

THE SPORTS COUNCIL FOR WALES TRUST

Reference and Administrative Information

Charity number: 524477

Principal Office: Sport Wales National Centre, Sophia Gardens, Cardiff. CF11 9SW

Auditors: Auditor General for Wales, 24 Cathedral Road, Cardiff.

Trustees and Accounting Officer

The organisation has a sole Trustee, which is the Sports Council for Wales. They did not receive any remuneration for their service in the year (2015/16, £nil).

The charity considers the Trustee, The Sports Council for Wales, to be its ultimate controlling party and parent. The address for obtaining copies of the ultimate parent's consolidated financial statements is given above.

Report of the trustees for the year ended 31st March 2017

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by the Charities published in 2015.

Structures, Governance and Management

Governing Document

The Sports Council for Wales Trust was constituted, under Trust Deed, on 16 May 1972 by the Sports Council for Wales.

Appointment of Trustees

The Trust Deed states that "the Trustees shall mean the Sports Council for Wales".

Trustee Induction and Training

Induction and training is delivered through the induction and training processes of the Sports Council for Wales.

Organisation

The Sports Council for Wales has delegated power to a sub-committee whose function it is to discharge the functions of the Trust. The sub-committee consists of two members of the Welsh Sports Association and at least two thirds of the members of the Sports Council for Wales.

The Chief Executive of the Sports Council for Wales also acts as the Accounting Officer for the Trust, for which she receives no remuneration from the Trust. All the administrative functions of the Trust, such as attending meetings, preparing papers and final accounts, are undertaken by employees of the Sports Council for Wales at no cost to the Trust.

Details of the composition of the Sports Council for Wales Board and of its Executive Senior Management Team are set out in the Annual Report and Accounts of the Sports Council for Wales for 2016/17. Copies can be obtained from the Sports Council for Wales website *www.sport.wales* or at its registered office:
Sophia Gardens
Cardiff
Wales
CF11 9SW

Related Parties

The Sports Council for Wales is the Trustee of the Sports Council for Wales Trust. The only related party transactions recorded in these accounts are in respect of the Trust's relationship with the Sports Council for Wales. These transactions are detailed in the Statement of Financial Activities, Cash Flow Statement and Note 7.

Risk Management

The risk management process of the Sports Council for Wales covers the Sports Council for Wales Trust as well and the full Governance Statement can be found in the consolidated accounts.

During the 2016/17 financial year the main factors comprising the risk management process are:

- Three meetings per year of the Audit & Risk Committee (one meeting not held due to the Sport Council of Wales Board activities being suspended);
- An internal audit programme, agreed by the Audit & Risk Committee and delivered and reported upon by appointed internal auditors;
- The maintenance of a Risk Register which is reviewed by internal audit and the Corporate Risk Register is reported at every Audit & Risk Committee;
- Annual processes to ensure risks are identified and controls regularly reviewed;
- Four meetings per year of the Risk Management Group.

Objectives and Activities for the Public Benefit

The charitable objectives of the Trust are:

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

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's Guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Trust holds two national sporting facilities "upon trust" which are operated and managed by the Sports Council for Wales via a Facilities Management Agreement. The Trust therefore delivers its charitable objectives through this agreement with the Sports Council for Wales.

Financial Review

The net outgoing resources for the Trust during the year were (£145,000), 2015/16 outgoing resource (£137,000). Overall there was a net increase in funds of £4,000, (2015/16 increase £167,000) caused in the main by a revaluation gain of the two national centres, as a result of the professional valuation carried out as at 31 March 2017.

Reserve Policy

The unrestricted public funds of the Trust are expendable at the discretion of the Trustees in furtherance of the charitable objectives as contained within the Trust Deed.

Plans for Future Periods

The Trustees have no major plans that will significantly change the current level of activity of the Trust. However, the continued level of activity of the Trust will depend upon the continued receipt of public funds from the Welsh Government via Sports Council for Wales.

Statement On Disclosure Of Relevant Audit Information

1. As far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware, and
2. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any audit information and to establish that the auditors are aware of that information.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Under its Trust Deed, dated 16 May 1972, the Sports Council for Wales Trust is required to prepare a statement of accounts on an accruals basis. The accounts must give a true and fair view of the Trust's state of affairs at the year end and of its incoming resources and resources expended, and cash flows for the financial year.

In preparing the accounts the Trust is required to:

- observe the Statement of Recommended Practice issued by the Charity Commissioners for England and Wales, including the relevant accounting and disclosures 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 the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

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

ACCOUNTING OFFICER: S Powell
(ON BEHALF OF THE SOLE TRUSTEE)

10/07/2017

Report of the Auditor General for Wales to the trustees of Sports Council for Wales Trust

I have audited the financial statements of Sports Council for Wales Trust for the year ended 31 March 2017 which comprise Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and independent auditor

As explained more fully in the Trustee's' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of financial statements which give a true and fair view.

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Report of the Trustees, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2017 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011.

Opinion on other matters

In my opinion the information in the Report of the Trustees is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Emphasis of Matter

Your attention is drawn to the fact that the Charity has prepared its financial statements in accordance with the Charities SORP 2015 in preference to the Charities SORP 2005 which is referred to in the extant regulations but has been withdrawn. We understand this has been done in order for the accounts to provide a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Huw Vaughan Thomas
Auditor General for Wales
18 July 2017

24 Cathedral Road
Cardiff
CF11 9LJ

THE SPORTS COUNCIL FOR WALES TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2017

	<u>Notes</u>	<u>2016/2017</u> <u>£'000</u> <u>Unrestricted</u> <u>Public Funds</u>	<u>2015/2016</u> <u>£'000</u> <u>Unrestricted</u> <u>Public Funds</u>
<u>INCOME AND ENDOWMENTS FROM</u>			
Donations and Legacies:			
Grant received from the Sports Council for Wales	2	301	300
Other Income	6	22	1
Total		<u>323</u>	<u>301</u>
<u>EXPENDITURE ON</u>			
Depreciation	3	435	434
Charitable Activities:		-	-
Audit fee		3	3
Other		30	1
Total		<u>468</u>	<u>438</u>
NET (OUTGOING) RESOURCES		(145)	(137)
Gains on revaluation of tangible fixed assets	3	149	304
NET INCREASE IN FUNDS FOR THE YEAR		<u>4</u>	<u>167</u>
Total funds brought forward at 1 April	4	<u>19,022</u>	<u>18,855</u>
Total Funds carried forward at 31 March	4	<u>19,026</u>	<u>19,022</u>

All activities are continuing
All gains and losses have been recognised

The notes on pages 9 to 13 form part of these accounts

THE SPORTS COUNCIL FOR WALES TRUST

BALANCE SHEET AS AT 31 MARCH 2017

	<u>Notes</u>	<u>31 March</u> <u>2017</u> £'000	<u>31 March</u> <u>2016</u> £'000
		<u>Unrestricted</u> <u>Public Funds</u>	<u>Unrestricted</u> <u>Public Funds</u>
FIXED ASSETS			
Tangible fixed assets	3	19,022	19,018
CURRENT ASSETS			
Cash at bank and in hand		<u>4</u>	<u>4</u>
NET CURRENT ASSETS		4	4
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,026</u>	<u>19,022</u>
FINANCED BY:			
Unrestricted Revaluation Reserve	4	7,708	7,994
Unrestricted General Fund	4	11,318	11,028
Total unrestricted funds		<u>19,026</u>	<u>19,022</u>

ACCOUNTING OFFICER: S Powell
(ON BEHALF OF THE SOLE TRUSTEE)

10/07/2017

The notes on pages 9 to 13 form part of these accounts

THE SPORTS COUNCIL FOR WALES TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

A cash-flow statement for the year ending 31 March 2016 has not been produced because the Trust did not generate any cash transactions during the year.

All of the entries shown in the Statement of Financial Activities were either notional, non-realised or transacted through the bank account of the Sports Council for Wales.

	<u>2016/2017</u> <u>£'000</u>	<u>2015/2016</u> <u>£'000</u>
Increase in cash in the period	-	-
Net funds as at 1 April	<u>4</u>	<u>4</u>
Net funds as at 31 March	<u>4</u>	<u>4</u>

The notes on pages 9 to 13 form part of these accounts

THE SPORTS COUNCIL FOR WALES TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts have been prepared on a going concern basis, under the historical cost convention modified to include the revaluation of certain fixed assets. Without limiting the information given, the accounts meet the requirements of Accounting Standards issued and adopted by the Accounting Standards Board in so far as these requirements are appropriate to the Trust, and also the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales in 2015 (FRS 102).

The national centres are managed on the Trust's behalf by the Sports Council for Wales. All financial transactions relating to the income and expenditure of the national centres are brought to account by the Sports Council for Wales, including relevant amounts for debtors and creditors. The Sports Council for Wales prepares a separate consolidated account which brings together the balances relating to the Trust and to its own financial affairs.

1.2 Funding

The Trust receives a notional grant from the Sports Council for Wales for capital expenditure on tangible fixed assets and to meet the costs of the external audit service. This grant is credited to the Statement of Financial Activities. The proceeds from the disposal of all tangible fixed assets are surrendered to the Sports Council for Wales.

1.3 Incoming Resources and Resources Expended

The Trust, as a non-operating entity, receives no income apart from the non-cash grant from the Sports Council for Wales, gains on the disposal of fixed assets and any investment income it receives. Likewise, the Trust incurs no expenditure other than to account for depreciation on its assets and the external audit fee.

1.4 Tangible fixed assets

Plas Menai is owned by the Trust and the freehold land is included in the balance sheet at open market value. The Sport Wales National Centre is leased and the land is considered to be held under the operating lease and is therefore not included in the Trust's balance sheet.

Both buildings are included in the balance sheet at depreciated replacement cost to reflect the specialist nature of the buildings. Professional valuations are obtained every year

Equipment and vehicles are included in the balance sheet at historic cost less a provision for depreciation. In the opinion of the Trustees, there is no material difference between the historic and current cost net book values of these assets.

The carrying value of assets (excluding land and buildings), 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.

The Trust has a capitalisation threshold of £5,000.

1.5 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 asset lives used for this purpose are as follows:

Freehold property	35 years
Long leasehold property	35 – 50 years
Equipment – computers	3 years
other	3 - 10 years
Vehicles	5 years

The policy of the Trust is to depreciate assets from the month following acquisition.

1.6 Taxation

As a registered charity, the Sports Council for Wales Trust is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 – 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only. No tax charges have arisen in the charity.

1.7 Administration Costs

All administration expenses of the Trust are met directly by the Sports Council for Wales.

2. GRANT RECEIVED FROM THE SPORTS COUNCIL FOR WALES

A grant of £301,000 (2016 £300,000) was received from the Sports Council for Wales and was applied for the following purposes:

	<u>2016/2017</u>	<u>2015/2016</u>
	<u>£'000</u>	<u>£'000</u>
Purchase of capital assets	298	297
Audit fee	3	3
	<u>301</u>	<u>300</u>

No cash funds are paid to or received by the Trust relating to the above grant. Instead the purchase of assets and the payment of the audit fee is transacted through the bank account of the Sports Council for Wales, and a notional figure equal to this expenditure is entered into the accounts of the Trust.

3. TANGIBLE FIXED ASSETS

	Plas Menai Freehold Land and Buildings	Sport Wales National Centre Buildings	Equipment	Vehicles	ICT	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation at 1 April 2016	6,084	12,926	730	9	-	19,749
Additions	217	81	-	-	-	298
Disposals	-	-	(161)	(9)	-	(170)
Revaluation	(92)	(194)				(286)
At 31 March 2017	6,209	12,813	569	-	-	19,591
Depreciation at 1 April 2016	-	-	(722)	(9)	-	(731)
Charge for the year	(172)	(263)	-	-	-	(435)
Disposals	-	-	153	9	-	162
Revaluation	172	263	-	-	-	435
At 31 March 2017	-	-	(569)	-	-	(569)
Net Book Value at 31 March 2017	6,209	12,813	-	-	-	19,022
Net Book Value at 31 March 2016	6,084	12,926	8	-	-	19,018

The Trust's land and buildings were valued as at 31 March 2017 at £19,022,000 by Messrs Cooke & Arkwright, Chartered Surveyors. The valuation was produced in accordance with the RICS Appraisal and Valuation Standards, 6th Edition. The buildings were valued using the depreciated replacement cost method because of their specialised nature. Lease payments of £3,071 per annum are paid for the Sport Wales National Centre. There are fifty-one years remaining on the existing ninety-nine year lease, equating to an overall outstanding commitment of £156,621. Outstanding commitments will be funded by the Sports Council for Wales.

4. MOVEMENT IN FUNDS

	Unrestricted Revaluation Reserve	Unrestricted General Fund	Total <u>2016/2017</u> £'000	Total <u>2015/2016</u> £'000
	£'000	£'000	£'000	£'000
Fund at 1 April	7,994	11,028	19,022	18,855
Total incoming resources	-	323	323	301
Total resources expended	-	(468)	(468)	(438)
Revaluation of tangible fixed assets	149	-	149	304
Transfer to general fund	(435)	435	-	-
Fund at 31 March	<u>7,708</u>	<u>11,318</u>	<u>19,026</u>	<u>19,022</u>

The unrestricted revaluation reserve has arisen from the revaluation of Freehold land and buildings at Plas Menai and the Sport Wales National Centre.

The unrestricted general fund represents the funds available to all other activities that the Sports Council for Wales Trust undertakes as shown in the Statement of Financial Activities.

5. CAPITAL COMMITMENTS

	<u>31 March</u> <u>2017</u> £'000	<u>31 March</u> <u>2016</u> £'000
Contracted but not paid	<u>3</u>	<u>6</u>

These capital commitments are entered into by the Sport Council for Wales on behalf of the Trust and will be met by the Sports Council for Wales.

6. DISPOSAL OF TANGIBLE FIXED ASSETS

Unrestricted Public Funds	<u>2016/2017</u>	<u>2015/2016</u>
	£'000	£'000
Gross book value	170	30
Accumulated depreciation	(162)	(30)
Net book value	<u>8</u>	<u>-</u>
Proceeds	30	1
Gain on disposal	<u>22</u>	<u>1</u>

7. RELATED PARTY TRANSACTIONS

There are no additional related party transactions that require disclosure other than the grant received from Sports Council for Wales, as shown in Note 2.

8. POST BALANCE SHEET EVENTS

There are no post balance sheet events to impact on these financial statements. The financial statements were authorised for issue by the Accounting Officer on the same date as the Auditor General for Wales certified them.