Mr R Harris	
Mr C Thomas (retired 31.03.08)	
Mr P H Thomas (retired 31.03.08) *	
Ms S Williams (retired 31.03.08)	
Mr D R Turner * (Co-opted)	
Dr H Jones	(Chief Executive)

\* Member of the Audit committee

\*\* Member of the Remuneration committee

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

## **DECLARATIONS OF INTEREST**

Other than as shown below, none of the members or senior staff of the Sports Council for Wales have declared any interests in organisations which provide, or may seek to provide, commercial services to the Council. Relevant interests of a non-commercial nature relating to members and senior staff are disclosed in Note 20 of these accounts.

Council member, Councillor Keith Evans, is the owner of Fedwen Tentage Ltd. Councillor Evans is also a director of Wales Ryder Cup 2010 Ltd, a representative role carried out on behalf of The Sports Council for Wales. Similarly, Mr Graham Davies, the Council's Director of Performance and Excellence, also acts as a director of Wales Ryder Cup 2010 Ltd.

## **PERFORMANCE AND DEVELOPMENT DURING THE YEAR and TRENDS AND FACTORS UNDERLYING PERFORMANCE AND DEVELOPMENT**

This Performance Review assesses the progress made against the strategic aims and targets outlined in the Operational Plan, which itself is a document that identifies targets to be met in order to deliver against "Climbing Higher", the Welsh Assembly Government's strategy for sport and physical activity.

Key priorities identified within Climbing Higher are to achieve a sustained increase in the proportion of people taking moderate physical activity over the next 20 years. In order to gain a health benefit adults need to undertake 5 x 30 minutes moderate intensity activity per week, whilst children and young people need to undertake 5 x 60 minutes per week. Progress against 'Climbing Higher' targets can be gauged through the Council's three biennial sports participation surveys which provide data to show progress made against the Welsh Assembly Government's Climbing Higher targets 1 to 3 and also 6 to 7. The latest data shows that:

- 34% of adults in Wales undertake 5 x 30 minutes of physical activity a week or more;
- 35% of secondary school age children undertake 60 minutes of physical activity on 5 days a week or more;
- 44% of primary school age children undertake 60 minutes of physical activity on 5 days a week or more;
- 81% of 7-11 year olds participate in sport with a club and 65% regularly (at least once a week);
- 80% of 11-16 year olds participate in sport with a club, 61% regularly (at least once a week);
- 12% of adults are sports club members.

Local Authority Partnership Agreements (LAPAs) will be the most important vehicle to achieve a significant and long term increase in activity patterns for adults, children and young people. These will be the mechanism through which SCW develops a consistent and long term relationship with each Local Authority. The agreements will aim to achieve the following:

- Ensure there is coordinated management of all SCW funded initiatives by the Local Authority;
- Develop 3 year "Sport and Physical Activity Delivery Plans" in each Local Authority;
- Develop a refined relationship between SCW and LA for the long term;
- Ensure there is coordinated management of all SCW funded initiatives by the Local Authority.

The following SCW initiatives will be covered by the LAPAs: Dragon Sport; PE and School Sport; 5x60; Free Swimming Initiative; Community Chest; Let's Walk Cymru; together with a range of adult mass participation interventions in the workplace; doorstep outdoors; community buildings; and local sport. It will also include bespoke initiatives of local / area importance (e.g. North West Wales Outdoor Partnership, Mentro Allan), together with any future one off programmes such as the Active Lifestyles Community Capital Programme.

## **MAIN OUTCOMES**

### **Active Young People**

Dragon Sport: Dragon Sport continues to maintain its good performance with 94% of eligible primary schools involved in the scheme. 140,000 children participated during the year.

5x60: Good progress is being made by 5x60 with 125 schools (over 50% of the schools in Wales) now involved in the programme. In the last term, 648 young people had the opportunity to develop their leadership skills. The 5x60 officers deploy the young people to help deliver the different 5x60 activities. The leaders have been rewarded and encouraged to continue their development by focusing on a level one award in a variety of sports.

8,326 5x60 sessions took place during the spring term. This is an increase of 2792 on the autumn term session total. The 86 new schools are now fully operational; this would be the reason for the increase, even though the spring term was very short. Since the start of the roll out in autumn 2006, 18,101 5x60 sessions have taken place.

PE and School Sport: There are now 167 Development Centres in place. An Estyn inspection report released on 8 April provides very positive comments on the achievement of the PESS programme, including:

- 40% of lessons observed in PESS primaries schools were grade 1 (good with outstanding features) compared with 5% in all Estyn primary inspections in the previous 2 years;
- Pupils' key skills are also improving;
- Many head teachers reported PESS had contributed to improvements in attitudes and behaviour, often as a result of leadership opportunities;
- Transition work has been very successful with good examples of feeder primary schools agreeing common learning experiences for pupils which can then be progressed at secondary level.

### **Active Communities**

Local Authority Partnership Agreements (LAPA): A good rate of progress is being made with Phase 1 local authorities in particular with Bridgend, Caerphilly and Swansea. Conwy, Flintshire and Wrexham have all conducted consultation meetings with colleagues from across their respective Councils. Staff have been actively involved in supporting the development of outline Sport and Physical Activity Delivery Plans.

In the South East early talks with Phase 2 local authorities (LAs) has been made. These LAs are already reviewing their structures in light of the LAPA and starting to engage with key individuals across the authority and beyond. Merthyr Tydfil for example has already set up a strategic board for LAPA which involves 4 out of the 6 Corporate Directors.

Active outdoors: Mentro Allan, working with a variety of target groups to increase physical activity in the local natural environment close to where people live is making good progress. Quarterly reviews of progress are made and reports are available on the website. Individual project reviews also took place, helping to inform the learning that is coming from the evaluation and action research process.

The North West Wales Outdoor Recreation Partnership (NWWORP) has proved very successful and has mainly exceeded its targets. NWWORP have been asked to produce detailed costs and plan to reflect the leadership and training programme for 2008. The priority is to ensure the long term sustainability of the partnership through the development of leaders and instructors. NWWORP recently conducted a consultation exercise with a wide range of stake holders and will use this information to shape the direction of their updated strategy for 2009-2012.

## **Developing People**

Continuing Professional Development: A second Management Development conference was held 12/13 November to address and develop 'people skills' within the organisation and contribute to the improved corporate working agenda.

SPORTLOT Community Chest: 1,389 awards made through the Community Chest during the 2007/08 year totalling £1,227,000. 46 were specifically for workplace projects (£42,039).

## **Developing Places**

Sport and Physical Activity Facilities: On a local authority basis, leisure facilities are being reviewed to make recommendations about their improvement, rationalisation, downsizing or upgrading. 10 local authority reviews have been completed and it is envisaged that any further reviews will be led by the Local Authorities through the LAPAs. SCW will be able to support these reviews by running the facility planning model for any proposed provision changes. The review process and reports have been well received. Several Local Authorities following the reviews have gone on to undertake a further review of their schools sport facilities and community use.

The Welsh Institute of Sport: Following an assessment in April registration as Highly Commended to QUEST, the UK quality scheme for sport and leisure was retained. The overall score increased 4% to 79% from 2005 placing the Institute in the top 4%, and number 1 position in Wales, of over 700 registered centres.

Following the Gold Welsh Food Hygiene Award (only 3 currently awarded in Cardiff) the Institute has been awarded a Silver All Wales Healthy Options Award based on the cafeteria menu.

Plas Menai: Coaching - A wide range of technical and coach education courses have been run including coach education NGB courses. The centre has also run a local community watersports programme from Pwllheli for communities first and Pwllheli Sailing Club.

Finance - A new financial programme is being developed to monitor instructional income against direct costs. This programme will be refined over the next months and will provide useful management information in determining profitability of the centre's courses.

Capital Projects - The first phase of the improved disabled access in the centre has been completed providing accessible bedrooms, toilets, and changing rooms. The next phase includes improved accessibility to the reception area and further changing facilities.

Accreditations - Plas Menai has been inspected by the Adventure Activity Licensing Authority and has had its licence renewed. AALA were very complimentary about the centre. In addition, the first stage of Quest accreditation has taken place. The centre will be inspected by RYA, BCU and Wales Tourist Board later in the year.

## **Developing Performance and Excellence**

Sports science support was provided to 87 individual athletes on the UK World Class Performance Pathway or Elite Cymru and 46 Talent Support athletes.

14 partnerships have been created with HE/FE institutions in order to enhance service delivery. These partnerships include postgraduate students providing group based support and staff providing individual support. In addition, 8 performance analysis student placements have been created in partnership with UWIC. These placements involve postgraduate students providing education and support to governing bodies to increase their use of video and computer software to analyse performance.

Alongside the above student placements a CPD programme has been provided on an individual basis to coaches from 7 sports to up skill them to be able to carry out performance analysis.

15 sport specific coach education workshops have been run to increase the knowledge and use of sports science by coaches across a range of sports.

Elite performance: On the 1 April 2006 UK Sport became fully responsible for the elite sport performance system in the UK. Therefore in Wales, athletes in Olympic and Paralympic sports will not be funded by Elite Cymru but funded and supported through UK Sport and UK governing bodies. 85 Welsh athletes are on the World Class plan.

### Governance:

86% of funding is being spent on the 20 priority sports. Twenty three NGBs have now completed the on line self assurance process and been signed off. Six more are expected to submit over the next month, with the remainder of NGBs being trained on the system for 2008.

All NGBs are expected to move onto long term funding unless deemed inappropriate. Twenty four NGBs now have the security of long term funding based on indicative support with another ten identified to come on stream in 2008.

The majority of the results against the main programme targets have been achieved and longer established areas of work have tended to exceed the targets that were set for 2007/08.

## **END OF YEAR POSITION**

The accounts record a net operating cost for the year ending 31 March 2008 of £26,636,000 (2006/07 net operating cost £24,196,000). An additional capital element of funding amounting to £963,000 was transferred to the government grant reserve (2006/07 £265,000). The net movement on the general fund for the year, after the funding received from the Welsh Assembly Government, was an underspend of £248,000 (2006/07 overspend £16,000).

The accounts for the Sports Council for Wales Trust set out the existence of a fundamental uncertainty that arose during 2004-05 in respect of the legal ownership of the fixed assets held by the Trust. Discussions continue between the Sports Council for Wales, the Trust and the Charity Commission for England and Wales as to whether the assets should be disclosed within the balance sheet of the Trust (as at present) or in the balance sheet of the Council itself. However, irrespective of the outcome of these discussions there is no impact on the consolidated balance sheet position as at 31<sup>st</sup> March 2008 as reported in these financial statements.

## **CREDITOR PAYMENT POLICY**

The Sports Council for Wales complies with the Better Payment Code and has a policy of paying creditor accounts within 30 days of receipt of agreed invoices following the supply of goods or services. All variation to this procedure must be agreed in writing. Analysis of payments made during the year reveals that 98% by number (2006/2007 97%) of settlements were within the agreed terms. No interest was incurred by the Council during the year as a result of late payments.

## **PENSION SCHEME**

Employees of the Sports Council 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. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. The contributions of employees are set at 6% (or 5% for manual staff, who joined the scheme before October 1998).

## **TRENDS AND FACTORS AFFECTING FUTURE PERFORMANCE AND DEVELOPMENT**

The future direction of the Council is clearly linked with the Welsh Assembly Government's strategy for sport and physical activity 'Climbing Higher', and the drive for efficiency savings so as to deliver the targets set out in the "Making the Connections Strategy".

In particular the Council will continue to expand investment of funds into "Active Young People" and "Active Communities" programmes and use its capital funds to invest in the building fabric of the Welsh Institute of Sport, Sophia Gardens, Cardiff. The Council will continue in its advocacy role and will welcome being part of any new initiatives that increases participation and / or standards in sport and physical recreation.

With regard to the Welsh Assembly Government's "Making the Connections" strategy, the Council will continue its work in sourcing efficiency savings via partnership with other public and voluntary sector bodies, greater use of e-Procurement and investment in affordable technology.

## REMUNERATION REPORT

In accordance with Chapter 7 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.

Name	Title	Salary 2007-08	Salary 2006-07	Real increase in Pension at age 65	Total accrued Pension at age 65 at 31 March 2008	CETV at 31 March 2008	CETV at 31 March 2007	Real Increase CETV in Year
		£000	£000	£000	£000	£000	£000	£000
P Carling	Chair	50 - 55	45 - 50	-	-	-	-	-
Dr H Jones	Chief Executive	70 - 75	70 - 75	0 - 2.5	17.5 – 20	303	273	15
G Davies	Director of Operations	65 - 70	60 - 65	0 - 2.5	15 – 17.5	497	462	14
S Butlin left 31.08.07	Director of Participation & Physical Activity	50 - 55	60 - 65	-	-	-	359	-
C James	Director of Corporate Services	60 - 65	55 - 60	0 - 2.5	2.5 – 5	57	37	14
H Tolley left 31.08.07	Acting Director of Participation & Physical Activity (1 <sup>st</sup> -30 <sup>th</sup> April 2007)	35 - 40	55 - 60	-	-	-	401	-

The salary of the Chairman comprised a gross salary of £50,736 (2006/07 £49,488) with no taxable benefits paid in the year. The salary earnings of the Chief Executive comprised a gross salary of £67,512 (2006/2007 £65,868) and a non-consolidated bonus for the year of £4,750 (2006/07 £4,634), with no taxable benefits accruing in this financial year. A proportion of the Senior Management salary costs are allocated to lottery. During the year senior management posts were reorganised resulting in the merger of Director of Participation and Physical Activity post with the Director of Operations. As a consequence redundancy payments of £33,372 were made to the Director of Participation and Physical Activity and £27,372 to the Acting Director, these payments are excluded from the salary bandings shown. Assembly approval was given.

The Chairman is contracted to work three days per week and has a three year contract. The other members of the Council receive a flat fee of £271 per month except for the Vice Chair who is remunerated at a daily rate of £298 and works one day per week. The Chairman is not a member of the pension scheme.

Figures stated in the Remuneration Report are subject to audit.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The pension figures shown relate to the benefits that an individual has accrued as a result of their total membership of the scheme, not just their service in a senior capacity to which disclosure applies. They also include any additional pension benefit accrued to the member as a result of purchasing additional pension benefits at their own cost.

## **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 senior managers of the Council are employed on terms and conditions analogous to the Welsh Assembly Government. With the exception of the Chief Executive, senior managers receive no additional performance or bonus payments.

The Chief Executive is paid a performance bonus in accordance with guidelines issued by the Welsh Assembly Government. The performance bonus is determined by 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. In addition to agreeing the Chief Executive's performance bonus, the Remuneration Committee also meets to agree the annual pay award for all staff via the Welsh Assembly Government's pay remit process.

**ACCOUNTING OFFICER: Dr H G Jones**  
**16 July 2008**

### **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.

### **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 income and expenditure and cash flows for the financial year.

In preparing the accounts, the Council is required to:

- 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 and for the keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Treasury.



## Statement on Internal Control

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 Public Money.

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 2008 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.

The Council continued during the year to review, and where necessary, implement actions that will further enhance the internal controls currently operating. This review process resulted in the design and implementation of an electronic risk register followed by a half day training session for key managers in risk awareness and how to use the risk register.

The Council's Risk Register was frequently updated during the year and was reviewed periodically by the senior management team, departmental managers, internal audit and the audit committee.

As a result of the risk management process, and also in response to concerns about the security of personal data, a new corporate risk relating to personal data has been added to the risk register and assigned to a number of managers. Each manager, to whom the risk has been assigned, have since updated the controls that their respective departments have in place to ensure personal data is properly used and protected.

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 and the appropriateness of risks;
- 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 2007-08 was provided by KTS Owens Thomas, 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.

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 executive managers with the Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council and the Audit Committee, and a plan to address weaknesses and ensure continuous improvements of the system is in place.

**ACCOUNTING OFFICER: Dr H G Jones  
16 July 2008**

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

### **The certificate of the Auditor General for Wales to the Sports Council of Wales**

I certify that I have audited the financial statements of the Sports Council for Wales for the year ended 31 March 2008 by agreement as provided for under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006. These comprise the Consolidated Operating Cost Statement, Consolidated Statement of Recognised Gains and Losses, the Balance Sheet and Consolidated Balance Sheet, the Consolidated Cash Flow Statement 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 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 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.

### **Fundamental uncertainty**

In forming my opinion, I have considered the adequacy of the disclosures made in the financial statements concerning the uncertainty in respect of the legal ownership of fixed assets held by the Sports Council for Wales Trust. Discussions between the Trustees, the Charities Commission and the officers of the Sports Council for Wales are continuing. In the event that the Charities Commission concludes that the Trust has no beneficial ownership of these fixed assets, the impact would be to increase the reported net book value of fixed assets held by the Council from £159,000 to £17,576,000 and decrease the net liabilities of the Council from £ (5,727,000) to net assets of £11,690,000. There would be no impact on the position shown in the consolidated balance sheet as at 31 March 2008. Details of the circumstances relating to this fundamental uncertainty are described in note 1.1. My opinion is not qualified in this respect.

### **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 2008 and of its net operating cost, recognised gains and losses 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 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.

Jeremy Colman  
Auditor General for Wales  
**Wales Audit Office**  
**2-4 Park Grove**  
**Cardiff CF10 3PA**

Date: 24 July 2008

**CONSOLIDATED OPERATING COST STATEMENT OF THE SPORTS  
COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST  
FOR THE YEAR ENDED 31 MARCH 2008**

		2007/2008	2006/2007
	Notes	£000	£000
<b>EXPENDITURE</b>			
Sports Development	6	16,869	16,767
PE and School Sport		2,410	1,900
Sportsmatch	2	491	343
National Sports Centres	4a	4,178	4,304
Mentro Allan		94	93
Let's Walk Cymru		431	8
Depreciation: owned assets	7	720	712
HQ staff costs	9	2,972	2,067
Other administrative expenses	10	1,939	1,369
Notional Cost of Capital Charge		<u>381</u>	<u>402</u>
		30,485	27,965
 <b>INCOME</b>			
Release of deferred Government Grant	3	273	311
Other operating income		92	51
Let's Walk Cymru		314	8
Mentro Allan		94	93
Income from activities: National Sports Centres	4b	<u>3,160</u>	<u>3,132</u>
		3,933	3,595
Net Operating Costs		(26,552)	(24,370)
Pension Finance Costs		(150)	130
Surplus on disposal of Fixed Assets	5	18	15
Interest receivable		<u>60</u>	<u>36</u>
		(72)	181
Net operating cost before taxation		(26,624)	(24,189)
Taxation payable	11	<u>(12)</u>	<u>(7)</u>
<b>Net operating cost for the financial year</b>		<u>(26,636)</u>	<u>(24,196)</u>

The net operating cost for the financial year attributable to the activities of the Sports Council for Wales was £26,636,000 (2006-2007 £24,196,000). All activities are continuing.

The notes on pages 17 to 28 form part of these accounts

**BALANCE SHEET OF THE SPORTS COUNCIL FOR WALES AND CONSOLIDATED**  
**BALANCE SHEET OF THE SPORTS COUNCIL FOR WALES AND THE SPORTS**  
**COUNCIL FOR WALES TRUST AS AT 31 MARCH 2008**

		Council		Consolidated	
	Notes	2008	2007	2008	2007
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible fixed assets	7	159	141	17,576	17,259
<b>CURRENT ASSETS</b>					
Debtors	12	1,116	1,517	1,116	1,517
Cash at bank and in hand	15	316	429	320	433
Total Current Assets		1,432	1,946	1,436	1,950
<b>CREDITORS</b>					
Amounts falling due within one year	13	(928)	(1,689)	(928)	(1,689)
NET CURRENT ASSETS		504	257	508	261
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		663	398	18,084	17,520
Defined Benefit Pension Liability	18	(6,390)	(7,450)	(6,390)	(7,450)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>(5,727)</b>	<b>(7,052)</b>	<b>11,694</b>	<b>10,070</b>
<b>FINANCED BY:</b>					
<b>Capital and Reserves</b>					
General Fund	3	504	257	508	260
Pension Reserve	3	(6,390)	(7,450)	(6,390)	(7,450)
Government Grant Reserve	3	159	141	7,538	6,848
Revaluation Reserve	3	Nil	Nil	10,038	10,412
		<b>(5,727)</b>	<b>(7,052)</b>	<b>11,694</b>	<b>10,070</b>

The notes on pages 17 to 28 form part of these accounts.

**ACCOUNTING OFFICER: DR. H G Jones**  
**16 July 2008**

**CONSOLIDATED CASHFLOW STATEMENT OF THE SPORTS COUNCIL FOR WALES  
AND THE SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 MARCH 2008**

**Reconciliation of Operating deficit to net cash outflow from operating activities**

	Notes	2007/2008 £000	2006/2007 £000
Net Operating Cost		(26,552)	(24,370)
Decrease in debtors	12	401	9
(Decrease)/increase in creditors	13	(761)	225
Depreciation of tangible fixed assets	7	720	712
Deferred grant transfer	3	(273)	(311)
Notional Cost of Capital		381	402
FRS 17 Pension transfer		149	-
Net cash (outflow) from operating activities		<u>(25,935)</u>	<u>(23,333)</u>

**CASHFLOW STATEMENT**

	Notes	2007/2008 £000	2006/2007 £000
Net cash outflow from operating activities		(25,935)	(23,333)
Returns on investments and servicing of finance	14	60	36
Tax paid	11	(12)	(7)
Capital Expenditure and Financial Investment	14	<u>(913)</u>	<u>(236)</u>
Financing	14	<u>(26,800)</u>	<u>(23,540)</u>
(Decrease)/increase in cash	15	<u>(113)</u>	<u>218</u>

**Reconciliation of net cash flow to movement in net funds**

	Note	2007/2008 £000	2006/2007 £000
(Decrease)/increase in cash in the period		(113)	218
Net Funds as at 1 April		<u>433</u>	<u>215</u>
Net Funds as at 31 March	15	<u><u>320</u></u>	<u><u>433</u></u>

The notes on pages 17 to 28 form part of these accounts.

**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES OF THE SPORTS  
COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31  
MARCH 2008**

	2007/2008 £000	2006/2007 £000
Other recognised gains and losses for the year:		
Movement in revaluation reserve	(374)	338
Movement in government grant reserve	690	(46)
Actuarial Gain/(Loss) on Defined Pension Scheme	<u>1,360</u>	<u>(3,260)</u>
Total recognised gains and losses relating to the year	<u>1,676</u>	<u>(2,968)</u>

The notes on pages 17 to 28 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 2008**

**1. STATEMENT OF ACCOUNTING POLICIES**

**1.1 Basis of accounting**

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, in accordance with the directions given by Welsh Ministers. Without limiting the information given, the accounts meet the requirements of the Companies Act 1985 and the Accounting Standards issued or adopted by the Accounting Standards Board so far as these requirements are appropriate.

The accounts for the Sports Council for Wales Trust set out the existence of a fundamental uncertainty that arose during 2004-05 in respect of the legal ownership of the fixed assets held by the Trust. Discussions continue between the Sports Council for Wales, the Trust and the Charity Commission for England and Wales as to whether the assets should be disclosed within the balance sheet of the Trust (as at present) or in the balance sheet of the Council itself. However, irrespective of the outcome of these discussions there is no impact on the consolidated balance sheet position as at 31<sup>st</sup> March 2008 as reported in these financial statements.

**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 revenue funding is credited direct to the General Fund, while the capital funding is taken into the government grant reserve. Capital grants are subsequently released to the Operating Cost Statement over the expected useful life of the relevant assets by equal annual amounts. The Council also receives funding from the Welsh Assembly Government to implement the Physical Education and School Sport Task Force Action Plan. 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 tangible fixed assets relating to freehold land and buildings. The Trust also holds equipment and vehicles purchased. The proceeds from the disposal of tangible fixed assets by the Trust are surrendered to the Sports Council for Wales.

**1.3 Tangible fixed assets**

Freehold land is included in the balance sheet 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 balance sheet

Equipment and vehicles are included in the balance sheet 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.

#### 1.4 Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets 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
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.

#### 1.5 Stocks

The Council does not hold any stocks of material value.

#### 1.6 Pension costs

Contributions to the Council's pension schemes are charged to the Operating Cost Statement so as to spread the cost of pensions over employees' working lives with the Council. In accordance with FRS 17, the charge to the Operating Cost Statement 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 balance sheet. The asset figures for the pension fund quoted in the disclosure as at 31 March 2007 were mid value assets. The new FRS17 standard which the Council elected to adopt early for the 31 March 2008 disclosure uses the bid values of assets. The impact of adopting the amendment to FRS17 is not significant and accordingly prior year disclosures have not been restated.

#### 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 20% of the interest accruing on the Council's investment income, but not that of the Trust.

#### 1.8 Grants

Financial assistance by ways of grants may be given to further the objectives of the Council. Grants are charged to the Income and Expenditure Account on the basis of actual payments made with the exception of P.E. and School Sport, which is charged on an accruals basis.

#### 1.9 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.

#### 1.10 Interest on Capital

A notional charge reflecting the cost of capital employed is included in operating costs and calculated at 3.5% (2006/07 3.5%) of average capital employed in accordance with HM Treasury requirements.

## 2. FUNDING

	Notes	2007/2008 £000	2006/2007 £000
Revenue		23,527	21,408
PE and School Sport		2,710	1,900
Sportsmatch		<u>450</u>	<u>450</u>
		26,687	23,758
Transfer to government grant reserve	3	(963)	(265)
Transferred to General Fund	3	<u>25,724</u>	<u>23,493</u>

Under the Sportsmatch scheme the Sports Council matches grants made by private bodies to sporting projects in Wales. In 2007/08 the Assembly granted £450,000 (2006/07 £450,000) against which total Council expenditure was £491,000 (2006/07 £343,000).

## 3. MOVEMENT IN FUNDS

	Government Grant Reserve £000	Revaluation Reserve £000	General Fund £000	Pension Reserve £000	Total £000
Funds as at 1 April 2007	6,848	10,412	260	(7,450)	10,070
Net Operating Cost for the Year	-	-	(26,636)	-	(26,636)
Funding Received	-	-	25,724	-	25,724
Deferred Grant Received	963	-	-	-	963
Release of Deferred Grant	(273)	-	-	-	(273)
Revaluation of Tangible Fixed Assets	-	105	-	-	105
Pension Costs	-	-	300	(300)	-
Transfer to General Fund	-	(479)	479	-	-
Reversal of notional cost of capital	-	-	381	-	381
Actuarial gain to SRGL	-	-	-	1,360	1,360
Funds as at 31 March 2008	7,538	10,038	508	(6,390)	11,694

The funds in the Council's own non-consolidated accounts at 31 March 2008 was £(5,727,000), (2006/07, £(7,052,000)) with £17,421,000 (2006/07 £17,122,000) attributable to the Sports Council for Wales Trust.

#### 4. NATIONAL SPORTS CENTRES

	Welsh Institute of Sport £000	Plas Menai National Watersports Centre £000	Total 2007/2008 £000	Total 2006/2007 £000
4a Expenditure	2,170	2,008	4,178	4,304
4b Income:	<u>(1,635)</u>	<u>(1,525)</u>	<u>(3,160)</u>	<u>(3,132)</u>
Net operating costs	<u>535</u>	<u>483</u>	<u>1,018</u>	<u>1,172</u>

#### 5. DISPOSAL OF TANGIBLE FIXED ASSETS

	Note	2007/2008 £000	2006/2007 £000
Gross book value	7	(272)	(235)
Accumulated depreciation	7	241	221
Net book value	7	<u>(31)</u>	<u>(14)</u>
Proceeds from sale		49	29
Surplus on disposal		<u>18</u>	<u>15</u>

#### 6. SPORTS DEVELOPMENT

	2007/2008 £000	2006/2007 £000
Direct grants to governing bodies	5,168	4,996
Grants to other bodies:		
Coaching Expenditure	1,359	1,333
Sports development and advisory services	<u>10,342</u>	<u>10,438</u>
	<u>16,869</u>	<u>16,767</u>

## 7. TANGIBLE FIXED ASSETS

### Council:

	Equipment £000	Vehicles £000	Total £000
Cost or Valuation as 1 April 2007	148	9	157
Additions	7	41	48
At 31 March 2008	<u>155</u>	<u>50</u>	<u>205</u>
Depreciation at 1 April 2007	(14)	(2)	(16)
Charge for the year	(28)	(2)	(30)
At 31 March 2008	<u>(42)</u>	<u>(4)</u>	<u>(46)</u>
<b>Net Book Value at 31 March 2008</b>	<b><u>113</u></b>	<b><u>46</u></b>	<b><u>159</u></b>
Net Book Value at 1 April 2007	<u>134</u>	<u>7</u>	<u>141</u>

### Consolidated:

	Plas Menai Freehold land and buildings £000	Welsh Institute of Sport buildings £000	Equipment £000	Vehicles £000	Total £000
Cost or Valuation at 1 April 2007	4,917	11,489	2,709	160	19,275
Additions	20	884	18	41	963
Disposals	-	-	(248)	(24)	(272)
Revaluation	704	(1,078)	-	-	(374)
At 31 March 2008	<u>5,641</u>	<u>11,295</u>	<u>2,479</u>	<u>177</u>	<u>19,592</u>
Depreciation at 1 April 2007	-	-	(1,899)	(117)	(2,016)
Charge for the year	(156)	(323)	(221)	(20)	(720)
Disposals	-	-	221	20	241
Revaluation	156	323	-	-	479
At 31 March 2008	<u>-</u>	<u>-</u>	<u>(1,899)</u>	<u>(117)</u>	<u>(2,016)</u>
<b>Net Book Value at 31 March 2008</b>	<b><u>5,641</u></b>	<b><u>11,295</u></b>	<b><u>580</u></b>	<b><u>60</u></b>	<b><u>17,576</u></b>
Net Book Value at 1 April 2007	<u>4,917</u>	<u>11,489</u>	<u>810</u>	<u>43</u>	<u>17,259</u>

The land and buildings held by the SCW Trust were valued as at 31 March 2008 at £16,936,000 by Messrs Cooke & Arkwright, Chartered Surveyors in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. Leasehold land under the operating lease is not included in the Council's balance sheet this has resulted in a reduction in the value of assets of £1,700,000.

## 8. CAPITAL COMMITMENTS AT NATIONAL SPORTS CENTRES

	31 March 2008 £000	31 March 2007 £000
Contracted but not paid	<u>364</u>	<u>71</u>

## 9. STAFF COSTS

(a)	2007/2008 £000	2006/2007 £000
Salaries and Wages	5,474	4,850
Social Security Costs	410	374
Temporary Staff Costs	165	132
Pension Service Costs and Other Costs	1,395	783
	<u>7,444</u>	<u>6,139</u>
Less: Allocated to: National Sports Centres, Sportsmatch and Sports Development Mentro Allan P E and School Sport Let's Walk Cymru	(2,531) (46) (113) (41)	(2,365) (45) (79) (2)
Less: Allocated to SPORTLOT	<u>(1,741)</u>	<u>(1,581)</u>
	<u>2,972</u>	<u>2,067</u>

(b) These costs include permanent and temporary staff. The average number of permanent employees (excluding paid Council members) during the year on a whole time equivalent basis was made up as follows:

	<u>2007/2008</u>	<u>2006/2007</u>
	No	No
Headquarters	111	104
National Sports Centres	71	75
Total	<u>182</u>	<u>179</u>

## 10. OTHER ADMINISTRATIVE EXPENSES

	2007/2008 £000	2006/2007 £000
Auditor's Fees – Audit Services	22	21
Other Work	4	4
Travelling, subsistence and hospitality expenses of:		
Members	36	36
Headquarters Staff	16	10
Central support services	921	762
Publications and publicity	940	538
Movement in provision for doubtful debts	-	(2)
	<u>1,939</u>	<u>1,369</u>

## 11. TAXATION

	2007/2008 £000	2006/2007 £000
Taxation payable on interest received at 20% (2006-07 19%)	<u>12</u>	<u>7</u>

## 12. DEBTORS (DUE WITHIN 1 YEAR)

<b>Council and Consolidated:</b>	31 March 2008 £000	31 March 2007 £000
Trade debtors	131	104
SPORTLOT	352	253
Other debtors	182	82
Prepayments and accrued income	434	1,032
Provision for bad and doubtful debts	(2)	(2)
Central government bodies	19	48
	<u>1,116</u>	<u>1,517</u>

### 13. CREDITORS (DUE WITHIN 1 YEAR)

<b>Council and Consolidated:</b>	31 March 2008 £000	31 March 2007 £000
Trade creditors	80	107
Other creditors	6	6
Taxation payable	12	7
Other taxation and Social Security creditors	209	151
Pension scheme creditors	141	95
Accruals	264	266
Deferred income	185	270
Central government bodies	31	787
	928	1,689

### 14. GROSS CASH FLOWS

	2007/2008 £000	2007/2008 £000	2006/2007 £000
<b>Returns on Investment and Servicing of Finance</b>			
Interest received		60	36
<b>Capital Expenditure and Financial Investment</b>			
Payments to acquire tangible fixed assets	(962)		(265)
Receipts from the sale of tangible fixed assets	49		29
		(913)	(236)
<b>Financing</b>			
Funding received from the Welsh Assembly Government	(note 2)	26,687	23,758

### 15. ANALYSIS OF CHANGES IN NET FUNDS

	31 March 2008 £000	1 April 2007 £000	Change in Year £000
<b>Cash at bank and in hand</b>			
Advance payment deposit account	179	271	(92)
Other bank accounts	141	162	(21)
Total	320	433	(113)



## 16. FINANCIAL INSTRUMENTS

Financial Reporting Standard 13 : Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks the Council faces in undertaking its role.

### Liquidity Risks

The Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2007/08, 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 1.3 per cent (2006/07 1.3%) in the year. The year end cash balance held by the Council in the bank was £320,000.

### Foreign Currency Risk

The Council is not exposed to any foreign exchange risks.

## 17. CONTINGENT LIABILITIES

At the year end there are two claims outstanding against the Council. The basis of these 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 is not disclosed here, as permitted under Financial Reporting Standard 12, as such disclosure could prejudice the Council's position.

## 18. PENSIONS

Pension contributions paid during 2007/08 amounted to £1,246,000 (2006/07 £783,000) representing 324 % (2006/07 298%) of employees' contributions and advanced contributions totalling £292,000 were made in respect of early retirement costs following the redundancies of two senior staff. Contributions to the Fund have been determined by an independent qualified actuary. The latest triennial valuation of the Fund was carried out as at 31 March 2007 and the actuary's report was 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.

### Main Financial Assumptions

	31 March 2008 (% p.a)	31 March 2007 (% p.a)
Inflation	3.7	3.2
Rate of general long-term Increase in salaries	5.2	4.7
Rate of increase to pensions in payment	3.7	3.2
Rate of increase to deferred pensions	3.7	3.2
Discount rate	6.8	5.3

The assets as at 31 March 2008 have been estimated using index returns appropriate to the mix of assets between 29 February 2008 and 31 March 2008. The asset values used as at the accounting date are set out below.

Pension note continued

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

	31 March 2008	31 March 2007
	£M	£M
Fair value of Fund assets	13.53	12.90
Present value of liabilities	19.92	20.39
(Deficit) in scheme at end of year	(6.39)	(7.49)

The asset figures for the pension fund quoted in the disclosure as at 31 March 2007 were mid value assets. The new FRS17 standard which the Council elected to adopt early for the 31 March 2008 disclosure uses the bid values of assets, as a consequence there has been an adjustment to the opening deficit of the scheme (2008/2009 (£7.49)) of £40,000 which was not considered to be material.

**b) Analysis of amount charged to Operating Costs**

	31 March 2008	31 March 2007
	£M	£M
Current service cost	0.76	0.51
Past service cost	0.55	-
Interest on pension scheme liabilities	1.10	0.85
Expected return on pension scheme assets	(0.95)	(0.77)
Total operating charge	1.46	0.59

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

	31 March 2008	31 March 2007
	£M	£M
Opening present value of liabilities	20.39	15.56
Current service cost	0.76	0.51
Interest cost	1.10	0.85
Contributions by participants	0.27	0.24
Actuarial (gains)/losses on liabilities	(2.54)	3.47
Net benefits paid out	(0.61)	(0.24)
Past service cost	0.55	-
Closing present value of liabilities	19.92	20.39

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

	31 March 2008	31 March 2007
	£M	£M
Opening fair value of assets	12.90	11.21
Expected return on assets	0.95	0.77
Actuarial gains/(losses) on assets	(1.18)	0.21
Contributions by the employer	1.20	0.71
Contributions by participants	0.27	0.24
Net benefits paid out	(0.61)	(0.24)
Closing fair value of assets	13.53	12.90

**e) Actual return on assets**

	31 March 2008	31 March 2007
	£M	£M
Expected return on assets	0.95	0.77
Actuarial (loss)/gain on assets	(1.18)	0.21
Actuarial return on assets	(0.23)	0.98

**f) Analysis of amounts recognised in SRGL**

	31 March 2008	31 March 2007
	£M	£M
Total actuarial gains/(losses)	1.36	(3.26)
Total gain/(loss) in SRGL	1.36	(3.26)

**g) History of asset values and present value of liabilities**

	31 March 2008	31 March 2007
	£M	£M
Fair value of assets	13.53	12.90
Present value of liabilities	19.92	20.39
(Deficit)	(6.39)	(7.49)

**h) Experience gains and losses**

	31 March 2008	31 March 2007
	£M	£M
Experience (loss)/gain on assets	(1.18)	0.21
Experience (losses) on liabilities	(0.75)	(0.09)

**19. POST BALANCE SHEET EVENTS**

The Accounting Officer authorised these financial statements for issue on 25 July 2008.

## 20. 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:

Transactions with and grant funding to the Cricket Board of Wales totalling £280,000. Mr Colin Metson, Manager Governing Body Services is a committee member for Glamorgan County Cricket. Mr Graham Davies, Director of Operations and Excellence, and Mr Mark Frost, Head of Services Coaching are club members.

Transactions with and grant funding to Golf Union Wales totalling £261,000. Mr Graham Davies, Director of Operations, is a Director for Ryder Cup Wales Ltd as well as being a member of the Royal Porthcawl Golf Club. His son is also a member of the Royal Porthcawl Golf Club.

Transactions with and grant funding to Squash Wales totalling £140,000. Board Member Ms S William's daughter is a member of the women's Welsh squash squad.

Transactions with and grant funding to Welsh Canoeing Association totalling £53,000. Mr A Williams, Manager of Plas MENAI, is a member of the association.

Transactions with and grant funding to Welsh Hockey Union totalling £212,000. Miss Debbie Austin, Manager Governing Body Services, and Sarah Powell, Head of Performance and Excellence, are members of the Hockey Union.

Transactions with and grant funding to Welsh Netball Association totalling £143,000. Mrs Anne Hamilton, Head of Active Young People, and Miss Rachel Hughes, Manager of Research and Evaluation, are members of the Association.

Transactions with and grant funding to Welsh Yachting Association totalling £113,000. Mr A Williams, Manager of Plas MENAI, is a squad coach with the Association.

Transactions with and grant funding to Blaenau Gwent CBC totalling £232,000. The Father in law to Mr Simon Napper, Manager of ICT, is a Member of the Council.

Transactions with and grant funding to City and County Swansea totalling £528,000. The partner of Mr James Owens, Manager Active Communities, is an employee of the Council.

Transactions with and grant funding to Athletics Association of Wales totalling £368,000. Mr Mark Frost, Head of Services Coaching, was acting CEO for Welsh Athletics on a part-time basis until September 2007.

Transactions with and grant funding to Ceredigion CC totalling £200,000. Board Member Cllr Keith Evans and Board Member Cllr Robert Harris are members of the Council.

Transactions with and grant funding to North West Wales Outdoor Partnership totalling £52,000. Mr A Williams, Manager of Plas Menai, is a member.

Transactions with and grant funding to Commonwealth Games Council for Wales totalling £73,000. Mr Graham Davies, Director of Operations, is a Director for the Council.

Transactions with and grant funding to Powys County Council totalling £475,000. Board member Mrs Christine Gittoes is employed by Powys Public Health Team.

Transactions with and grant funding to FAW Football in the Community totalling £738,000. Board member Ms Laura McAllister is a Trustee and Director of the Welsh Football Trust.

Transactions with and grant funding to Flintshire County Council totaling £352,000. The wife of Graham Williams, Regional Manager of the North, is an employee of Flintshire County Council.