

THE SPORTS COUNCIL FOR WALES AND SPORTS COUNCIL FOR WALES TRUST
FOREWORD

HISTORY AND STATUTORY BACKGROUND

1. The Sports Council for Wales was established by Royal Charter dated 4 February 1972, with the objectives of "fostering the knowledge and practice of sport and physical recreation among the public at large in Wales and the provision of facilities therefor". It is financed by an annual grant-in-aid from the National Assembly for Wales (Assembly) and from income generated from its activities. These Statements of Account are prepared pursuant to Article 15 of the Royal Charter for the Sports Council for Wales in a form determined by the Assembly with the approval of HM Treasury. A copy of the Accounts Direction is available for public inspection at the Sports Council's offices at Sophia Gardens in Cardiff.

The Sports Council's fixed assets are held by The Sports Council for Wales Trust which was constituted on 16 May 1972 and is registered as a charity with the Charity Commissioners, with the charitable objectives of:

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

RESULTS FOR THE YEAR

2. The Accounts relate to the year ended 31 March 2001 during which period the operating deficit was £1,562,440 (1999/2000 £741,973) after taking into account the grant-in-aid in the period of £7,017,000 (1999/2000 £6,799,000), the capital element £797,613 was transferred to the deferred grant account. The retained deficit for the year of £513,055 (1999/2000 surplus £276,870) was transferred to reserves. The Council introduced measures in 2001/2002 to ensure the deficit carried forward is eliminated.

REVIEW OF ACTIVITIES

3. The Council's principal activities were to pursue and undertake policies and schemes aimed at increasing participation and improving performance in sport and physical recreation and, generally, to disseminate information and to promote knowledge of sport and physical recreation in Wales. To these ends, the Council deployed its manpower resources, provided facilities through the Welsh Institute of Sport and the Plas MENAI National Watersports Centre, and made grants to national and local sports organisations. The National Lottery Act 1993 (as amended) nominates the Sports Council for Wales as the body responsible for distributing funds generated by the lottery to sport in Wales. In November 1994, the Council launched the Lottery Fund for Sport in Wales, through the creation of a separate and distinct identity: SPORTLOT. All work related to the Lottery is integrated into the Council's operation. Further information regarding the activities of the Council can be found elsewhere within the Annual Report and SPORTLOT results are included in the separately prepared accounts for that body. The Council attained the nationally recognised "Investors in People" award in March 2001 after extensive external assessment. The award is recognition of the Council's commitment to the training and development of staff.

FUTURE DEVELOPMENTS

4. The Council launched its new strategy for sport in Wales entitled, "Young People First", in May 1999 with an emphasis on 7 - 16 year olds. Over the coming years through programmes such as Dragon Sport and Clwb Cymru the Council expects to achieve the targets set in the strategy. Under the "Transfer of Functions (National Assembly for Wales) Order" the Sports Council for Wales is funded by and is accountable to the National Assembly for Wales. The Council's future plans, performance indicator and resource allocation are set out in detail in the annual Operational Plan and the three year rolling Corporate Plan, as required by the Management Statement.

MANAGEMENT

5. The Sports Council for Wales members who served in the year are listed below:

Mr G Davies	(Chairman)
Miss A Ellis MBE	(Vice-Chairman)
Mr D Davies	(appointed April 2000)
Mr L Davies MBE	(appointed April 2000)
Councillor K Evans	
Mrs C Gittoes	(appointed April 2000)
Ms T Grey - Thompson MBE	
Miss L Harries	
Mr P L Jones	
Mr R Jones	
Mr I Lewis	
Ms D Morgan	(appointed April 2000)
Dr S Noake	(appointed April 2000)
Mr N Piper	
Mr D R Turner	(co-opted 1 April 2000)

The Sports Council for Wales is the Trustee of the Sports Council for Wales Trust which is managed by a committee consisting of the full Sports Council plus :

Mr F S S Baguley	
Mr B George	(Representatives of the Welsh Sports Association)

FIXED ASSETS

6. The movements on fixed assets during the year are set out in Note 7 to the accounts.

DISABLED PERSONS

7. The Sports Council for Wales observes the obligations of the Disabled Persons Employment Act 1944, and also observes the provisions of sections 9(2) and 9(5). These are designed to ensure that in making the choice between the appointment of a registered disabled and a non-disabled person, if their respective merits are evenly balanced, the Sports Council for Wales takes account of the quota of registered disabled persons to be employed and, if below quota, gives preference to the disabled person. Due to the nature of the work of the Sports Council and the National Centre, the Council has a special dispensation regarding the size of its quota of disabled employees. However, in those areas of its activities where the dispensation does not apply, the Sports Council for Wales does not reject without good cause any suitable registered disabled person who may be submitted or apply for employment.

EMPLOYEE INVOLVEMENT

8. The Council recognises the importance of keeping its employees fully up to date with developments and changes, both within the organisation and those with which the Council is involved externally. Improving its internal communications is an ongoing objective, through the involvement of both staff and employee representatives. A Staff Council with management and union representatives meet regularly to discuss matters of concern including terms and conditions of employment.

CREDITOR PAYMENT POLICY

9. The Sports Council has a policy of paying all creditor accounts by the last day of the month following the supply of the goods or services, subject to the receipt of a statement of account from the supplier unless an exemption has been granted. All variations to this procedure must be agreed in writing. Analysis of payments made during the year reveals that 97% (1999/2000 97%) of settlements were within the agreed terms.

AUDIT

10. The Auditor General for Wales examines and certifies the Council's accounts by agreement.

ACCOUNTING OFFICER : Dr. H G Jones

DATE : 29 June 2001

Statement of Council's and Chief Executive's responsibilities

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

In preparing the accounts, the Council is required to:

- observe the accounts direction issued by the Assembly, 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;
- 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 Assembly has appointed the Chief Executive as the Accounting Officer for the Sports Council for Wales. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Assembly's Accounting Officers' Memorandum issued by the Treasury.

Statement on the System of Internal Financial Control

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

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

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

- comprehensive budgeting systems with an annual budget profiled monthly. The budget is reviewed by the Council and all amendments have to be approved by the Council before commitment is made;
- periodic reviews by Council of year-to-date financial reports which indicate financial performance against forecasts;
- monthly review by Senior Managers of period and year to date reports;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- as appropriate, formal project management disciplines.

Until 31 January 2001, the Sports Council for Wales had an internal audit unit consisting of one auditor supported by Deloitte Touche. Since the auditor's retirement the Internal Audit function has been undertaken entirely by Deloitte Touche. Throughout the year the Internal Audit function has operated to standards defined in the Government Internal Audit Manual. The work of the internal audit unit was informed by an analysis of the risk to which the Council is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Council's Audit Committee and approved by me. I receive copies of all internal audit reports and, annually, the Internal Audit unit provides me with a report on the internal audit activity in the Council. The report includes the unit's independent opinion on the adequacy and effectiveness of the Council's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor (until January 2001); Deloitte Touche ; the Audit Committee (which oversees the work of the Internal Auditor); the executive managers within the Council (who have responsibility for the development and maintenance of the financial control framework) together with comments made by the external auditors in their management letter and other reports. All weaknesses in the system of internal financial control brought to my attention have been corrected and the amendments reviewed by Internal Audit. As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance issued by them.

The Certificate of the Auditor General for Wales to the Sports Council for Wales

I have audited the financial statements on pages 5 to 18. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 9 to 10.

Respective responsibilities of the Council, the Chief Executive and Auditor

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

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the direction made by the National Assembly for Wales, and whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 3 reflects the Council's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Sports Council for Wales' circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion:

* the financial statements give a true and fair view of the state of affairs of the Sports Council for Wales and the group at 31st March 2001 and of the deficit, total recognised gains and losses and cashflows for the year then ended and have been properly prepared in accordance with the directions made by the National Assembly for Wales;

* 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.

John Bourn
Auditor General for Wales
Date : 5 July 2001

National Assembly for Wales
Cardiff Bay,
Cardiff
CF99 1NA

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT OF THE SPORTS
COUNCIL FOR WALES AND THE SPORTS COUNCIL FOR WALES TRUST
FOR THE YEAR ENDED 31 MARCH 2001**

		2000/2001		1999/2000	
	Notes	£	£	£	
aid	2	6,219,387	6,416,851	6,416,851	
of deferred Government grant	3	620,793	675,822	675,822	
from activities: National sports centres	4b	2,665,389	2,487,946	2,487,946	
tion from staff for use of cars		25,193	24,723	24,723	
erating income		4,423	7,591	7,591	
UTURE		9,535,185	9,612,933	9,612,933	
development	6	3,718,841	3,302,231	3,302,231	
tech	2	338,839	312,865	312,865	
sports centres	4a	3,236,768	3,064,850	3,064,850	
tion : owned assets	7	787,206	794,524	794,524	
costs	9	1,331,954	1,364,939	1,364,939	
ministrative expenses	10	830,918	684,215	684,215	
rite-off		Nil	Nil	Nil	
Charges - Cost of Capital		853,099	831,282	831,282	
g deficit		(1,562,440)	(741,973)	(741,973)	
on disposal of Fixed Assets	5	5,689	9,678	9,678	
receivable		19,192	21,305	21,305	
efore taxation		24,881	30,983	30,983	
payable	11	(3,794)	(3,644)	(3,644)	
or the financial year		(1,541,353)	(714,634)	(714,634)	
ations:					
ent for Notional Cost of Capital charge		853,099	831,282	831,282	
from Revaluation Reserve	3	175,199	160,222	160,222	
surplus/ (deficit) on Grant-in-Aid activities	3	(513,055)	276,870	276,870	
ENT OF RETAINED RESERVES		(513,055)	276,870	276,870	
surplus/ (deficit) for the financial year	3	(513,055)	276,870	276,870	
surplus brought forward	3	387,001	110,131	110,131	
surplus/ (deficit) carried forward		(126,054)	387,001	387,001	

The retained deficit attributable to the activities of the Sports Council for Wales was £513,181 (1999-2000 surplus £276,787).
All activities are continuing.
The notes on pages 9 to 18 form part of these accounts.

BALANCE SHEET OF THE SPORTS COUNCIL FOR WALES AND CONSOLIDATED
BALANCE SHEET OF THE SPORTS COUNCIL FOR WALES AND THE SPORTS
COUNCIL FOR WALES TRUST AS AT 31 MARCH 2001

	2001	2000		2001	2000
Notes	2001	2000	Council	2001	2000
	£	£		£	£
FIXED ASSETS					
7	Nil	Nil	Loanable fixed assets	Nil	13,411,385
12	Nil	Nil	Investments: Loans	Nil	Nil
	Nil	Nil		14,117,187	13,411,385
CURRENT ASSETS					
	12,771	11,369	Trade stocks	12,771	11,369
13	499,615	567,224	Debtors	499,615	567,224
17	211,910	621,496	Cash at bank and in hand	215,566	625,026
	724,296	1,200,089	Total Current Assets	727,952	1,203,619
CREDITORS					
	(528,092)	(495,423)	Amounts falling due within one year	(528,092)	(495,423)
14	(528,092)	(495,423)		(528,092)	(495,423)
	196,204	704,666	NET CURRENT ASSETS	199,860	708,196
	196,204	704,666		199,860	708,196
LIABILITIES					
	196,204	704,666	TOTAL ASSETS LESS CURRENT LIABILITIES	14,317,047	14,119,581
	196,204	704,666		14,317,047	14,119,581
FINANCED BY :					
15	325,914	321,195	Provisions for Liabilities and Charges	325,914	321,195
	325,914	321,195	Pension	325,914	321,195
3	Nil	Nil	Accruals and deferred income	7,287,906	7,111,086
3	(129,710)	383,471	Deferred Government grant	(126,054)	387,001
3	(129,710)	383,471	Capital & Reserves	6,829,281	6,300,299
	(129,710)	383,471	Income & Expenditure account	14,317,047	14,119,581
	196,204	704,666	Revaluation Reserve	14,317,047	14,119,581

The notes on pages 9 to 18 form part of these accounts.

ACCOUNTING OFFICER : DR. H G Jones

DATE: 29 June 2001

**CONSOLIDATED CASHFLOW STATEMENT OF THE SPORTS COUNCIL FOR WALES
AND THE SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 MARCH 2001**

		<u>Reconciliation of Operating Deficit to net cash inflow from operating activities</u>	
	2000/2001	1999/2000	
Operating (deficit)	(1,562,440)	(741,973)	
(Increase) in stocks	(1,402)	(172)	
(Increase) / decrease in debtors	67,609	(25,466)	
Increase in creditors	33,100	122,702	
Increase in pension provisions	4,719	25,950	
(Decrease) in loan provision	(300)	(300)	
Depreciation of tangible fixed assets	787,206	794,524	
Deferred grant transfer	(620,793)	(675,822)	
Notional Cost of Capital	853,099	831,282	
Net cash inflow / (outflow) from operating activities	(439,202)	330,725	
<hr/>			
	2000/2001	1999/2000	
Net cash inflow / (outflow) from operating activities	(439,202)	330,725	
Returns on investments and servicing of finance	19,192	21,305	
Tax paid	(4,225)	(6,288)	
Capital Expenditure and Financial Investment	(782,838)	(330,651)	
Financialing:			
Increase / (decrease) in cash	797,613	382,149	
16			
17	(409,460)	397,240	
Reconciliation of net cash flow to movement in net funds (Note 17)			
	2000/2001	1999/2000	
Increase / (decrease) in cash in the period	(409,460)	397,240	
Net Funds as at 1 April	625,026	227,786	
Net Funds as at 31 March	215,566	625,026	

The notes on pages 9 to 18 form part of these accounts.

**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES OF THE SPORTS COUNCIL
FOR WALES AND SPORTS COUNCIL FOR WALES TRUST FOR YEAR ENDED 31 MARCH 2001**

	<u>15,927</u>	<u>797,484</u>	
	528,982	520,614	
	(513,055)	276,870	
	£	£	
	<u>2000 / 2001</u>	<u>1999 / 2000</u>	
			Total Recognised gains relating to the year
			Other Recognised gains and losses for the year
			Surplus / (deficit) for the financial year

The notes on pages 9 to 18 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 2001

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of accounting

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

1.2 Funding

The Council receives an annual grant-in-aid from the National Assembly for Wales to finance the excess of its capital and revenue expenditure over its income. The revenue funding is credited direct to the Income and Expenditure Account, while the capital funding is taken into the deferred grant account. Other income arises mainly from fees, sponsorship and certain incidental trading activities.

The Trust receives grants from the Sports Council for Wales for capital expenditure on tangible fixed assets. These grants are credited to a deferred grant account and released to the income and expenditure account over the expected useful life of the relevant asset by equal annual amounts. The proceeds from the disposal of tangible fixed assets are surrendered to the Sports Council for Wales.

1.3 Tangible fixed assets

Land is included in the balance sheet at open market value and the Buildings at depreciated replacement cost to reflect the specialist nature of the buildings. Professional valuations are obtained every five years and are revised in the intervening years by use of appropriate indices.

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

1.4 Depreciation

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

Freehold property	35 years
Long leasehold property	35 years
Equipment - Computers	3 years
Other	3 - 7 years
Vehicles	5 years

1.5 Stocks

Stocks, which comprise catering and oil stocks, are stated at the lower of cost and net realisable value. In the opinion of the Council there is no material difference between the historic cost and replacement cost of stocks.

1.6 Pension costs

Contributions to the Council's pension schemes are charged to the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the Council.

1.7 **Taxation**

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

1.8 **Grants**

Financial assistance by ways of grants may be given to further the objectives of the Council. Grants are charged to the Income and Expenditure Account on the basis of actual payments made.

1.9 **Consolidation**

The accounts of the Sports Council for Wales Trust, a charitable body wholly owned by the Sports Council for Wales, have been Consolidated within these accounts. The Lottery Distribution activities of the Sports Council for Wales are reported under the National Lottery Act 1998, in a separate account which is not required to be consolidated with these accounts.

1.10 **Interest on Capital**

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

2. **GRANT-IN-AID**



Under the Sportmatch scheme the Sports Council matches grants made by private bodies to sporting projects in Wales. In 2000/2001 the Assembly granted £308,000 (1999/2000 £300,000) towards the total Council expenditure of £338,839 (1999/2000 £312,865) on this scheme.

3. MOVEMENT IN FUNDS

	£	£	£	£
Funds as at 1 April 2000	7,111,086	6,300,299	387,001	13,798,386
Deferred grant received	797,613	Nil	Nil	797,613
Retained surplus for year	Nil	Nil	(513,055)	(513,055)
Release of Deferred grant	(620,793)	Nil	Nil	(620,793)
Revaluation of Tangible Fixed Assets	Nil	704,181	Nil	704,181
Transfer to Income and Expenditure account	Nil	(175,199)	Nil	(175,199)
Funds as at 31 March 2001	7,287,906	6,829,281	(176,054)	13,991,133
	Deferred Grant Account	Revaluation Reserve	Income & Expenditure Account	Total

4. NATIONAL SPORTS CENTRES

	£	£	£
Wales Institute of Sport	1,974,821	1,261,947	3,236,768
Plas Menai National Water-sports centre	982,777	279,170	571,379
Total	2,957,598	1,541,117	3,808,147
Total	1,682,612	2,791,704	5,769,044
Expenditure	1,974,821	1,261,947	3,064,850
Income	1,682,612	982,777	2,487,946
Net operating costs	292,209	279,170	576,904

The above expenditure includes travelling and subsistence expenses of staff of £4,415 (1999/2000: £5,459)

5. DISPOSAL OF TANGIBLE FIXED ASSETS

	2000/2001	1999/2000
Gross book value	(164910)	(232658)
Accumulated depreciation	156124	191138
Net book value	(8786)	(41520)
Proceeds	14475	51198
Surplus/ (deficit) on disposal	5689	9678

6. SPORTS DEVELOPMENT

Prior years figures have been restated following policy decision to show all Sports Science, Medicine and Co costs in one place.

	2000/2001	1999/2000 (restated)
Direct grants to governing bodies	2,782,948	2,471,475
Grants to other bodies :		
Sports science centre	281,023	287,053
Sports development and advisory services	654,870	543,703
	<u>3,718,841</u>	<u>3,302,231</u>

7. TANGIBLE FIXED ASSETS

13,411,385

14,117,187

2,023,602

(343,503)

(156,124)

787,206

1,736,023

	At 31 March 2001			
Cost or Valuation at 1 April 2000	3,972,102	8,050,509	2,807,830	316,967
Additions	Nil	425,287	372,326	Nil
Disposals	Nil	Nil	(164,910)	Nil
Revaluation	119,163	241,515	Nil	Nil
	4,091,265	8,717,311	3,015,246	316,967
	16,140,789			

The Trust's land and buildings as at 31 March 1997 were valued at £10,500,000 by Messrs Cooke & Arkwright, Chartered Surveyors. This valuation has since been indexed annually in the accounts to reflect inflation.

8. CAPITAL COMMITMENTS AT NATIONAL CENTRES

9. STAFF COSTS

(a)

(b) In accordance with the Greenbury Code and DAO (GEN) 3/00 the Council is required to disclose the following details concerning remuneration of Council Members, and senior staff with responsibility for running policy making departments:-

(c) The salary of the Chief Executive comprised a gross salary of £60,711 (1999/2000 £59,055), including an unconsolidated bonus of £3,777, and taxable benefits of £891 (£1,739). He has Accounting Officer responsibility for lottery matters and 26.16% (20%) of his remuneration was recharged to the lottery distribution account. The salary of the Director of National Development Services comprised a gross salary of £41,421 (£39,616) and taxable benefits of £818 (£1,739). The Chairman and other senior staff receive a gross salary only.

(d) The Chairman is contracted to work three days per week and has a three year contract. The other 11 Members of the Council receive no remuneration.

(e) The average number of employees (excluding paid Council members) during the year was made up as follows:

178	179	179
9	9	Northampton
8	8	Heddesley
<u>177</u>	<u>177</u>	

10. OTHER ADMINISTRATIVE EXPENSES

N

G

D

T

G

S a

B 1

11. TAXATION

3 794 3 644

(9) (600)

383 424

£ £
~~200/201~~ ~~199/200~~

12.

LOANS

Rundtaxpayer
 Taxonpydeonitastvedt 2%



15. PROVISIONS FOR LIABILITIES

/CHARGES

316 695 9 789 5 914

NI 4,719,4719

£ 3655 £ 450 £ 319

State Chairmat Total

16. GROSS CASH

FLOWS

38145

77613

(39061)

(78288)

300

300

5198

14475

(38145)

(77613)

21305

19192

£

£

£

£

177 200

200 201

Return on investment and saving of time

Interest received

Capital Expenditure and financial investment

Payments to acquire tangible fixed assets
 Receipts from the sale of tangible fixed assets
 Receipts from payments of loans made

Financing
 Interest (received)

17. ANALYSIS OF CHANGES IN NET FUNDS

	2000/2001	1999/2000	
Contingent Liabilities	£ 171	£ 171	
Contingent Assets	£ 171	£ 171	
Net Funds	£ 0	£ 0	

18.

Two claims are currently outstanding against the Council. The basis of each claim is being contested. Appropriate provision has been made in these accounts for the anticipated legal costs associated with the Council's defence of these actions. In the event that the Court finds against the Council in either of these cases, the Council may have a liability for damages and costs. The maximum potential liability is not disclosed here, as permitted by FRS 12, as such disclosure could prejudice the Council's position.

19. PENSION COMMITMENTS

Employees of the Sports Council are members of the Cardiff and Vale of Glamorgan Pension Fund (the Fund). The Fund is a defined benefit scheme providing benefits based on final pensionable pay, and its assets are held separately from those of the Sports Council for Wales. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years pension is payable on retirement.

Provision has been made on the same basis for the Chairman, who is ineligible to join the Cardiff and Vale of Glamorgan pension scheme. The Chairman, who contributes 6%, will be entitled to receive the same pension as would be provided by the staff scheme had he been able to join. Since there will be no accumulation of funds, in the event of an earlier termination and a requirement to transfer value to another scheme, the National Assembly for Wales will meet the cost if the Council does not have sufficient funds.

The employees' contributions are set at 6% but 5% for manual staff, who joined the scheme before October 1998. The employer's contribution for 2000/2001 was 232% (1999/2000 217%) of employees contributions (2000/2001 £343,339, 1999/2000 £288,684). Of this amount, £51,753 (1999/2000) £41,541 has been apportioned to SPORTLOT and £291,587 (1999/2000 £247,143) to the Sports Council (note 9a).

The latest triennial valuation of the Fund was made at 31 March 1998. Contributions to the Fund have been determined by an independent qualified actuary using the projected unit method, which is consistent with SSAP 24 "Accounting for Pension Costs". The results of the 2001 valuation are not yet available.

The 1998 valuation was based on the following financial assumptions. It was assumed that investment returns would be 7.5% per annum, the salaries would increase at 5.25% per annum, that dividends would increase at 4.5% per annum, and that inflation would average 3.5% per annum. Allowance was made for pension increases in line with inflation estimated at 3.5% per annum.

The market value of the Fund's assets as at 31 March 1998 was £445.5 million and was sufficient to cover 82% of the Fund's liabilities, allowing for future pay increases. The removal of ACT credits has contributed 8% towards this deficiency.

The Sports Council for Wales is one of several employers whose staff participate in the scheme and the valuation data given above relates to the whole scheme.

The Actuary has advised the Council that, from 2000/2001, the employer's contribution rate should be increased to 232% of employees contributions in order to meet the deficiency disclosed by the latest valuation over the expected average remaining working life of the members, which is 12 years in the case of the Sports Council. The consistent on-going, or regular, cost charged to expenditure under SSAP24 is the 232% rate recommended

in the 1998 valuation. A provision of £312,439 has been established for the difference between previous annual payments and the regular cost.

20. RELATED PARTY TRANSACTIONS

The Sports Council for Wales is a Public Body, whose members are appointed by the National Assembly for Wales. During the year, the Council received funding from the Assembly via Grant in Aid. In addition, the Council entered into material transactions with another Non-Departmental Public Body, for which the Assembly is regarded as the parent body, namely the Further Education Funding Council. Also, SPORTLOT, the Lottery distributing function of the Sports Council, is considered a related party.

During the year, the Council entered into transactions with organisations in which the following board members and employees declared an interest and which are considered material:

- * transactions and grant funding to the Welsh Hockey Union totalling £332,673. Board member Miss A Ellis MBE is the Honorary President of the Welsh Hockey Union.
- * transactions and grant funding to the Welsh Womens Rugby Union totalling £14,111. Board member Ms D Morgan was Chairman of the Welsh Womens Rugby Union during part of the year.
- * transactions and grant funding to the Athletic Association of Wales, totalling £321,787. Board members Miss L Harries and Mr. L Davies MBE are respectively Honorary Chairman and Honorary Patron of the Athletic Association of Wales.
- * transactions and grant funding to the Welsh Amateur Fencing Union, totalling £30,022. Co-opted member Mr D R Turner is Vice-Chairman of the Welsh Amateur Fencing Union.
- * transactions and grant funding to the Cricket Board of Wales totalling £343,570. The son of Mr G Davies, Director of National Development Services is a member of the junior squad of the Board.
- * transactions and grant funding to the Welsh Yachting Association totalling £115,953. Mr A Williams, Manager of Plas MENAI, is a squad coach with the Association.
- * transactions and grant funding to Fitness Wales, totalling £78,582. The spouse of Mrs S Butlin, Director of Local Development Services, is a lecturer, adviser and member of Fitness Wales.
- * transactions and grant funding to the Welsh Badminton Union, totalling £446,386. Board member, Dr S Noake is involved with junior development for the Union while employee Mr M Bull is a coach for the Union and employee Mrs T Williams' spouse is the manager of the Union.
- * transactions and grant funding to Gwynedd County Council, totalling £50,903. Board member Mr I Lewis is salaried Director of Corporate Policy with the Council while employee Mr A Williams's spouse is a salaried employee of the Council.
- * transactions and grant funding to the Welsh Netball Association, totalling £360,702. Employee Ms C Rowlands is a member of the Welsh Netball Association
- * transactions and grant funding to the Welsh Association of Local Sports Councils, totalling £12,150. Board members Mr P L Jones and Mr K Evans are Chairman and Vice Chairman respectively of the Welsh Association of Local Sports Councils.