

WELSH LANGUAGE ACT 1993

Accounts of the Welsh Language Board prepared pursuant to Schedule 1, Paragraph 12(2) of the Welsh Language Act 1993 for the year to 31 March 2000, together with the Report of the Auditor General for Wales thereon.

Presented pursuant to Welsh Language Act 1993 Schedule 1, Paragraph 12(4)

Welsh Language Board Accounts 1999-2000

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Foreword

The Board's history and background statutory information

- 1 The Welsh Language Board was established by the 1993 Welsh Language Act on 21 December 1993. The accounts have been prepared by the Board under Schedule 1, Paragraph 12 of the Act in a form directed by the National Assembly for Wales with the approval of HM Treasury. Copies of this direction may be obtained from the Board's offices.

The Act gave the Board the function of promoting and facilitating the use of the Welsh language, to enable Public Bodies to prepare schemes in which effect may be given to the principle that, in the conduct of public business and the administration of justice in Wales, the English and Welsh languages should be treated on a basis of equality.

- 2 In order to achieve this, the Board has the following functions:
- a) Advising the National Assembly for Wales on matters concerning the Welsh language;
 - b) Advising persons exercising functions of a public nature on the ways in which effect may be given to the principle that, in the conduct of public business and the administration of justice in Wales, the English and Welsh languages should be treated on a basis of equality;
 - c) Advising those and other persons providing services to the public on the use of the Welsh language in their dealings with the public in Wales.

- 3 The Welsh Language Board's Annual Report as presented to the National Assembly for Wales under Schedule 1, Paragraph 13(1) of the 1993 Welsh Language Act contains information on the Board's activities for the year 1 April 1999 to 31 March 2000.

Results and Appropriations

- 4 The Welsh Language Board is an Assembly Sponsored Public Body sponsored by the National Assembly for Wales (Welsh Office prior to 1 July 1999). Total finance provided by the National Assembly for Wales for the year 1 April 1999 to 31 March 2000 was £5,953,000. Of this amount, £29,000 was for capital expenditure. The deficit for the year was £21,000 which was taken from reserves.

Fixed assets

- 5 Note 8 to the balance sheet shows the changes in fixed assets during the period. There is no material difference between the book value and market value of fixed assets.

Research and development

- 6 The University of Wales, Bangor continued to develop the computer program CySill at a cost of £15,000. The Board continued to sell the software.

- 7 The Board's membership of the Wales European Centre continued. This was for an annual fee of £7,000.

Future developments

- 8 The Board's future aspirations are outlined in the Annual Report referred to above.
- 9 The Welsh Language Board is a body subject to reform by the National Assembly for Wales under the provisions made in the Government of Wales Act 1998.

- Board members** **10** The Board members during the year were:
- Rhodri Williams - Chairman
Dr Medwin Hughes - Vice-chairman
Professor Colin Baker
Ann Beynon
Gwyn Griffiths - (resigned 24 September 1999)
Jeffrey Morgan
Councillor Gareth Winston Roberts
Elan Closs Stephens
Reverend Dr Patrick Thomas
Godfrey Williams
- Rhodri Williams' contract as Chairman of the Board ended on 30 April 2000, he was re-appointment to the post on 1 May 2000.
- The contracts of Dr Medwin Hughes, Elan Closs Stephens, Reverend Dr Patrick Thomas, Godfrey Williams, Councillor Gareth Winston Roberts and Ann Beynon came to an end on 31 March 2000. On 1 April 2000 the following were appointed as members of the Welsh Language Board:-
- Gwyn Bartley
Sue Camper
Bethan Guilfoyle
Gwawr Hughes
Dr Medwin Hughes
Dr Arun Midha
Rhiannon Walters
Dr Colin Williams
- Professor Colin Baker and Jeffrey Morgan commence their second term as Board members on 1 April 2000.
- Provision of Information to and consultation with employees** **11** The Board recognises the importance of communication with all employees and keeping them informed of internal and external developments. The Board will continue to consult with staff representatives on any matter affecting terms and conditions of employment.
- Auditors** **12** The accounts of the Welsh Language Board are audited by the Auditor General for Wales in accordance with Schedule 1, Paragraph 12(4) of the 1993 Welsh Language Act.
- Payment of Creditors** **13** Creditors are paid within one month in accordance with *Government Accounting* and CBI settlement guidelines. In 1999-2000 all non-disputed invoices were paid within one month.
- Year 2000** **14** In line with many other organisations, there is a risk that certain of the Board's equipment and computer systems may not be millennium-compliant. Even though we are now in the new millennium this risk still stands. The Board has carried out an assessment of potential risks and has taken appropriate action; so far this work has been adequate. Accordingly, it is not envisaged that any significant additional costs will be incurred.

John Walter Jones
Accounting Officer
Welsh Language Board

19 May 2000

Statement of the Board's and the Chief Executive's Responsibilities

Under Paragraph 12(1) of Schedule 1 to the 1993 Welsh Language Act, the Welsh Language Board is required to prepare a statement of accounts in respect of each accounting year in a form and on the basis directed by the National Assembly for Wales with the approval of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Board's state of affairs at the period end and its income and expenditure and cash flows for the year.

In preparing the accounts the Board is required to:

- observe the Accounts Direction issued by the National Assembly for Wales, 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 departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Board will continue in operation.

The Accounting Officer for the National Assembly for Wales has designated the Chief Executive of the Welsh Language Board as the Board's Accounting Officer. 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 National Assembly for Wales Accounting Officers' Memorandwm* issued by the H M Treasury.

Statement On The System Of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Welsh Language Board.

The system can provide only reasonable, and not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board's members;
- regular reviews by the Board and management team of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- as appropriate, formal project management disciplines.

PriceWaterhouseCoopers are our internal auditors, who operate to standards defined in the Government Internal Audit Manual. Their work is informed by an analysis of the risk to which the Board is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Board's Audit Committee and approved by me. Annually, PriceWaterhouseCoopers provide me with a report on their internal audit activity in the Board. The report includes PriceWaterhouseCoopers' independent opinion on the adequacy and effectiveness of the Board's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within the Board who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

John Walter Jones
Accounting Officer
Welsh Language Board

19 May 2000

The Certificate and Report of the Auditor General for Wales to the Members of the National Assembly for Wales

I certify that I have audited the financial statements on pages 6 to 15 in accordance with Schedule 1, Paragraph 12(4) to the Welsh Language Act 1993. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of the Board, the Chief Executive and Auditor

As described on page 3 the Welsh Language Board and Chief Executive are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Welsh Language Board and Chief Executive are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Welsh Language Act 1993 and with the directions made thereunder by the National Assembly for Wales, and 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. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Board has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 4 reflects the Board's compliance with Treasury's guidance *Corporate governance: statement on the system of internal financial control*. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's 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 are free from material misstatement, whether caused by error, or by fraud or other irregularity 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Welsh Language Board at 31 March 2000 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Welsh Language Act 1993 and directions made thereunder by the National Assembly for Wales; and
- 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.

I have no observations to make on these financial statements.

John Bourn
Auditor General for Wales
1 June 2000

National Assembly for Wales
Cardiff Bay
CARDIFF CF99 1NA

Income and Expenditure Account for the year to 31 March 2000

			1999-2000	1998-1999
	Notes	£'000	£'000	£'000
Gross income				
Grant In Aid	2	5,924		5,754
European Communities Grant		7		60
Further Education Funding		35		19
Council Wales				
Release of Deferred	13	66		52
Government Grant				
Operating income		28		34
Other income		11		36
		6,071		5,955
Expenditure				
Grants	4	4,417		4,252
Salaries	5	810		789
Administration	6	362		341
Direct Expenditure	7	437		538
Depreciation	8	66		49
Notional interest on capital	1.9	12		13
		6,104		5,982
(Deficit)/Surplus on operating activities			(33)	(27)
Interest receivable			9	10
Amount payable to the National Assembly for Wales	3		(9)	(10)
Adjustment for notional interest on capital	1.9		12	13
Retained (deficit) for the year			(21)	(14)
Statement of Movement of General Fund			1999-2000	1998-1999
			£'000	£'000
General Fund on 1 April 1999			58	72
Retained (deficit) for the year			(21)	(14)
			37	58

All activities undertaken during the year are continuing.
There were no other recognised gains or losses reported in the period.

The notes on pages 9 to 15 form part of these accounts.

Balance Sheet at 31 March 2000

		2000		1999	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	8		129		166
Current Assets					
Stock	9	4		8	
Debtors	10	130		148	
Cash at Bank and in Hand		<u>100</u>		<u>90</u>	
		234		246	
Creditors					
Amounts falling due within one year	11	(195)		(187)	
		<u> </u>		<u> </u>	
Net Current Assets			<u>39</u>		<u>59</u>
Total Assets Less Current Liabilities			<u>168</u>		<u>225</u>
Financed By:					
Provision for Liabilities and Charges	12		2		1
Accruals and Deferred Income					
Deferred Government Grant	13	129		166	
Capital and Reserves					
General Fund		<u>37</u>		<u>58</u>	
Government Funds			<u>166</u>		<u>224</u>
			<u>168</u>		<u>225</u>

The notes on pages 9 to 15 form part of these accounts.

John Walter Jones
Accounting Officer
Welsh Language Board

19 May 2000

Cashflow Statement for the year to 31 March 2000

	Notes	1999-2000 £'000	1998-1999 £'000
Net cash Inflow/(Outflow) from operating activities	16a	29	(64)
Returns on Investments and Servicing of Finance			
Interest received		9	10
Interest surrendered to the National Assembly for Wales		(10)	(15)
Capital Expenditure			
Payment made to the National Assembly for Wales for proceeds of fixed assets sold		(1)	-
Fixed assets sale proceeds		-	1
Payment to acquire tangible fixed assets		<u>(46)</u>	<u>(57)</u>
Net cash (Outflow) before financing		(19)	(125)
Financing			
Grant In Aid – capital	2	<u>29</u>	<u>75</u>
Increase/ (Decrease) in Cash	16b	<u>10</u>	<u>(50)</u>

The notes on pages 9 to 15 form part of these accounts.

Notes to the Accounts for the year to 31 March 2000

Accounting Policies

1. 1.1 Accounting Conventions

The accounts have been prepared under the historical cost convention, and without limiting the information given, meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board in so far as those requirements are appropriate to the Board.

1.2 Finance

The Board receives grant in aid from the National Assembly for Wales subject to the Board satisfying the conditions and requirements as set out in the Financial Memorandum and such other conditions as the National Assembly for Wales may impose from time to time. Subject to the Treasury's Fees and Charges Guide the Board may receive income from other sources where this does not interfere with its main functions and is consistent with its Corporate Plan and Government policy.

1.3 Government Grants

- (a) The Board is mainly financed by grant from the National Assembly for Wales.
- (b) Grants for operating activities have been credited as income during the period.
- (c) Grants received for capital expenditure have been credited to a deferred grant account and relevant transfers are made to the income and expenditure account as the capital assets are utilised.

1.4 Tangible Assets and Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis over the expected useful life of the assets as follows:

Office Improvements and Alterations	- over 90 months
Office Furniture	- over 90 months
Office Equipment	- over 60 months
Computer Equipment	- over 36 months

1.5 Stock

The Board's stock of goods are included at the lower of original cost and net realisable value. There is no material difference between the historic and replacement cost of stock.

1.6 Tax

The Board is not registered for Value Added Tax. Irrecoverable VAT is charged to the Income and Expenditure account or included in additions to tangible fixed assets as appropriate.

1.7 Pensions

Payment is made to the Paymaster General of such sums as may be appropriate as representing accruing liabilities of the Principal Civil Service Pension Scheme in respect of pensions and other similar benefits for persons employed by the Board and in respect of the administrative expenses attributable to the liabilities and their discharge.

1.8 Provision for redecoration

The Board is responsible for the redecoration of the leased offices every 7 years. As this represents a contractual obligation, the Board has established a provision to cover the costs of future redecoration as required by Financial Reporting Standard 12.

1.9 Cost of Capital

A notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 6% of average capital.

1.10 Grants Accounting Policy

Grants are accounted for when due for payment. The Board has the right to reclaim the whole or part of the grant if the grant recipient breaks any of the conditions relating to the grant offer. Any such recoveries are credited to the account on receipt.

1.11 Fixed Asset Revaluation

The Board has valued all fixed assets at historic cost as any revaluation adjustments are, in the Board's opinion, not material.

National Assembly for Wales	2.		Current £'000	Capital £'000	Total £'000
		1999-2000	<u>5,924</u>	<u>29</u>	<u>5,953</u>
		1998-1999	<u>5,754</u>	<u>75</u>	<u>5,829</u>

Grant In Aid

Surrender to the National Assembly for Wales	3.	The amount payable to the National Assembly for Wales was as follows:		
			1999-2000 £'000	1998-1999 £'000
		Interest receivable	<u>9</u>	<u>10</u>

Grants	4.	The following grants were paid and payable under Section 3(3) of the Welsh Language Act 1993:		
			1999-2000 £'000	1998-1999 £'000
		Grants for the promotion of Welsh education	2,076	1,991
		Grants for the promotion of the language in general	2,328	2,236
		Small Grants Scheme	<u>13</u>	<u>25</u>
			<u>4,417</u>	<u>4,252</u>

A full list of all grants paid and payable is available from the office of the Welsh Language Board.

Staff and Members Costs	5. (a)	Staff	Members	Total	Staff	Members	Total
		1999-2000 £'000	1999-2000 £'000	1999-2000 £'000	1998-1999 £'000	1998-1999 £'000	1998-1999 £'000
		Gross Salaries	75	677	580	80	660
		National Insurance	4	49	44	5	49
		Pension Contributions	-	84	80	-	80
		<u>731</u>	<u>79</u>	<u>810</u>	<u>704</u>	<u>85</u>	<u>789</u>
Average Numbers	(b)	<u>27</u>	<u>9</u>	<u>36</u>	<u>28</u>	<u>11</u>	<u>39</u>

Staff are employed within the Board as follows:-

	1999-2000	1998-1999
Chief Executive & secretary	2	2
Public & Voluntary Sectors	6	6
Education & Training	4	4
Grants Department	4	5
Policy	3	3
Marketing	4	4
Administration & Personnel	2	2
Finance	2	2

The terms and conditions of staff employed are analogous to those of the National Assembly for Wales. The Board members who served during the year were appointed by the Secretary of State. The Board members appointed on 1 April 2000 were appointed by the Secretary for Education and Training.

(c) In accordance with the Greenbury Code and DAO (GEN) 3/00 the Board is required to disclose the following details concerning senior staff with responsibility for running policy making departments:-

Name and title	Age	1999-2000	1999-2000	1999-2000
		Salary (as defined below)	Real increase in pension at 60	Total accrued pension at age 60 at 31 March 2000
		£	£	£
Rhodri Williams <i>Chairman</i>	44	24,373	-	-
John Walter Jones <i>Chief Executive</i>	54	59,288	742	4,348
Rhys Dafis <i>Head of Public and Voluntary Sectors</i>	45	38,844	513	2,792
Meirion Prys Jones <i>Head of Education and Training</i>	45	38,169	505	2,743
Gwynedd Morris Jones <i>Deputy Chief Executive and Head of Policy</i>	49	32,457	444	2,536
Huw Onllwyn Jones <i>Head of Grants Department</i>	42	30,836	428	2,216

The salary of the Chief Executive comprised of a gross salary of £55,660 (1998-1999: £53,621) and a non-pensionable bonus of £3,628 (1998-1999:£3,400). Other senior staff receive a gross salary only.

The Chief Executive is employed on a fixed term contract for the period from 21 December 1998 to 20 December 2003. He is an ordinary member of the Principal Civil Service Pension Scheme (PCSPS). For the same period, the Chairman was contracted to work 2 days per week, the other Board members being on a contract to work 2 days per month on a non-pensionable salary of £5,931 per year (1998-1999: £5,769). This is equivalent to grade 5 in the Civil Service pro rata the

number of days.

None of the Board Members or senior staff received any remuneration other than shown above or benefits in kind. The Board does not operate a car scheme.

(d) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS) to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. This is a statutory scheme which provides benefits on a “final salary” basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years’ pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Contributions amounting to £83,826 (1998-1999: £79,971) were paid on behalf of staff to the Paymaster General for the year to 31 March 2000 at rates determined from time to time by the Government Actuary and advised by the Treasury. This ranged from 12% to 18.5% of gross pay for the year (1998-1999: 12% -18.5%).

(e) Gifts Register

The Board also operates a gifts register. No item noted during the year is considered of material interest to these financial statements.

Administration 6. Administration expenses included:

	1999-2000	1998-1999
	£’000	£’000
Auditors’ remuneration (external audit fee)	8	8
Auditors’ remuneration (other audit work)	1	1
Travel, subsistence, hospitality	38	38

Direct Expenditure 7. Direct expenditure relates to numerous projects undertaken by the Board’s departments, namely, Public and Voluntary Sector, Education and Training, Public Relations and Marketing; and Policy. The projects are included in the operational plan for the year which is subject to approval by the National Assembly for Wales.

**Tangible
Fixed Assets**

8.

	Office Improvements and Alterations £'000	Office Furniture £'000	Office Equipment £'000	Total £'000
Cost				
1 April 1999	107	83	165	355
Additions	-	2	27	29
Disposals	-	-	(12)	(12)
31 March 2000	<u>107</u>	<u>85</u>	<u>180</u>	<u>372</u>
Depreciation				
1 April 1999	53	44	92	189
Charges for the year	14	11	41	66
Disposals	-	-	(12)	(12)
31 March 2000	<u>67</u>	<u>55</u>	<u>121</u>	<u>243</u>
Net book value				
31 March 2000	<u>40</u>	<u>30</u>	<u>59</u>	<u>129</u>
Net book value				
31 March 1999	<u>54</u>	<u>39</u>	<u>73</u>	<u>166</u>

There were no contractual capital commitments at 1 April 2000.

Stock	9.		2000	1999
			£'000	£'000
		Stock of goods for resale	4	8
			<u>4</u>	<u>8</u>
Debtors	10.	Amounts due within one year:	2000	1999
			£'000	£'000
		Deposit with the payroll agency	67	67
		Grant receivable	-	12
		Other debtors	5	7
		Other prepayments	58	62
			<u>130</u>	<u>148</u>
			<u><u>130</u></u>	<u><u>148</u></u>
Creditors	11.	Amounts due within one year:	2000	1999
			£'000	£'000
		Operating creditors	75	74
		Accruals	88	90
		Receipts in advance	23	13
		Amounts payable to the National Assembly for Wales	9	10
			<u>195</u>	<u>187</u>
			<u><u>195</u></u>	<u><u>187</u></u>
Provision for Liabilities and Charges	12.		2000	1999
			£'000	£'000
		Redecoration provision at 1 April	1	5
		Amount utilised in the year	-	(6)
		Increase in redecoration provision	1	2
		Provision at 31 March	<u>2</u>	<u>1</u>
			<u><u>2</u></u>	<u><u>1</u></u>
Deferred Government Grant	13.		2000	1999
			£'000	£'000
		1 April	166	143
		Grant in Aid for the period – capital (see note 2)	29	75
		Less: Released to the income and expenditure account	<u>(66)</u>	<u>(52)</u>
		31 March	<u>129</u>	<u>166</u>
			<u><u>129</u></u>	<u><u>166</u></u>
Reconciliation of Movement in Government Funds	14.		2000	1999
			£'000	£'000
		Funds at 1 April	224	215
		Retained (deficit)/surplus for the year	(21)	(14)
		Movements in the deferred grant account	<u>(37)</u>	<u>23</u>
		Funds at 31 March	<u>166</u>	<u>224</u>
			<u><u>166</u></u>	<u><u>224</u></u>

Operating Leases	15.	On 31 March 2000 the Board had the following non-cancellable operating leases:			
		2000	2000	1999	1999
		£'000	£'000	£'000	£'000
		Offices	Other	Offices	Other
		Leases which expire:			
			8	-	8
		-			
		73	-	73	-
		<u>73</u>	<u>8</u>	<u>73</u>	<u>8</u>

The amounts above represent the annual charge for each lease. The rent of the Board's offices at Market Chambers, St Mary Street Cardiff was subject to review on 21 December 1998. The outcome of this review has not yet been finalised. The other leases are for office equipment.

Notes To the Cashflow Statement	16(a)	Reconciliation Of Operating (Deficit)/Surplus to Net Cashflow from Operating Activities	1999-2000	1998-1999
			£'000	£'000
		(Deficit) on operating activities	(33)	(27)
		Depreciation	66	49
		Notional Interest Charge	12	13
		Loss on sale of fixed assets	-	3
		Increase/(Decrease) of repairs provision	1	(4)
		Release of deferred government grant in aid	(66)	(52)
		Decrease/(Increase) in stock	4	(2)
		Decrease/(Increase) in debtors	18	(54)
		Increase in creditors	27	10
		Net inflow/(outflow) from operating activities	<u>29</u>	<u>(64)</u>
	(b)	Analysis of Charges In Net Funds During The Period	2000	1999
			£'000	£'000
		Net funds at 1 April 1999	90	140
		Net cash inflow/(outflow)	10	(50)
		Net funds at 31 2000	<u>100</u>	<u>90</u>

(c) Analysis of Charges In Financing During The Period

See note 13 for movement in the deferred government grant account.

Contingent Liabilities 17. There were no contingent liabilities at 31 March 2000.

Related party Transactions 18. The National Assembly for Wales is regarded as a related party. During the year, the Welsh Language Board has had various material transactions with the National Assembly for Wales.

Income of £35,000 (1999 - £19,000) was received from the Further Education Funding Council Wales, a related party, for a service level agreement.

Whilst some of the Board Members and key managerial staff have interests in organisations that the Board fund; none was in a position to influence the awarding of these funds. These interests were declared at the commencement of any relevant meeting and the individual took no further part in the discussion or decision.