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chwaraeon cymru

SPORT WALES

CHWARAEON CYMRU

ANNUAL REPORT AND ACCOUNTS

2012 - 2013



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST
1 APRIL 2012 – 31 MARCH 2013

ANNUAL REPORT AND ACCOUNTS

The Annual Report incorporates the Director's Report, Management Commentary and Remuneration Report. The Sports Council for Wales has adopted International Financial Reporting Standards (IFRS).

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

HISTORY AND STATUTORY BACKGROUND

The Sports Council for Wales (known by its trade name Sport 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 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 (Sport Wales) in a form determined by the Welsh Government with the approval of HM Treasury. A copy of the Accounts Direction is available for public inspection at Sport Wales offices at Sophia Gardens in Cardiff.

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

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

BOARD

During 2012/13, Sport Wales comprised the following board members;

Prof L McAllister **	(Chair Reappointed 01.02.2013)
Mrs Adele Baumgardt	(Vice Chair Appointed 01.09.2012)
Mr David Roberts	(Reappointed 01.04.2011)
Mr Martin J Warren */**	(Reappointed 01.04.2011)
Prof. John Baylis *	(Appointed 01.04.2011)
Mr Richard Cuthbertson *	(Appointed 01.04.2011)
Mr Andrew Morgan	(Appointed 01.04.2011)
Mr Simon Pirotte	(Appointed 01.04.2011)
Mr Paul Thorburn	(Appointed 01.04.2011)
Mr Alan Watkin *	(Appointed 01.05.2011)
Ms Julia Longville	(Appointed 01.09.2012)
Ms Janet Kingston	(Appointed 01.09.2012)
Ms Johanna Lloyd	(Appointed 01.09.2012)
Mr Peter King	(Appointed 01.09.2012)

Dr H Jones (Chief Executive)

* Member of the Audit committee

** Member of the Remuneration committee

REGISTERED OFFICE

Sophia Gardens
Cardiff
Wales
CF11 9SW

DECLARATIONS OF INTEREST

All Members and Senior Staff of Sport Wales have completed a return detailing any interests in Organisations which provide, or may seek to provide, commercial services to Sport Wales for 2012/13. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 20 of these accounts.

MANAGEMENT COMMENTARY

Our purpose as Wales' sports development and advocacy agency is twofold: to inspire more people to become, and remain active for life; and to boost the performance of our elite athletes, teams and coaches.

Sport Wales works in partnership with others to achieve these aims and has a role in bringing partners and people together; local authorities, governing bodies of sport, communities, coaches, adults, young people, children and the entire nation to support, participate and excel in sport. Sport Wales works towards achieving equality in all of our functions, whilst embracing the spirit of equality legislation and eradicating any form of unfair discrimination.

Culture Change

The Vision for Sport in Wales is not new in terms of challenges and programmes. We are still focused on getting more people, more active, more often; and on Wales securing enviable sporting success on the world stage. But it is different – ambitious in scope, bold in its outcomes and highly challenging for the sport sector. It is not about following a new process or introducing new programmes, but about adopting a new mental attitude and working differently. It is not what we do in sport that needs to be different, but the way in which we do it. In short, it requires all of us to commit to becoming high performing organisations. The Vision commits us to:

- **apply a culture of 'high challenge, high support' to our work with partners;** moving beyond traditional liaison activity to a relationship where we will facilitate partners to set 'unreasonable ambitions'.
- proactively **work with those sports that can make the biggest difference;** geared towards a step change from providing opportunities to not the 100s, but the 1000s, and **align our investments accordingly** – based on evidence and on achieving big outcomes – to ensure we maximise impact.
- take a more innovative approach to delivery. This will involve placing **greater emphasis on the need to work with those that can deliver most effectively,** from the wider public, private and voluntary sectors.
- **focus on enabling a significant step change in the scale of community based activity** so that anyone can take part in a range of sports locally.
- **build on our renewed commitments to growing the volunteer base** through proactively addressing challenges of volunteer recruitment, training, deployment and retention. The wider sport sector too is on the path to reviewing its approach to delivery, one that represents a growing commitment to being high performing and recognising the importance of collaborating with others.

This new culture is about establishing a step change in the leadership of the sport sector. We believe five fundamental factors define high performing organisations. They are:

- setting **unreasonable ambitions**.
- developing strategies, informed by **performance insights**, to deliver the vision.
- **distributed leadership**, where there are clear roles and responsibilities set out for all involved in delivering the vision, and people are encouraged to be accountable for their work.
- providing **high quality feedback** to **enable us to continually improve**.
- **working as one**.

Our Corporate and Business Plans over the next few years have the above principles as a central core. If we and our partners can embrace this culture then significant increases in sports participation are achievable. Without a radically different approach we are only likely to see more of the same.

OUR CORPORATE GOALS:

Our evidence, and the priorities laid out in the Vision for Sport in Wales have helped shape our corporate goals. Our goals are designed to help us make a bigger impact on the growth of vibrant sporting communities and rivalled elite success on the European, Commonwealth and international stage. Our Corporate Goals during 2012/13 were:

SPORTING EXCELLENCE:

High potential sports have a positive rating when assessed for all areas of sporting excellence

SPORTING INNOVATION

Every identified partner will have undergone the *Partner Investment Principles (PIP)* process and agreed smart actions. Establish an engagement plan to embed behaviours within departments and teams across the organisation

SKILLS FOR A LIFE IN SPORT:

Through Welsh Government's Schools & Physical Activity Task Force, establish a commitment to securing parity of esteem between literacy, numeracy and physical literacy;

SPORTING COMMUNITIES:

Each area to formulate a plan of engagement with the 10 priority sports (align discretionary funds -80/20 applied to take into account local variations);

GROWING A SKILLED & PASSIONATE WORKFORCE:

Continue to prioritise the recruitment, retention and development of coaches and volunteers, with a particular focus on coaches.

Achievements and Performance During the Year

It has been a year characterised by success, delivery and realigned priorities. Boosting sport's breadth and impact, especially within the education and health sectors will increasingly guide our efforts.

We are proud of the good progress we're making. We have prioritised those areas where progress is most needed, and in many respects, expected. Our *Vision for Sport in Wales* has started to impact on the work of partners. We have successfully inspired bigger aspirations for the growth of sport and the engagement of people locally. We see clear plans for attracting more people to volunteer and new thinking around effective structures to enable people to benefit from more recreational and competitive opportunities.

It is important that partners better engage young people in the planning and delivery of sport. We now have over 1800 Young Ambassadors recruited who can increase sport's appeal and reach amongst children and young people. We must use this going forward to embed the young person's voice into everything we do.

The 5x60 scheme is having a real impact on girls' participation and the restructured PE in School Sport (PESS) programme is highly regarded. Creating an inviting and hassle free environment for children to take part is beginning to feature as more of a priority by our schools, though we want to see even more progress in this area. Recognising the importance of the right skills as a key enabler for the participation and enjoyment of Sport, we implemented Dragon Multi skills and sport. This resource and training compliments the highly successful play to learn resource. The resource supports the development of fundamental skills and is delivered in a way that engages girls in their learning and motivates them to take part. The resource provides the 'what' but most importantly the training provides the 'how'. These sessions are delivered to make sure that every child develops their skills and are then motivated to take part in sport for life.

Welsh Government's *Free Swimming Initiative* and *Learn to Swim* programme has seen a positive increase in the number of structured activities as a result of Local Authority actions.

We have witnessed an unprecedented year of sport with the 2012 Olympics and Paralympics being held in London. Wales hosted the first event of the Olympics with the Women's football kicking off in the iconic Millennium Stadium. Welsh athletes as part of Team GB and Paralympic GB gave Wales its most successful games of the modern era, winning 7 and fifteen medals respectively. In addition, the 68 Welsh athletes selected in the GB teams represented a record contingent.

Our vision for a Nation of Champions this year manifest in our plethora of world champions: Dai Greene (400m hurdles); Nathan Stephens (javelin); Chaz Davies (motor racing); Helen Jenkins (triathlon); Nathan Cleverly (boxing); Hannah Mills (sailing); and of course, our rugby team winning the Grand Slam.

We are immensely proud of our athlete's successes - they are a measure of the quality of support network behind them. Since the announcement that the games were to be held in London seven years prior, we have put plans in place to maximise the legacy opportunity. Our preparation has delivered real results in converting Olympic fever into grass roots participation. Key focus sports such as gymnastics hockey and swimming have experienced in excess of 25% growth post Olympics - this was only possible thanks to the preparations made before the Olympics.

With a continued emphasis on making disability sport more inclusive and mainstreamed, our track record in disability sport continues to be the envy of other nations in the UK and bring Wales international respect.

We have started to see some good progress through implementing the principles of high performance. We have developed our partner investment principles where partners will self-assess against sound leadership, delivery and approach criteria, and begun to implement this. This process will result in significant challenge to partners to improve performance, but further progress is required to increase consistency and investment rigour. Alongside our more traditional investments we have also sought to be more innovative and furthered our investment in the School Games, the Urdd and Street Games.

The fieldwork for our Biennial Active Adults Survey was completed during the year. Disappointingly, there were difficulties in performing the required number of interviews. Commercially, Sport Wales has been appropriately compensated for this. However, the impact on our research, particularly at a more granular level, will not be known for some time.

We have worked during the year to continue our commitment to implement organisational excellence. Redefining people's roles, the organisation's culture, and how we discharge the Government's agenda has been a big challenge, but a necessary one. The shift in our delivery and performance culture required a change in staffing structure. This consultation began in 2011/12 and was largely completed in 2012/13. This has led to 27 positions being made redundant from the organisation. This has made the organisation better able to meet its objectives as public sector finances come under strain, removing in excess of £800k of annual staffing costs from expenditure.

Our key targets for 2012-2013:

	Dragon Registrations	5x60 attendance	5x60 frequency 20	All Swims per 1000 population	Learn to swim rates at age 11	No. Schools Active Marc	Number of active Coaches and officials	Adult membership Senior Men	Adult membership Senior Women	Junior Club membership boys	Junior club membership girls	Number of clubs
2011-12 Actual*	209,804	1,071,360	16,885	1303	70%	191	35,861	249,352	39,924	139,437	43,001	5,624
2012-13 Target*	223,259	1,201,643	23,198	1532	83%	251	42,257	261,771	43,467	155,359	46,364	5,962
2012-13 Actual*	223,755	1,258,615	20,326	1460	75%	258	43,043	254,479	46,180	140,928	44,156	5,520
2013-14 Target	250,066	1,202,128	25,654	1690	78%	315	50,281	295,028	52,665	158,098	51,909	5,840

*Schools data (Dragon/5x60/Active Marc) are based on 2011/12 academic year

We are incredibly proud of the progress we have made against our key output targets – our “unreasonable ambition” approach has delivered real results, particularly against key areas of focus such as coaching and women and girls. Whilst we have not met a number of the targets in the above table, we are not disheartened by this. It is more a reflection of our “unreasonable ambition” in action.

RESULTS FOR THE YEAR

The total comprehensive expenditure for Sport Wales after taxation for the year ending 31 March 2013 totalled £27,230,000 (2011/12 £28,343,000). The net movement on the general fund for the year, after the funding received from the Welsh Government, was an underspend of £374,000 (2011/12 over spend of £318,000). The £374,000 increase was arrived at after charging £566,000 depreciation and a £370,000 pension finance cost; and was largely in line with expectation.

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

Plans for Future Periods

Our work over the coming year largely builds on our current position. Amongst a much wider set of objectives, the board has highlighted what it considers to be the most critical deliverables for 2013/14:

Equality

Deliver a women and girls communications campaign to influence and increase participation levels.

Sporting Innovation

Partner Investment Principles: 59 Partners to complete the self-assessment process to inform Board investment.

Community Sport

Work with the 10 focus sports: co-ordinating national and regional planning to maximise collaborative delivery of community sport outcomes.

Skills for a life in sport

Consider and support the implementation of the relevant recommendations from Welsh Government's *School & Physical Activity Task & Finish Group*.

Growing a skilled and passionate workforce

Develop our approach to leadership in sport; focussing on the UK Leadership Development Programme and the revised Women in Leadership Programme.

Up-skill staff and sector colleagues; enabling them to base their guidance and decisions on high-quality evidence to improve sporting outcomes.

Sporting Excellence

To ensure, through appropriate support and challenge, that all high potential sports are at least green when assessed, for both overall system health & base medal target. Similarly, Category B to be green for the base medal target.

To implement a new investment programme in identified Olympic sports to increase the number of athletes selected on to GB pathways and UK sport World Class programme. To establish, in partnership with UK Sport, a talent development programme in Wales, with focus on systematic success at the Commonwealth Games post 2014.

Of huge importance to us are the Glasgow 2014 Commonwealth Games, as this is the world's only multi-sport competition in which Wales can compete as a nation. We want to finish as the number one nation as ranked by the medals per head of population. Welsh representation on Team GB and Paralympic GB gives us confidence, with 18 of the 30 Welsh athletes making their Olympic debut in London. These talented young stars are individual examples of Wales' bright sporting future which we must support and grow.

Over the period of our Corporate Plan 2013-2016, the following key outcomes will be measured:

- The percentage of young people in school years 3-11 who participate three or more times a week in an extracurricular and/or club setting;
- The percentage of young people in school years 3-11 who participate in sport in a club;
- The percentage of young adults 16-24 participating on three occasions a week on average in the previous four weeks;
- The percentage of adults aged 15+ that volunteered in the last 12 months;
- Key Stage 3 attainment in Physical Education (5+).

Population outcome measures can be reported on every two years.

HUMAN RESOURCES

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

SICKNESS ABSENCE DATA

The sickness data for 2012/13 (2011/2012) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
750.00 (698.47)	144.15 (150.48)	5.20 (4.64)

Investing in Our People

Sport Wales has "Investors in People" status and its human resources policies reflect best practice as part of its commitments as a learning organisation

PENSION SCHEME

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

PERSONAL DATA RELATED INCIDENTS

Sport Wales has controls and policies in place to ensure data integrity. Its systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

RISK IDENTIFICATION AND MANAGEMENT

Detail on Risk Management is contained in the Risk Management section of the Annual Governance Statement on page 15.

SUPPLIER PAYMENT POLICY AND PERFORMANCE ACHIEVED

Under the Late Payment of Commercial Debts (Interest Act 1998) and in line with the Better Payment Practice Code (which can be located on www.payontime.co.uk) Sport Wales is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

Sport Wales aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2013 Sport Wales paid 99% (2011/12 98%) of all invoices within the terms of its payment policy. No interest was incurred during the year as a result of late payments.

Financial Instruments

Details of financial instruments can be found in note 1.11 to the financial statements.

REMUNERATION OF AUDITORS

The Audit Committee oversees the nature and amount of non-audit work undertaken by Wales Audit Office our external auditors. During the year 2012/13 £4,000 non audit work was undertaken by Wales Audit Office for Additional Assurance work.

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 he ought to have taken to make himself aware of any audit information and to establish that the auditors are aware of that information.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Social and Community Issues

Our work is guided by several key documents: the Programme for Government; Creating an Active Wales, the five year strategic action plan to deliver Climbing Higher; and the Vision for Sport in Wales. The Programme for Government is reflected in the Minister's Remit letter to Sport Wales.

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

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

The Vision for Sport in Wales is underpinned by four Sport Wales supporting strategies: the Community Sport Strategy; Child Poverty Strategy; Elite Sport Strategy and Coaching and Volunteering Strategy.

The Community Sport Strategy and Child Poverty Strategy respond to social and community issues. Sport Wales aspires to get every child hooked on sport for life, and our priorities form the strategic basis for our work in achieving Core Aim 4 of the Welsh Government's 7 Core Aims, which states every child and young person should "have access to play, leisure, sporting and cultural activities". This means working with our partners to ensure that there are opportunities for children and young people to participate and that we are doing everything we can to ensure barriers that prevent this are overcome.

The Community Sport Strategy sets out clear priorities to enable a dramatic shift in the range and number of people involved in local sport. The Child Poverty Strategy will not be solely delivered by Sport Wales, but outlines our commitment to making a difference to children, young people and their families who live in poverty.

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

Sustainability

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment, the main delivery being achieved via the Green Dragon* Environmental Standard and by working in conjunction with the Carbon Trust.

The work undertaken so far by Sport Wales has reduced gas, oil and electricity consumption over a number of years, resulting not only in a lower carbon footprint but also in reduced fuel costs. The determination by Sport Wales to reduce the environmental impact of its activities has been recognised with the awarding of level three accreditation of the Green Dragon¹ standard at our National Centre in Plas Menai; and a level two Green Dragon* accreditation at our Sport Wales National Centre in Cardiff. In addition, Plas Menai secured grant funding during the year towards the costs of an environmental management system, with the aim of delivering significant future energy savings. 2013-4 will see this implemented.

The main sustainable practices used throughout Sport Wales are as follows:

- The use of electronic media is utilised where possible in place of individuals travelling to events.
- ICT equipment, cardboard, paper, toners, bottles and cans are collected and recycled
- Light and movement sensors are used to control lighting.
- Recycled paper is used for all offices.
- There are recycling stations throughout all offices and located within the National Centres.

Sport Wales has recognised a need to bring a more consistent approach to sustainability and is developing a corporate sustainability policy which, once agreed, will guide the organisation in its future actions.

ENVIRONMENTAL SUSTAINABILITY

The following tables includes all Sport Wales offices data and associated cost

Waste		2012/13	2011/12
Non-financial	Total KG	55,186	N/A

Greenhouse Gas		2012/13	2011/12
Co2	Total gross emissions (Co2)	1,705,976	1,569,204
	Total net emissions (Co2)	1,705,976	1,569,204
	Gross emission, scope 1 (direct)	762,727	669,476
	Gross emissions, scope 2 (indirect)	943,249	899,728
Energy	Electricity (non-renewable)	1,812,652	1,729,015
kWh	Electricity (renewable)	0	0
	Gas	1,256,517	1,271,053
	Gas Oil	1,707,263	1,381,594
Financial	Expenditure – energy	357,171	303,393

¹ Green Dragon is a stepped Standard recognising effective environmental management. The Standard offers an environmental management system relevant to the specific needs of companies and organisations and rewards actions taken to achieve environmental improvements.

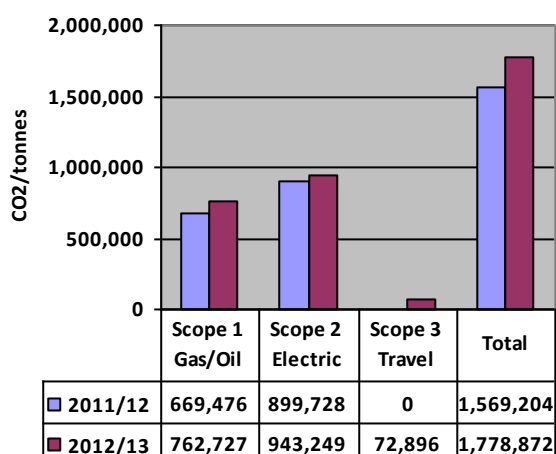
Sport Wales does not currently have a specific target for its carbon emissions, as this will form part of the Corporate Environment Policy. However, the main direct impacts for Sport Wales are in its energy consumption and efficiency programmes are in place to reduce these impacts where possible.

Finite Resource		2012/13	2011/12
Non-financial (M³)	Supplied	12,720	13,369
	Abstracted	2,613	2,786
Financial indicators	Water supply costs	34,737	36,024

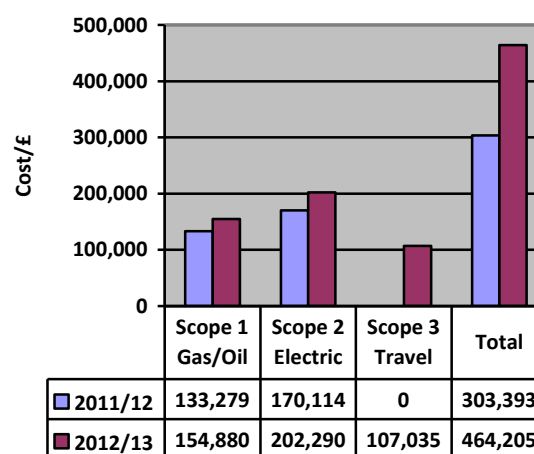
Travel		2012/13	2011/12
Co2	Rail	12,494	N/A
	Air	3,758	N/A
	Car (Taxi/Bus etc)	1,431	N/A
	Own Car Usage	55,213	N/A
	Total	72,896	N/A
Cost	Rail	20,286	N/A
	Air	3,282	N/A
	Car (Taxi/Bus etc)	2,051	N/A
	Own Car Usage	81,416	N/A
	Total	107,035	N/A
Miles	Rail	134,214	N/A
	Air	12,916	N/A
	Car (Taxi/Bus etc)	883	N/A
	Own Car Usage	180,925	N/A
	Total	328,938	N/A

As this is the first year of reporting figures marked N/A for 2011/12 were not available.

CO2 Emissions



Financial Indicators



Conservation and Biodiversity

Sport Wales National Centre, Cardiff is located in a Grade 2 listed garden and all the trees have Tree Protection Orders which are managed in accordance with these orders.

The National Centre at Plas Menai runs marine environmental educational courses on the Menai Strait, has planted a managed woodland and bird boxes have been placed around the site.

Sustainable Procurement and the Future

Sport Wales's procurement policy requires that all Procurement awards in excess of £10,000 should be awarded on the basis that they offer "the optimum combination of whole life costs and benefits to meet Sport Wales's requirements". Whole life costing considers not just the purchase price, but also takes into account the continued cost of ownership, maintenance and disposal of services.

We will continue to work to embed sustainable policies in our operations and work towards:

- Improved waste management reporting.
- Increased staff awareness.
- Continue to build sustainability into our operations where appropriate.

REMUNERATION REPORT

In accordance with Chapter 5 of the Financial Reporting Manual, Sport Wales 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 Sport Wales Members and Senior Staff.

Remuneration Policy

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

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

Service Contracts

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

Sport Wales Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed for a further three year period. The Chair is remunerated at a daily rate of £337 and is contracted to work two days per week. Other Council Members receive a daily rate of £282 and are contracted to work two days per month.

Notice Period

The Chief Executive is entitled to 4 month's notice of termination of contract by Sport Wales and the remaining Senior Staff are entitled to three month's notice of termination of contract.

Salary

"Salary" includes gross salary and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £76,416, (2011/12 £76,416). No bonus payments were made to the Chief Executive or any other member of staff during the year (2011/12 £Nil). In January 2013 the Chief Executive announced his intention to take early retirement. As a consequence Sport Wales has made a provision of £77,000 in its accounts, which represents the contribution required toward the strain on the pension fund as a result of this early retirement. A proportion of the Senior Management salary costs are allocated to lottery.

Benefits in Kind

There are no benefits in kind

Further details of the remuneration and pension benefits of the Chair, Vice Chair, Chief Executive and other senior directors are provided in note 6(d) to the financial statements. This information is audited.

STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

For the 2012/13 financial year and until 21 June 2013, Dr H Jones was the Accounting officer for Sport Wales. The relevant responsibilities of the Accounting Officer are set out within this Statement. On 21 June 2013, Sarah Powell, Corporate Director, took on the Accounting Officer responsibilities for Sport Wales.

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

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

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

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

ACCOUNTING OFFICER: S Powell
10 July 2013

ANNUAL GOVERNANCE STATEMENT 2012/2013

Introduction

On 21 June 2013, I took on the Accounting Officer responsibility for Sport Wales from Dr H Jones.

The following material has been provided to me by Dr H Jones, to support my consideration of the information that I am required to include within this Annual Governance Statement.

"The Governance Statement brings together in one place all disclosures about matters relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of Sport Wales during the course of the year.

As Accounting Officer I have reviewed the 2012 Corporate Governance Code and believe that Sport Wales has fully complied with the relevant elements of the code in respect of both its Exchequer and Lottery functions.

CORPORATE GOVERNANCE

The Board

Corporate Governance is the system by which organisations are directed and controlled. The Board of Sport Wales is responsible for the governance of Sport Wales and the Sports Council for Wales Trust. The Board's role is to satisfy itself that an appropriate governance structure is in place and to scrutinise the performance of the executive and the organisation's delivery of the Sport Wales Vision.

The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by the Welsh Government. The board's composition includes representation from a wide cross section of different sports and members with expertise and experience relevant to both community and elite sport. During the year, the Chair was re-appointed by Welsh Government Minister with responsibility for sport, Huw Lewis AM.

The Board met on five occasions during the year to: review strategies and policies; to receive reports from working group on specific issues; and to receive and scrutinise both performance and financial reports. A Governance Questionnaire completed by board members found that the information provided was considered more than adequate.

Attendances for both the Board and the Audit Committee are shown in the table below.

Board Member	Board Meeting (Number of meetings attended)	Audit Committee (Number of meetings attended)
Prof. L McAllister (Chair)	5	Not Applicable
Adele.Baugmgardt (Vice Chair)	3	Not Applicable
David Roberts	5	Not Applicable
Martin J Warren	4	4
John Baylis	4	3
Richard Cuthbertson	4	3
Andrew Morgan	5	Not Applicable
Simon Pirotte	4	Not Applicable
Paul Thorburn	4	Not Applicable
Alan Watkin	5	4
Julia Longville	3	Not Applicable
Janet Kingston	2	Not Applicable
Johanna Lloyd	3	Not Applicable
Peter King	2	Not Applicable
(External members - Audit Committee only)		
Sandy Blair	Not Applicable	3
Keith Evans	Not Applicable	3
Overall Percentage Attendance rate	88	88

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, the Board has agreed the following governance structure:

- Two permanent committees; The Audit Committee and the Remuneration Committee
- Task and Finish groups approved by the Board (listed below).
- The Executive Management Team and staff structure

Audit Committee

The Board has established an Audit Committee to support it in discharging its responsibilities over issues of risk, internal control and governance by:

- Reviewing the comprehensiveness of current processes, controls, audits and other measures in meeting the assurance needs of the Board and Accounting Officer;
- Reviewing the reliability and integrity of these assurances;
- Providing an opinion on how well the Council and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of Financial Reporting).

The Audit Committee consists of four Board members and two external members. The committee met four times during the year and there was an overall member's attendance rate of 88%.

Over the year the committee's areas of focus included (but were not limited to):

- the operation and effectiveness of the risk management review framework;
- internal audit reports covering specific business areas and the annual internal audit report;
- the Annual Report and Accounts and their format;
- observations made by external audit, particularly the annual management letter and the Additional Assurance Report;
- compliance with the Management Statement and Financial Memorandum issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- the Governance Framework document; and
- the corporate Social Media Policy
- the Gifts and Hospitality Register

The Audit Committee Chair reports back verbally to the Board at every Board meeting. The Board also receives the minutes of the Audit Committee. In addition the Chair presents a formal annual report on the committee's work to the Board.

IT systems ensure that the physical security of data is tightly controlled. In 2012/13 there were no information risk issues or significant control weaknesses to report and the Audit Committee were satisfied that the level of risk was acceptable and managed in an appropriate manner.

Remuneration Committee

The Chief Executive informed the remuneration committee members of his intention to decline any bonus it might offer to him due to the current economic climate. This, combined with the public sector pay freeze, meant that the committee did not meet during 2012/13.

Task and finish groups

Task and finish groups are appointed by the Board as and when required. The groups are made up of Board members appointed by the Chair along with officers of Sport Wales. Their purpose is to provide additional help and advice to the Board within specific themes and they meet on an ad-hoc basis.

During 2012/13 the following task and finish groups were operational:

- The Advocacy group;
- The Local Government Advocacy group;
- The Focus 2014 group; and
- The Performance Management group.
- The Transition group (established to oversee the recruitment of a new Chief Executive)

A Chair is appointed to each task and finish group who then reports back verbally at Board meetings.

The Executive Senior Management Team

The Executive Senior Management Team consists of the Chief Executive (also the Accounting Officer) and four Corporate Directors.

During the year, the Corporate Services Director post was restructured and replaced with a new Corporate Director role with an increased emphasis on maximising Sport Wales commercial potential.

The Executive, under the leadership of the Chief Executive, is responsible to the Board for the development and implementation of strategy and policies and the reporting thereof.

The Executive meets at regular intervals and at least monthly to discuss and agree corporate matters. Progress against the Business Plan is reported and monitored on a quarterly basis.

Board and Committee Effectiveness

Board and Committee effectiveness was reviewed following a survey of members during the September Board away day session.

In the furtherance of being more effective, the Board considered the following:

- Adequacy of time to challenge the executive effectively;
- Striking the right balance between support and challenge;
- The role of the Chair in encouraging constructive debate;
- The decision making process;
- The quality and quantity of information provided;
- The effectiveness of task and finish groups

Although the Board considers the quality of data provided to them to be sufficient to meet their assurance/ decision making needs, quarterly reporting methods will be reviewed during 2013/14 as part of the drive toward continuous improvement. Additionally, during the following financial year, the Vice Chair will be undertaking performance reviews with longstanding members of the Board.

RISK MANAGEMENT

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Sport Wales' 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 Sport Wales throughout the year ended 31 March 2013 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 Sport Wales has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Capacity to handle risk

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

Corporate risks, and the control measures implemented to mitigate them, are assigned to and managed by the appropriate manager, Corporate Director or in some cases by myself as the Accounting Officer. Operating risks, especially those of the two national centres, are the responsibility of the relevant managers while day to day risk management may be delegated to their subordinates.

New risks can be identified by officers of Sport Wales, the Audit Committee or the Board. When a new risk has been identified, and it is considered to be a significant risk, it is inserted into the Risk Register and assigned to a Corporate Director and / or manager.

The risk and control framework

The risk management strategy defines how risk managed by Sport Wales is identified, assessed and controlled. Business, financial and service delivery risks are derived from organisational objectives and the business planning process of Sport Wales.

During 2012/13 the main component of the risk management strategy was the Risk Register. The Risk Register is an electronic solution that is accessible to relevant managers via an online portal.

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

During the reporting period the policy of requesting that managers attend audit committee meetings continued to operate. In attending the committees, managers talked through their sections of the Risk Register, with an emphasis on explaining the controls they had in place to prevent manage the risk.

As part of the internal audit programme a number of key areas of risk were identified, which have been evaluated to provide additional assurance during the year. These include: a review of the booking system at Plas Menai; a review of the procurement card system; and a review of the gifts and hospitality register.

Sport Wales risk appetite is low. This is principally driven by the nature of public funding. As a consequence, investment tends to be made through delivery partners such as Local Authorities with a similarly risk averse nature. Where Sport Wales has chosen an innovative or unproven approach or partner, this has been done cautiously through a very modest investment and represents a small risk relative to the overall delivery/portfolio of investments plan. The application of Sport Wales Risk appetite is made via the individual risk assessments of managers and monitored via the internal audit reports presented to the Audit Committee.

No audit findings were classified as being of "high" or "very high" risk. Also, as a result of this review, no new significant additional risks were identified.

Internal Control

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

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

The internal audit service of the Sports Council for Wales during 2012/13 was provided by KTS Owens Thomas Ltd, which operated to standards defined in the Government Internal Audit Manual. Internal audit submit regular reports which provide an independent annual opinion on the adequacy and effectiveness of Sport Wales's system of internal control, together with recommendations for improvement.

The Annual Internal Audit Report for the year states "The work we have undertaken during the year has not highlighted any fundamental weaknesses in the organisation's governance and risk management arrangements and we are satisfied that Sport Wales, in general, is aware of the need for, and operates adequate control systems". The report goes on to state " On the basis of the work we have undertaken during the year and the action agreed with managers to resolve some of the weaknesses identified, we believe that Sport Wales can be satisfied that its systems provide the basis for enabling effective financial and management control".

Every year the Audit Committee produces an Annual Report of their work to the Board of Sport Wales. This report identifies any concerns relating to the adequacy of the risk management systems in place at Sport Wales.

On-going Developments

Whilst the current system of internal control is strong, nevertheless there are always areas which will benefit from the implementation of improvements. With this ethos of continuous improvement in mind, controls will be improved during 2013/14 by actioning the following:

- Establishing improved quarterly reporting methods to the Board and Welsh Government focusing on priority Business Plan objectives and Remit Letter requirements;
- Ensuring consistency in style and structure of Departmental business plans to underpin the above;
- Thematic reporting by lead managers on the on the five priority areas set out in the Vision document;
- A focus on improved one-to-one meetings in order to ensure the effectiveness of every member of staff;
- Introduction of 360 degree assessments to underpin the above;
- The development of team role guides to be followed by individual role guides in order to ensure clarity of culture and working practices.
- The introduction of a new on-line grants management system to improve efficiency and effectiveness."

Based on the above assurances from the former Accounting Officer, which I have discussed with him, and from my own review of the matters required to be included within this Governance Statement, I am satisfied that for the 2012/13 financial year a sound governance framework and system of internal control were in place. They supported the achievement of Sport Wales policies, aims and objectives; facilitated effective exercise of Sport Wales' functions; and safeguarded public funds and assets for which the former Accounting Officer was personally responsible. These matters of governance and control are in accordance with the responsibilities that had been assigned to the former Accounting Officer, and now to me, in HM Treasury's Welsh Government Accounting Officers' Memorandum.

ACCOUNTING OFFICER: S Powell

Date: 10 July 2013

The certificate and report of the Auditor General for Wales to the Sports Council for Wales

I certify that I have audited the consolidated financial statements of the Sports Council for Wales for the year ended 31 March 2013 by agreement as provided for under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Consolidated Statement of Financial Position, Consolidated Statement of Cashflows and Consolidated Statement of Changes in Taxpayers' Equity and the related notes. These consolidated 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 been audited.

Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of Council's and Chief Executive's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements, in accordance with the Government of Wales Act 2006 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with applicable law and with International Standards on Auditing (UK and Ireland). These standards require me to comply with the Auditing Practice Board'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 Sports Council for Wales' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Sports Council for Wales; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that 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 read all the financial and non-financial information in the Annual Report, comprising History and statutory background, Registered office, Declarations of interest, Risk identification and management, Data protection, Sickness absence data, Employee policy, Pension scheme, Personal data management, Supplier payment policy and performance achieved, Financial risk and capital management, Remuneration of auditors and the unaudited part of the Remuneration Report, to identify material inconsistencies with the audited financial statements. 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 the Sports Council for Wales' consolidated affairs as at 31 March 2013 and of its net expenditure for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Government of Wales Act 2006;

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.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited, cross referenced to note 6 (d) of the financial statements, has been properly prepared in accordance with Welsh Ministers' directions made under the Government of Wales Act 2006; and
- the information which comprises the Board, Management Commentary, Environmental, social and community issues, and Plans for Future Periods included within the Annual Report is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury and Welsh Ministers' guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury and Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Date 15 July 2013

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE SPORTS COUNCIL
FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST FOR THE YEAR ENDED
31 March 2013**

		<u>2012/2013</u>	<u>2011/2012</u>
	Note	£000	£000
EXPENDITURE			
Grant Expenditure	5	19,900	20,261
Staff Costs	6	4,976	5,397
Other Expenditure	7	3,887	4,516
Depreciation: owned assets	9	566	578
		<hr/> 29,329	<hr/> 30,752
INCOME			
Income from Activities	3	(2,461)	(2,642)
Other Income	3	(20)	(34)
		<hr/> (2,481)	<hr/> (2,676)
Net Expenditure		26,848	28,076
Pension Finance Cost		370	280
Deficit/(Surplus) on Disposal of Property, Plant & Equipment	8	14	(10)
Interest Receivable		(3)	(3)
		<hr/> 381	<hr/> 267
Net Expenditure after interest and before taxation		27,229	28,343
Taxation Payable		<hr/> 1	<hr/> -
Net Expenditure after Taxation		<hr/> 27,230	<hr/> 28,343
Other Comprehensive Expenditure			
Net (Gain)/Loss on revaluation of Property, Plant and Equipment		(291)	81
Actuarial loss pension		1,690	4,100
Total Comprehensive Net Expenditure for the year ended		<hr/> 28,629	<hr/> 32,524

CONTINUING OPERATIONS

No activities were acquired or discontinued during the current year or previous year.

The Net Expenditure after Taxation for the financial year attributable to the activities of Sport Wales was £27,230,000 (2011/2012 £28,343,000).

The notes on pages 29 to 55 form part of these accounts

STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES
AS AT 31 March 2013

	Note	<u>At 31 March</u> <u>2013</u> <u>£000</u>	<u>At 31 March</u> <u>2012</u> <u>£000</u>
Non-current assets			
Property, Plant and Equipment	9(a)	282	337
Total non-current assets		<u>282</u>	<u>337</u>
Current assets			
Trade and other receivables	10	4,101	4,137
Cash and cash equivalents		655	500
Total current assets		<u>4,756</u>	<u>4,637</u>
Total assets		<u>5,038</u>	<u>4,974</u>
Current liabilities			
Trade and other payables	11	(381)	(501)
Grant accruals	12	(27)	(64)
Provision – employee redundancies	18	(109)	(50)
Total current liabilities		<u>(517)</u>	<u>(615)</u>
Non-current assets plus net current assets		<u>4,521</u>	<u>4,359</u>
Non-current liabilities			
Pension Liabilities	17	(19,190)	(17,190)
Total non-current liabilities		<u>(19,190)</u>	<u>(17,190)</u>
Assets less liabilities		<u>(14,669)</u>	<u>(12,831)</u>
Taxpayers' equity			
General fund		4,521	4,359
Pension reserve		(19,190)	(17,190)
Revaluation reserve		-	-
		<u>(14,669)</u>	<u>(12,831)</u>

The notes on pages 29 to 55 form part of these accounts

The financial statements were approved by the Audit Committee on 10/07/2013 and were signed on its behalf by;

ACCOUNTING OFFICER: S Powell (Interim Chief Executive)
10 July 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SPORTS COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST AS AT 31 March 2013

	Note	At 31 March 2013 £000	At 31 March 2012 £000
Non-current assets			
Property, Plant and Equipment	9(b)	18,249	18,203
Total non-current assets		<hr/> 18,249	<hr/> 18,203
Current assets			
Trade and other receivables	10	4,101	4,137
Cash and cash equivalents	14	659	504
Total current assets		<hr/> 4,760	<hr/> 4,641
Total assets		<hr/> 23,009	<hr/> 22,844
Current liabilities			
Trade and other payables	11	(381)	(501)
Grant accruals	12	(27)	(64)
Provision – employee redundancies	18	(109)	(50)
Total current liabilities		<hr/> (517)	<hr/> (615)
Non-current assets plus net current assets		<hr/> 22,492	<hr/> 22,229
Non-current liabilities			
Pension Liabilities	17	<hr/> (19,190)	<hr/> (17,190)
Total non-current liabilities		<hr/> (19,190)	<hr/> (17,190)
Assets less liabilities		<hr/> 3,302	<hr/> 5,039
Taxpayers' equity			
General fund		14,587	14,213
Pension reserve		(19,190)	(17,190)
Revaluation reserve		7,905	8,016
		<hr/> 3,302	<hr/> 5,039

The notes on pages 29 to 55 form part of these accounts

The financial statements were approved by the Audit Committee on 10/07/2013 and were signed on its behalf by;

ACCOUNTING OFFICER: S Powell (Interim Chief Executive)

**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SPORTS COUNCIL FOR WALES
AND THE SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 March 2013**

Cash flow from operating activities

		<u>2012/2013</u>	<u>2011/2012</u>
		£000	£000
	Note		
Net Deficit after interest		(27,229)	(28,343)
Deficit/(Surplus) on disposal of property, plant & equipment	8	14	(10)
Depreciation of property, plant & equipment	9(b)	566	578
Decrease in trade and other receivables	10	36	616
(Decrease) in trade payables	11	(120)	(184)
(Decrease) in grant accruals	12	(37)	(26)
Interest received	13	(3)	(3)
Pension costs	17	310	90
Increase/(Decrease) in provision for redundancies	18	59	(704)
		<hr/>	<hr/>
Net cash outflow from operating activities		<u>(26,404)</u>	<u>(27,986)</u>

Cash flows from investing activities

Purchase of property, plant and equipment	13	(335)	(553)
Interest received	13	3	3
		<hr/>	<hr/>
Net cash outflow from investing activities		<u>(332)</u>	<u>(550)</u>

Cash flows from financing activities

Net cash used in financing activities		(26,736)	(28,536)
Funding received from the Welsh Government	13	26,891	27,537
		<hr/>	<hr/>
Net Increase/(Decrease) in cash and cash equivalents		<u>155</u>	<u>(999)</u>

Net increase / (decrease) in cash & cash equivalents in the period

Cash and cash equivalents at the beginning of the period		504	1,503
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	14	<u>659</u>	<u>504</u>
		<hr/>	<hr/>
		<u>155</u>	<u>(999)</u>

The notes on pages 29 to 55 form part of these accounts

**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE SPORTS
COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST
FOR THE YEAR ENDED 31 MARCH 2012**

	<u>Revaluation Reserve</u>	<u>General Fund</u>	<u>Pension Reserve</u>	<u>Total</u>
	£000	£000	£000	£000
Balance at 1 April 2011	8,495	14,531	(13,000)	10,026
Net Expenditure after interest and before tax	-	(28,343)	-	(28,343)
Funding received	-	27,537	-	27,537
Revaluation of tangible fixed assets	(81)	-	-	(81)
Pension costs	-	90	(90)	-
Transfer to general fund	(398)	398	-	-
Actuarial loss	-	-	(4,100)	(4,100)
Funds at 31 March 2012	8,016	14,213	(17,190)	5,039

The notes on pages 29 to 55 form part of these accounts

**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE SPORTS
COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST
FOR THE YEAR ENDED 31 March 2013**

	<u>Revaluation Reserve</u>	<u>General Fund</u>	<u>Pension Reserve</u>	<u>Total</u>
	£000	£000	£000	£000
Balance at 1 April 2012	8,016	14,213	(17,190)	5,039
Net Expenditure after interest and before tax	-	(27,229)	-	(27,229)
Funding received	-	26,891	-	26,891
Revaluation of tangible fixed assets	291	-	-	291
Pension costs	-	310	(310)	-
Transfer to general fund	(402)	402	-	-
Actuarial loss	-	-	(1,690)	(1,690)
Funds at 31 March 2013	<u>7,905</u>	<u>14,587</u>	<u>(19,190)</u>	<u>3,302</u>

The funds in Sport Wales own non-consolidated accounts at 31 March 2013 were £(14,670,000), (31 March 2012 (£12,831,000)) with £17,972,000 (2011/12 £17,870,000) attributable to the Sports Council for Wales Trust.

The notes on pages 29 to 55 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 2013

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (IFRS based FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sport Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sport Wales are described below. These have been applied consistently in dealing with items that are considered material to the accounts. The Sports Council for Wales Trust accounts were prepared on a different basis to adhere to the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales in 2005. Sport Wales's view on the use of different basis is that any differences are not likely to be material.

1.1 Basis of accounting

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

1.2 Funding

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

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

1.3 Property Plant & Equipment

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

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

1.4 Depreciation

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

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

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

1.5 Inventories

Sport Wales holds inventory for allocation as part of its grant activities and the related costs have been reflected in the Statement of Comprehensive Net Expenditure. It holds inventory for resale, which are not considered material. Inventory for resale has not been recognised as an asset in the Statement of Financial Position: the costs of these assets have been recognised as Other Expenditure in the Statement of Comprehensive Net Expenditure.

1.6 Pensions

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

1.7 Taxation

Non-recoverable Value Added Tax is charged to Sport Wales's accounts in respect of taxable expenditure on non-trading activities. UK Corporation Tax is calculated at 20% (21% 2012) of the interest accruing on Sport Wales's investment income, but not that of the Trust.

1.8 Grants payable

Financial assistance by way of grants may be given to further the objectives of Sport Wales. Grants are offered on the basis of entering into a financial commitment based on the period of the project, which in many cases does not coincide with Sport Wales's accounting period. All grant expenditure is accounted for on the basis of project start date and end date and it is assumed that expenditure is defrayed evenly over the life of the project. Further information is set out at note 1.10, Use of estimates and judgements.

1.9 Consolidation

The accounts of Sports Council for Wales Trust, a charitable body wholly owned by Sport Wales, have been consolidated within these accounts. The Lottery Distribution activities of Sport 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 Use of estimates and judgements

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

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

Note 6 – Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities. Where staff are identified as being employed 100% for Lottery purposes their costs are recharged in full.

Note 9(b) – Land is valued at market value and buildings are carried at depreciated replacement cost. These valuations are carried out by external valuers in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. A number of key assumptions are made during this process.

Note 12 – Grant accruals and prepayments are calculated on the basis of the project start and end dates as set-out in note 1.8.

Note 17 – Measurement of defined benefit contributions depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, rate of increase in deferred pensions and expected return on scheme assets.

1.11 Financial Instruments

As the cash requirements of Sport Wales are primarily met through Grant-in-Aid provided by Welsh Assembly Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Sport Wales's expected purchase and usage requirements and Sport Wales is therefore exposed to little credit, liquidity or market risk.

1.12 Impairment

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

1.13 Provisions – Employee redundancies

The balance on the provision at 31 March 2013 recognised an estimate of the cost of the post to be made redundant in 2012-13 (but paid out in 2013-14) and the provision for payment against the strain on the pension fund following the announcement of the Chief Executive to take early retirement during 2013-14. These have been calculated as per the Sport Wales policy which is detailed in the staff handbook. Further information is set out at Note 18.

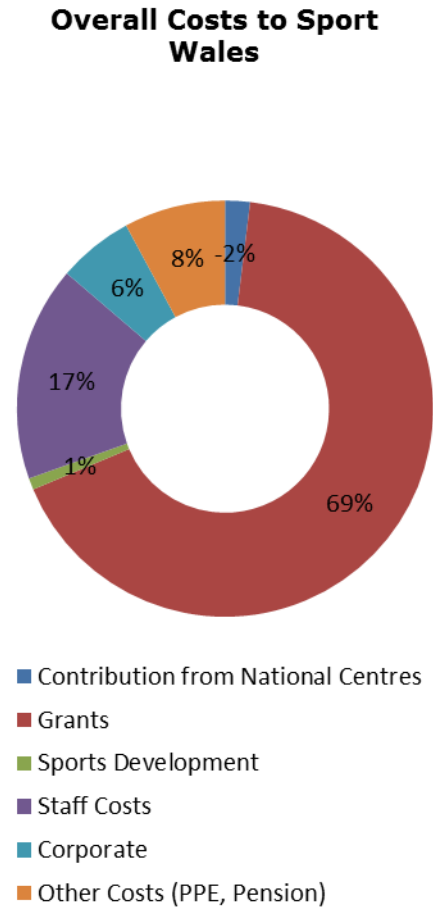
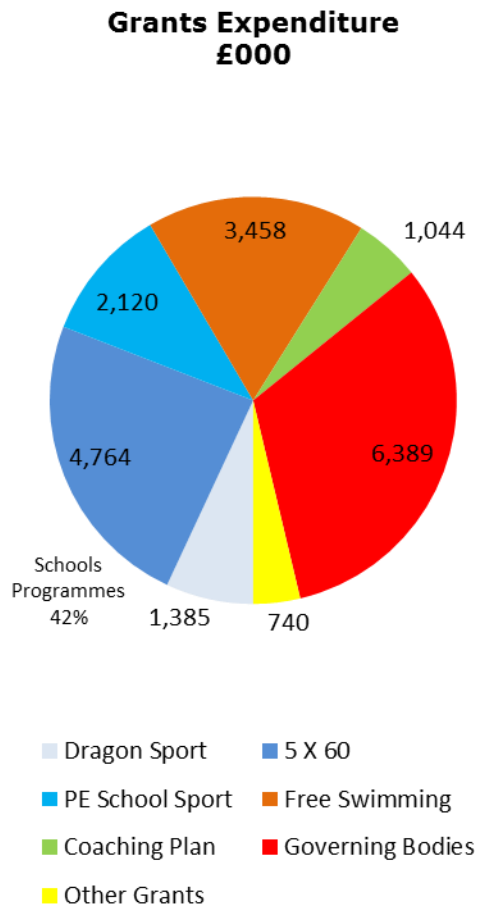
2. ANALYSIS OF NET COMPREHENSIVE EXPENDITURE

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

The Sport Wales previous format has been replaced with a more detailed breakdown showing in greater detail the allocation of expenditure.

		Total 2012/2013 £000	Total 2011/2012 £000
National Centres			
Revenue	Note 3	(2,431)	(2,543)
Expenditure Other	Note 7	<u>1,855</u>	<u>1,782</u>
Net Operating Contribution		<u><u>(576)</u></u>	<u><u>(761)</u></u>
Grants			
Sports Development Grants Income	Note 3	(30)	(99)
Grant Expenditure	Note 5	<u>19,900</u>	<u>20,261</u>
Net Operating Cost		<u><u>19,870</u></u>	<u><u>20,162</u></u>
Sports Development and Corporate			
Other Income	Note 3	(20)	(34)
Expenditure Other	Note 7	<u>2,032</u>	<u>2,734</u>
Net Operating Cost		<u><u>2,012</u></u>	<u><u>2,700</u></u>
Staff Costs	Note 6	<u><u>4,976</u></u>	<u><u>5,397</u></u>
Other Costs			
Property, Plant and Equipment and Pensions		<u>2,347</u>	<u>5,026</u>
Net Operating Cost		<u><u>2,347</u></u>	<u><u>5,026</u></u>
Total Comprehensive Net Expenditure		<u><u>28,629</u></u>	<u><u>32,524</u></u>

2. ANALYSIS OF NET COMPREHENSIVE EXPENDITURE – CONTINUED



3. INCOME

	<u>2012/2013</u> £000	<u>2011/2012</u> £000
Income from activities:		
Sports Development Grants:		
Mentro Allan	-	71
Other	30	28
	<u>30</u>	<u>99</u>
National Sports Centres	<u>2,431</u>	<u>2,543</u>
	2,461	2,642
Other operating income:		
Recovery of grants	1	12
Other income	19	22
	<u>20</u>	<u>34</u>
Total Income	<u><u>2,481</u></u>	<u><u>2,676</u></u>

4. GRANTS RECEIVABLE FROM GOVERNMENT

	<u>2012/2013</u> <u>£000</u>	<u>2011/2012</u> <u>£000</u>
Transferred to general fund	26,891	27,537

5. GRANT EXPENDITURE

	<u>2012/2013</u> <u>£000</u>	<u>2011/2012</u> <u>£000</u>
Let's Walk Cymru	295	241
Performance and Excellence	7,471	7,963
PE and School Sport	2,121	1,627
People and Programme Development Regions	-	62
	<u>10,013</u>	<u>10,368</u>
	<u>19,900</u>	<u>20,261</u>
Public Sector	11,693	12,480
Private Sector	8,207	7,781
	<u>19,900</u>	<u>20,261</u>

6. STAFF COSTS

(a)	<u>2012/2013</u> <u>£000</u>	<u>2011/2012</u> <u>£000</u>
Permanent:		
Salaries and Wages	4,915	5,156
Provision for redundancies	166	396
Staff on secondment	(32)	(43)
Social Security Costs	377	402
Pension Service Costs and Other Costs (Note 18)	860	790
	<u>6,286</u>	<u>6,701</u>
Agency and instructional staff	203	128
Less: Allocated to SPORTLOT	(1,513)	(1,432)
	<u>4,976</u>	<u>5,397</u>

(b) 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>2012/2013</u> No	<u>2011/2012</u> No
Total	144.2	150.5

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

(c) Compensation schemes – exit packages

Exit package cost band	Number of redundancies	
	2012-13	2011-12
< £10,000	0	0
£10,000 - £25,000	1	6
£25,000 - £50,000	1	10
£50,000 - £100,000	1	7
£100,000 - £150,000	0	1
Total number of exit packages	3	24
Total resource cost (£)	107,000	1,100,000

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where Sport Wales has agreed early retirements, the additional costs are met by Sport Wales and not by the Civil Service pension scheme.

(d) Salary and Pension Entitlements

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

Remuneration (subject to audit)

<u>Name</u>	<u>Title</u>	<u>Salary 2012/13 £000</u>	<u>Salary 2011/12 £000</u>
Prof. Laura McAllister (from 01/04/07 to 31/01/2016)	Chair	35 - 40	35 - 40
Mrs Adele Baumgardt (Member from 01/04/09 to 31/03/12) (appointed Vice Chair 01/09/2012 to 31/08/2015)	Vice Chair	0 - 5 (5 - 10 full year equivalent)	5 - 10
Dr Huw Jones (from 01/01/03)	Chief Executive	75 - 80	75 - 80
Mr Chris James (from 01/02/06 to 31.10.2012)	Corporate Director	40 - 45* (65 -70 full year equivalent)	65 - 70
Mrs Anne Hamilton (from 01/09/07 to 30/09/11)	Head of Service	-	25 - 30 (55 - 60 full year equivalent)
Mr Alan Williams (from 14/12/94)	Manager Plas Menai Watersports Centre	55 - 60	55 - 60
Ms Sarah Powell (from 01/09/07)	Corporate Director	55 - 60	55 - 60
Mr Mark Frost (from 01/09/07)	Corporate Director	55 - 60	55 - 60
Mr Malcolm Zapple (from 01/04/97)	Manager Sport Wales National Centre	55 - 60	55 - 60
Ms Sian Thomas (from 06/04/09)	Corporate Director	55 - 60	55 - 60
Mr Randal Hemingway (from 01/12/2012)	Corporate Director	15 - 20 (50-55 full year equivalent)	-
Mr Richard Palmer (reappointed from 01/04/09 to 31/03/12)	Council Member	-	5 - 10
Cllr Robert Harris (reappointed from 01/04/09 to 31/03/12)	Council Member	-	5 - 10

<u>Name</u>	<u>Title</u>	<u>Salary 2012/13 £000</u>	<u>Salary 2011/12 £000</u>
Rev Hywel Davies (reappointed from 01/04/09 to 31/03/12)	Council Member	-	5 - 10
Mr David Roberts (reappointed from 01/04/11 to 31/03/14)	Council Member	5 - 10	5 - 10
Mr Martin J Warren (reappointed from 01/04/11 to 31/03/14)	Council Member	5 - 10	5 - 10
Prof. John Baylis (from 01/04/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Mr Richard Cuthbertson (from 01/04/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Mr Andrew Morgan (from 01/04/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Mr Simon Pirotte (from 01/04/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Mr Paul Thorburn (from 01/04/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Mr Alan Watkin (from 01/05/2011 to 31/03/2014)	Council Member	5 - 10	5 - 10
Ms Johanna Lloyd (appointed 01/09/2012 to 31/08/2015)	Council Member	0 - 5 (5-10 full year equivalent)	-
Ms Janet Kingston (appointed 01/09/2012 to 31/08/2015)	Council Member	0 - 5 (5-10 full year equivalent)	-
Ms Julia Longville (appointed 01/09/2012 to 31/08/2015)	Council Member	0 - 5 (5-10 full year equivalent)	-
Mr Peter King (appointed 01/09/2012 to 31/08/2015)	Council Member	0 - 5 (5-10 full year equivalent)	-

* In addition to the salary payment a redundancy payment of £70,000 was made.

Median Remuneration Ratio

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2012 / 13	2011 / 12*
Band of Highest Paid Director's Total Remuneration (£ '000)	75 - 80	75 - 80
Median Total Remuneration	17,122	18,504
Ratio	4.5	4.2

The ratio was calculated using the following assumptions:

1. Only salaries for staff paid through the payroll has been used (excludes agency staff as not material),
2. Annualised salary figures are calculated using an appropriate cut-off date for starters and leavers during the year, and
3. Figures have not been adjusted to reflect any apportionment to the Lottery accounts i.e. costs reflect all staff employed by The Sports Council for Wales processed through the payroll.

Total remuneration includes salary but excludes severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in Sport Wales in the financial year 2012/13 was £75,000-80,000 (2011/12 £75,000-80,000). This was 4.5 times (2011/12 4.2 times) the median remuneration of the workforce, which was £17,122 (2011/12 £18,504).

*Restated to exclude severance payments in line with revised HM Treasury guidance.

Pension Benefits (subject to audit)

Name	Real increase in Pension (and lump sum) at age 65	Total accrued Pension at age 65 at 31 March 2013 (lump sum)	CETV at 31 March 2013	CETV at 31 March 2012	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
Dr Huw Jones <i>Chief Executive</i>	0 – 2.5 (-2.5 – 0.0)	25 – 30 (65 – 70)	560	525	35
Mr Chris James <i>Corporate Director</i>	0 – 2.5 (-2.5 – 0.0)	10 – 15 (10 – 15)	148	136	7
Mr Randal Hemingway <i>Corporate Director</i>	0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	2	-	1
Mr Alan Williams <i>Manager Plas Menai Watersports Centre</i>	0 – 2.5 (-2.5 – 0.0)	20 – 25 (45 – 50)	412	385	22
Ms Sarah Powell <i>Corporate Director</i>	0 – 2.5 (-2.5 – 0.0)	10 – 15 (20 – 25)	142	130	8
Mr Malcolm Zaple <i>Manager Sport Wales National Centre</i>	0 – 2.5 (-2.5 – 0.0)	15 – 20 (45 – 50)	340	320	16
Mr Mark Frost <i>Corporate Director</i>	0 – 2.5 (-2.5 – 0.0)	10 – 15 (15 – 20)	171	155	11
Ms Sian Thomas <i>Corporate Director</i>	0 – 2.5 (0.0 – 2.5)	5 – 10 (0 – 5)	48	39	5

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales's pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

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

7. OTHER EXPENDITURE

	<u>2012/2013</u> £000	<u>2011/2012</u> £000
Auditor's Fees – Audit services	25	25
Other work	4	4
Travelling, subsistence and hospitality expenses of:		
Members	22	24
Headquarters staff	28	45
National Sports Centres	3	3
Sports Development	124	130
Central support services	617	877
Marketing and communications	618	973
Research	426	585
Interest payable to Welsh Government	2	2
Other Expenditure:		
National Sports Centres	1,852	1,779
Sports Development	163	69
Movement in provision for doubtful debts	3	-
	<u>3,887</u>	<u>4,516</u>

8. DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	<u>2012/2013</u> £000	<u>2011/2012</u> £000
Gross book value	207	203
Accumulated depreciation	(151)	(201)
Net book value	56	2
Proceed from sale	42	12
(Deficit)/Surplus on sale of asset	<u>(14)</u>	<u>10</u>

9. PROPERTY, PLANT & EQUIPMENT

(a) Council:

	<u>Equipment</u> £000	<u>Vehicles</u> £000	<u>ICT</u> £000	<u>Total</u> £000
Cost or Valuation as 1 April 2011	296	88	197	581
Additions	84	14	48	146
Disposals	(15)	-	(7)	(22)
At 31 March 2012	<u>365</u>	<u>102</u>	<u>238</u>	<u>705</u>
Depreciation at 1 April 2011	(112)	(35)	(111)	(258)
Charge for the year	(53)	(16)	(61)	(130)
Disposals	13	-	7	20
At 31 March 2011	<u>(152)</u>	<u>(51)</u>	<u>(165)</u>	<u>(368)</u>
Net Book Value at 31 March 2012	<u>213</u>	<u>51</u>	<u>73</u>	<u>337</u>
Net Book Value at 1 April 2011	<u>184</u>	<u>53</u>	<u>86</u>	<u>323</u>

	<u>Equipment</u> £000	<u>Vehicles</u> £000	<u>ICT</u> £000	<u>Total</u> £000
Cost or Valuation as 1 April 2012	365	102	238	705
Additions	44	20	17	81
Disposals	-	-	-	-
At 31 March 2013	<u>409</u>	<u>122</u>	<u>255</u>	<u>786</u>
Depreciation at 1 April 2012	(152)	(51)	(165)	(368)
Charge for the year	(65)	(21)	(50)	(136)
Disposals	-	-	-	-
At 31 March 2013	<u>(217)</u>	<u>(72)</u>	<u>(215)</u>	<u>(504)</u>
Net Book Value at 31 March 2013	<u>192</u>	<u>50</u>	<u>40</u>	<u>282</u>
Net Book Value at 1 April 2012	<u>213</u>	<u>51</u>	<u>73</u>	<u>337</u>

(b) Consolidated:

	Plas Menai Freehold land and buildings £000	Sport Wales National Centre buildings £000	Equipment £000	Vehicles £000	ICT £000	Total £000
Cost or Valuation at 1 April 2011	5,125	12,710	1,972	170	320	20,297
Additions	40	379	84	14	48	565
Disposals	-	-	(126)	(28)	(49)	(203)
Revaluation	(115)	(364)	-	-	-	(479)
At 31 March 2012	5,050	12,725	1,930	156	319	20,180
Depreciation at 1 April 2011	-	-	(1,654)	(117)	(227)	(1,998)
Charge for the year	(139)	(259)	(96)	(16)	(68)	(578)
Disposals	-	-	124	28	49	201
Revaluation	139	259	-	-	-	398
At 31 March 2012	-	-	(1,626)	(105)	(246)	(1,977)
Net Book Value at 31 March 2012	5,050	12,725	304	51	73	18,203
Net Book Value at 1 April 2011	5,125	12,710	318	53	93	18,299
Cost or Valuation at 1 April 2012	5,050	12,725	1,930	156	319	20,180
Additions	88	208	44	20	17	377
Disposals	-	-	(179)	(26)	(2)	(207)
Revaluation	47	(158)	-	-	-	(111)
At 31 March 2013	5,185	12,775	1,795	150	334	20,239
Depreciation at 1 April 2012	-	-	(1,626)	(105)	(246)	(1,977)
Charge for the year	(143)	(259)	(93)	(21)	(50)	(566)
Disposals	-	-	123	26	2	151
Revaluation	143	259	-	-	-	402
At 31 March 2013	-	-	(1,596)	(100)	(294)	(1,990)
Net Book Value at 31 March 2013	5,185	12,775	199	50	40	18,249
Net Book Value at 1 April 2012	5,050	12,725	304	51	73	18,203

Included in Plas Menai Freehold land and buildings is land valued at £175,000 (2011/12 £175,000) The land and buildings held by the SCW Trust were independently valued as at 31 March 2013 at £17,960,000 by Messrs Cooke & Arkwright, Chartered Surveyors in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. This valuation excludes the land at Welsh Institute of Sport, which is leasehold.

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

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2013</u> £000	<u>At</u> <u>31 March</u> <u>2012</u> £000
Trade receivables	405	452
SPORTLOT	388	185
VAT	95	74
Prepayments and accrued income	152	262
Grant prepayment	2,182	1,672
Grant repayable	885	1,496
Provision for bad and doubtful debts	(6)	(4)
	<hr/> 4,101	<hr/> 4,137
	<u>At</u> <u>31 March</u> <u>2013</u> £000	<u>At</u> <u>31 March</u> <u>2012</u> £000
Intra-government balances		
Balances with other central government bodies	485	261
Balance with local authorities	970	1,557
	<hr/> 1,455	<hr/> 1,818
Balance with bodies external to government	<hr/> 2,646	<hr/> 2,319
	<hr/> 4,101	<hr/> 4,137

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2013</u> £000	<u>At</u> <u>31 March</u> <u>2012</u> £000
Trade payables	43	41
Other payables	1	1
Accruals	191	287
Deferred income	146	172
	<hr/> 381 <hr/>	<hr/> 501 <hr/>

	<u>At</u> <u>31 March</u> <u>2013</u> £000	<u>At</u> <u>31 March</u> <u>2012</u> £000
Intra-government balances		
Balances with other central government bodies	-	-
Balance with local authorities	-	-
	<hr/> -	<hr/> -
Balance with bodies external to government	<hr/> 381	<hr/> 501
	<hr/> 381 <hr/>	<hr/> 501 <hr/>

12. GRANT ACCRUALS

Council and Consolidated:

	<u>At</u> <u>31 March</u> <u>2013</u> £000	<u>At</u> <u>31 March</u> <u>2012</u> £000
Accrued Grants	<hr/> 27	<hr/> 64

13. GROSS CASH FLOWS

	<u>2012/2013</u> <u>£000</u>	<u>2011/2012</u> <u>£000</u>
Cash Flows From Investing Activities		
Interest received	3	3
	<hr/>	<hr/>
Capital Expenditure and Financial Investment		
Payments to acquire property, plant and equipment	(377)	(565)
	<hr/>	<hr/>
Receipts from the sale of property, plant and equipment	42	12
	(335)	(553)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Funding received from the Welsh Government (note 4)	26,891	27,537
	<hr/>	<hr/>

14. CASH AND CASH EQUIVALENTS

	<u>2012/2013</u> <u>£000</u>	<u>2011/2012</u> <u>£000</u>
Balance at 1 April	504	1,503
Net change in cash and cash equivalent balances	155	(999)
Balance at 31 March	659	504
	<hr/>	<hr/>
The following balances at 31 March were held at:		
Commercial banks and cash in hand	659	504
	<hr/>	<hr/>
Balance at 31 March	659	504
	<hr/> <hr/>	<hr/> <hr/>

15. CAPITAL COMMITMENTS AT NATIONAL SPORTS CENTRES

	<u>31 March</u> <u>2013</u> <u>£000</u>	<u>31 March</u> <u>2012</u> <u>£000</u>
Contracted but not paid	-	22
	<hr/>	<hr/>

16. CONTINGENT LIABILITIES

There are no contingent liabilities as at March 2013.

17. EMPLOYEE BENEFITS

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

The latest triennial valuation of the Fund was carried out as at 31 March 2010 and the actuary's report has been 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.

The actuarial valuation at 31 March 2013 showed an increase in the deficit from £17,190,000 to £19,190,000. Sport Wales's contribution to the fund for the year to 31 March 2013 amounted to £920,000 (2011/12 £1,110,000) at a rate of 21.5% (2011/12 21.5%) of pensionable remuneration. From 2013/14 the rate will be 21.5%.

Sport Wales expects to contribute £960,000 to the fund in 2013/14. In addition to this "strain on fund" contributions may be required.

Main Financial Assumptions

	31 March 2013	31 March 2012
	(% p.a)	(% p.a)
Inflation – CPI	2.8	2.6
Rate of general Increase in salaries	4.7	4.6
Rate of increase to pensions in payment	2.8	2.6
Rate of increase to deferred pensions	2.8	2.6
Discount rate	4.6	4.8
Expected return on assets	6.9	7.2
Mortality assumptions:		
Future lifetime from age 65 (aged 65 at accounting date)		
- Male	24.0	23.9
- Female	26.8	26.7
Future lifetime from age 65 (aged 45 at accounting date)		
- Male	25.7	25.6
- Female	28.8	28.7

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2013.

I. Analysis of movements in surplus (deficit) during the year

	31 March 2013 £M	31 March 2012 £M
Fair value of fund assets	22.48	19.22
Present value of liabilities	(41.67)	(36.41)
(Deficit) in scheme at end of year	(19.19)	(17.19)

(b) Analysis of amount charged to Operating Costs

	31 March 2013 £M	31 March 2012 £M
Current service cost	0.86	0.79
Past service cost	0.00	0.13
Interest cost	1.76	1.70
Expected return on assets	(1.39)	(1.42)
Expense Recognised	1.23	1.20

c) Changes to the present value of defined benefit obligation during the accounting period

	31 March 2013 £M	31 March 2012 £M
Opening defined benefit obligation	36.41	31.32
Current service cost	0.86	0.79
Interest cost	1.76	1.70
Contributions by participants	0.26	0.29
Actuarial (gains)/losses on liabilities	3.06	3.09
Net benefits paid out	(0.68)	(0.91)
Past service cost	0.00	0.13
Closing defined benefit obligation	41.67	36.41

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

	31 March 2013 £M	31 March 2012 £M
Opening fair value of assets	19.22	18.32
Expected return on assets	1.39	1.42
Actuarial gains / (losses) on assets	1.37	(1.01)
Contributions by the employer	0.92	1.11
Contributions by participants	0.26	0.29
Net benefits paid out	(0.68)	(0.91)
Closing fair value of assets	22.48	19.22

e) Actual return on assets

	31 March 2013 £M	31 March 2012 £M
Expected return on assets	1.39	1.42
Actuarial gain / (loss) on assets	1.37	(1.01)
Actual return on assets	2.76	0.41

f) Analysis of amounts recognised in Other Comprehensive Income and Expenditure

	31 March 2013 £M	31 March 2012 £M
Total actuarial (losses)/gains	(1.69)	(4.10)
Total (losses)/gains in reserves	(1.69)	(4.10)

g) History of asset values, present value of defined benefit obligation and deficit

	31 March 2013 £M	31 March 2012 £M	31 March 2011 £M	31 March 2010 £M	31 March 2009 £M
Fair value of assets	22.48	19.22	18.32	17.39	12.48
Present value of defined benefit obligation	(41.67)	(36.41)	(31.32)	(32.56)	(23.43)
(Deficit)	(19.19)	(17.19)	(13.00)	(15.17)	(10.95)

h) History of Experience gains and losses

	31 March 2013 £M	31 March 2012 £M	31 March 2011 £M	31 March 2010 £M	31 March 2009 £M
Experience (losses)/gain on assets	1.37	(1.01)	(1.18)	3.42	(3.39)
Experience (losses) on liabilities	0.06	(0.18)	(0.92)	0.19	(0.06)

18. PROVISION – EMPLOYEE REDUNDANCIES AND PENSION STRAIN

	<u>Employee redundancies</u> £000	<u>Total</u> £000
Balance at 1 April 2012	50	50
Movement in provision	166	166
Provisions utilised in the year	(107)	(107)
Balance at 31 March 2013	<u>109</u>	<u>109</u>

Analysis of expected timing of cash flows

	<u>Employee redundancies and pension strain</u> £000	<u>Total</u> £000
Not later than one year	109	109
Later than one year and not later than five years	0	0
Later than five years	0	0
Balance at 31 March 2013	<u>109</u>	<u>109</u>

Employee Redundancies and Pension Strain

In January 2011, the Board of the Sports Council for Wales approved a restructuring exercise. A detailed plan for this exercise was in place at the date of the financial statements, including the number of posts and in which areas and grades these were to be made. However, decisions had not been made in all cases as to which members of staff would be made redundant. An estimate of the liability was therefore made and a provision for such costs recognised at 31 March 2011. These costs were measured on the basis of the average years' service for the areas/posts identified. During 2011/12, payments were made to individuals and set against the provision. The provision was also utilised for further redundancies agreed by the Board, having satisfied itself that such costs met the requirements set by accounting standards. The cost of these further redundancies at 31 March 2012 were estimated to be £50,000. During 2012/13 the provision was utilised and additional redundancies were agreed by the Board. As at the 31 March 2013 the provision has been revised to include the strain on the pension fund (estimated at £77,000) following the Chief Executive's announcement take early retirement; and for a further redundancy payment totalling £32,000 for another individual.

19. EVENTS AFTER THE REPORTING PERIOD

Dr H Jones, Accounting Officer retires on 30 September 2013. As part of the transitional arrangement, Sarah Powell, Corporate Director became Accounting Officer from 21 June 2013.

20. RELATED PARTY TRANSACTIONS

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

The payments column includes all payments made during the year for current commitments, prepaid commitments and non-grant expenditure. The final column is committed grant payments not yet made (does not include any non-grant amounts).

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
S Thomas <i>Corporate Director</i>	FAW Football in the Community	954	Partner is Trustee	3
A Williams <i>Manager Plas Menai Watersports Centre</i>	Welsh Yachting Association	160	Member & daughters coach/one a physiotherapist	-
	Welsh Cycling Union	332	Member	-
	Welsh Canoe Association	270	Member	-
M Frost <i>Corporate Director</i>	Glamorgan County Cricket Club	4	Member	-
	Cricket Board of Wales	503	Previous Director	-
	Penarth RFC (Mini & Junior)	-	Immediate Family Members	1
	Cardiff County Council	1,351	Wife Employee	-
S Powell <i>Corporate Director</i>	Welsh Hockey Union	750	Member	12
	Surf Lifesaving Wales	4	Brother Member	-
	Sports Coach UK	1	Links to Surf Lifesaving Wales	-
	Welsh Karate Governing Body	35	Links to Porthcawl Karate Club which Brother is Member	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
J Lloyd <i>Council Member</i>	Welsh Netball Association	342	Mother Employee	-
	Rhondda Cynon Taff CBC	805	Sister Employee	-
	Welsh Badminton Union	199	Sister provides coaching	-
	Cardiff Metropolitan University	36	Father Employee	-
	Welsh Rugby Union Ltd	400	Father WRU Match Official	-
	University of Glamorgan	7	Advisory Board Member	-
J Longville <i>Council Member</i>	Pembrokeshire County Council	370	PESS Consultant for West Consortia	-
	Powys County Council	494	As Above	-
	Neath/Port Talbot County B.Council	1,054	As Above	-
	City & County of Swansea	591	As Above	-
	Ceredigion County Council	254	As above	-
	Cardiff Metropolitan University	36	Senior Lecturer	-
	Welsh Netball Association	342	Former National Director & Coach	-
	Athletics Assoc.of Wales	237	Son athlete of Welsh Athletics	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
P King <i>Council Member</i>	Sport England	1	Chair - Board of Directors(England Athletics)	-
	Welsh Cycling Union	332	Executive Director (British Cycling) Previously CEO. Links with British Cycling	-
	UK Sports Council	1		-
A Baumgardt <i>Vice Chair</i>	Chwarae Teg Ltd	5	Former Board Member (ended Oct 2007)	-
Prof L McAllister <i>Chair</i>	FAW Football in the Community	954	Board Director and Trustee	3
	Institute of Welsh Affairs	2	Director & Trustee	-
	UK Sports Council	1	Board Member	-
	University of Wales Bangor	24	Holds Honorary Degree	-
	University of Glamorgan	7	Holds Honorary Degree	-
M J Warren <i>Council Member</i>	Cardiff Metropolitan University	36	Director of Finance	-
Prof J Baylis <i>Council Member</i>	University Of Wales Swansea	7	Former Pro Vice Chancellor	-
A Morgan <i>Council Member</i>	Golf Union of Wales	419	Former President	-
	Athletics Association of Wales	237	Member	-
P Thorburn <i>Council Member</i>	Welsh Rugby Union	400	President of South Gower RFC	-
	University of Wales, Swansea	7	Chairman of Welsh Varsity	-
	Welsh Cycling Union	332	Daughter Cycles for WCU	-
	Welsh Canoe Association	270	Former Chair - Steering Group for World Cup 2012	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
A Watkin <i>Council Member</i>	Tennis Wales	291	Director	-
	Welsh Hockey Union	750	Chair (North Wales)	12
	Wrexham CB Council	298	Former Chief Officer	-
D L Roberts <i>Council Member</i>	Welsh Gymnastics	486	Partner is Chief Executive	-

Remuneration of Senior Managers and Council Members

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within Note 6 (d) on pages 36 to 39.