

# This is Sport Wales.

Annual Report & Accounts 2017-2018.



# Welcome.

## **The Sports Council for Wales and Sports Council for Wales Trust**

1 April 2017 – 31 March 2018

### **Annual report and accounts**

The Annual Report incorporates the Performance Report including the Sustainability Report, and the Accountability Report including Remuneration Report. The Sports Council for Wales has adopted International Financial Reporting Standards (IFRS).

Sport Wales is a Sole 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.

### **Registered Office**

Sophia Gardens  
Cardiff  
Wales  
CF11 9SW



2017/18

# More than Sport.

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**Our collective contribution to the well-being of Wales.**

The Annual Report incorporates the Performance Report including the Sustainability Report, and the Accountability Report including Remuneration Report. The Sports Council for Wales has adopted International Financial Reporting Standards (IFRS).

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# I've been greatly heartened as I've travelled around the country to see so many people of all ages and from all walks of life enjoy their sport.


**The 12 months since my appointment as Interim Chair has been a hugely significant time for Sport Wales.**

I see a collective drive to challenge ways of working, becoming more focused on outcomes, long-term generational benefits and even stronger collaboration across agencies.

They included women at Merthyr Girls Can - some of whom had just only recently embraced sport and had come back from their first London marathon - and aspiring gymnasts at Connah's Quay Leisure Centre.

I was also very pleased to launch our national conversation on the future of sport in Wales among the enthusiastic year 5 and 6 pupils at Roath Park Primary School in Cardiff. How inspiring it was to talk to the children about their present sporting activities and their hopes for the future!

The Conversation was a major communications exercise, with the aim of involving the nation in developing a new vision for sport in Wales. It will be the basis that the Board, working with the



Executive, will use to determine our new strategy. A key measure of the success of this strategy will be increasing numbers of people from poor and deprived communities participating in sport. We also need to close the present 10% gender gap that exists across all ages and encourage more women and girls to get active through sport.

Finally, I'd like to take this opportunity to thank Board

members Andrew Lycett, Simon Pirotte, Professor John Baylis and Amanda Bennett, whose term of office ended during the year, and to welcome the new members Pippa Britton, Ashok Ahir, Alison Thorne, Ian Bancroft and Christian Malcolm. The insight and expertise they bring to the Board's deliberations are greatly valued and appreciated.

**Lawrence Conway, Chair**



## It's no secret that sport inspires.

**As this year ended, we watched in awe as Welsh skier Menna Fitzpatrick and her partner Jen Kehoe made history, becoming Great Britain's most decorated Winter Paralympian.**

These two women are all about teamwork, which is a theme running through this year's Annual Report.

The Well-being of Future Generations Act has provided a real focus for our work this year. Sport is reaching across multiple agendas in our drive for a healthy and active nation, while building Wales' name across the world

by hosting major events like the UEFA Champions League Final.

Evaluating sport's impact – both socially and economically – has become more important than ever, and we are tackling it head on.

We have looked for innovative solutions to our challenges, as we move through a period of fundamental change. As we move into a new future, we need to be bold, and we need to encourage others to take risks alongside us as we build resilience for the sector.

As this report demonstrates, we have a range of fantastic partners,

and I'd like to thank them for their commitment, innovation and delivery across the year.

We know a collective approach can pay dividends, and we are building a joint action plan with our health colleagues. Meanwhile, we are exploring possibilities across a range of partners – existing and new – as we reach out to diverse groups and communities.

Together, we will push boundaries to create an active and prosperous nation for the future.

**Sarah Powell, Chief Executive**



# Who we are & what we do

Set up by Royal Charter Sport Wales was founded with the aim of “fostering the delivery of sport and physical recreation for the public in Wales”. We are the main adviser on sporting matters to the Welsh Government, with a responsibility for distributing National Lottery funds to both elite and grassroots sport across the country.

How Sport Wales plays its part in the ‘Prosperity for All’ government strategy is set out below, delivered through partnerships, projects and impact.



## Our Vision & Aspirations

Uniting a proud sporting nation

Every child hooked on sport for life

Nation of Champions

## Our Roles

The authority on sport

The uniting voice of sport

The national investor of sport

A first class provider of services to sport

The official supplier of applied research

## Our Commitment

Tell the compelling story of sport

Lead the development of sport in all communities

Enable success on an international stage

Set sport up for success

Build a brilliant organisation

## Our Values

Teamwork  
the power of working together

Delivery  
Making a difference

Ambition  
The pursuit of success

### Welsh Government

Everything Sport Wales does is connected to governmental strategy ('Prosperity for All') and legislation (Well-being of Future Generations Act 2015)

### The Board

The GPS:  
Determines organisational direction, plans for the future and monitors progress

### Leadership Team

The gears and pedals:  
Leads, manages and supports the operational team. Supports and challenges the Directors team

### Operational Team

The engine: Develops and delivers quality services/outputs to everyone

### Directors Team

The Steering wheel:  
Sets the tone, leads the business and drives the delivery of the strategy



# Performance Overview





In 2017/18  
we have awarded over  
**£1.6 million to  
1,349 organisations**  
to participate in grassroots sport

Public Health Wales and  
Sport Wales have developed a  
**Joint Action Plan**

We founded a  
**National Physical Literacy  
Consultant Team**

**2,522**  
members of the BME community  
have taken part in sport thanks to the  
**BME Sport Cymru programme**



**80%**  
of our staff have  
gone through leadership  
training with CMI



Latent demand remains high -  
**58% of adults**  
want to do more physical activity

# Sport Wales Review

**The Independent Review of Sport Wales in July 2017 provided valuable insight on strengthening our delivery, partnerships and sector.**

The challenges outlined were based on widespread engagement and consultation, exploring our unique role in Welsh public life. We welcome the recommendations which we have incorporated into our work programme for this year and beyond.

**The Minister also outlined four areas of focus for Sport Wales:**

- 1

Getting more people active at every stage in their lives— at school, leaving education, working, not working, with their family and in retirement.
- 2

Investing effort and resources where needed most - where there are significant variations in participation and where there is a lack of opportunity or aspiration to be active.
- 3

Providing children with the best start in life, helping schools to teach them skills and give them the knowledge, motivation and confidence to be, and stay, active.
- 4

Helping sport to carry on nurturing, developing and supporting talent to deliver success that inspires people and reinforces our identity as a nation.

This clear direction for Sport Wales and Welsh sport gives us real impetus, support and drive to accelerate the impact of sport and physical recreation.

**Following the Independent Review, the Welsh Government asked Sport Wales to develop a future vision for sport in Wales.**

My Welsh Sport\_The Conversation, ran from November 2017 to February 2018 and reached people from communities across Wales.



Many contributed to the national conversation

**130,007**

Impressions

**5%**

Click through rate

**6,495**

Clicks

**308**

Hours exposure time

Interactive rate of compared with benchmark of

**59.42%**

**50.90%**

**MY WELSH SPORT**  
\_THE CONVERSATION

**CHWARAEON A FI**  
\_Y SGWRS

Shape the  
future of sport  
in Wales.

The results of

**'My Welsh Sport\_The Conversation'**

were published in March 2018, followed by a consultation phase in April.

It was clear that people wanted to be involved in creating a plan for sport in Wales rather than expecting us to create a Sport Wales plan. The future 'vision for sport' is for everyone and it is important that we create and own it together. We expect to publish in summer 2018.

**Fantastic  
Partners**



We worked with Barod to get the citizen view through their Coffee Shop Conversation approach. The Conversation started in Mount Pleasant Primary School in Cardiff where children shared stories about what sport meant to them.





# Removing Barriers Equality for All

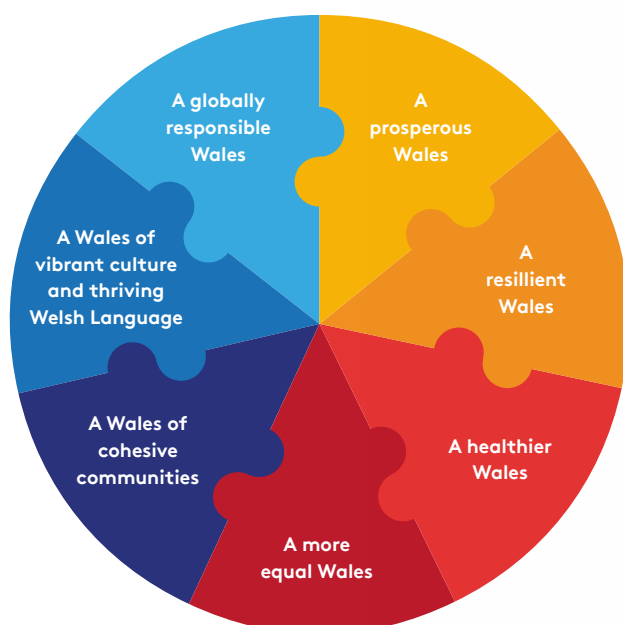
## Well-being of Future Generations

We have driven organisational culture through changing systems, ways of working and behaviours to embed the objectives in our DNA. Sport Wales compliance reporting can be found via this link:

In an innovative new collaboration, Sport Wales has a strategic role on the Art of the Possible project. The project helps public bodies make the Well-being of Future Generations Act real by highlighting the great work that is improving well-being in communities across Wales.

### Equality Act, 2010 Sport Wales Equality Objectives

- 1 Understand the diverse profile of the sporting infrastructure
- 2 Collate intelligence based research to better understand how to reduce inequalities in community sport
- 3 Engage with diverse organisations
- 4 Showcase diversity in sport
- 5 Develop positive action to reduce inequalities in community sport
- 6 Building a diverse and inclusively aware workforce in community sport
- 7 Understand the diverse profile of elite athletes and workforce
- 8 Establish a high performance system that responds to the changing needs of athletes
- 9 Ensure elite environments and programmes are inclusive
- 10 Embed equality and safeguarding within the governance of sport organisations in Wales
- 11 Create a culture in Sport Wales that responds to individual needs.



#### Well-being Objective 1

People in Wales live physically active and therefore healthier lives.

#### Well-being Objective 2

Children and Young People have the motivation, physical skills, knowledge, understanding, and opportunities to take part in physical activity for life.

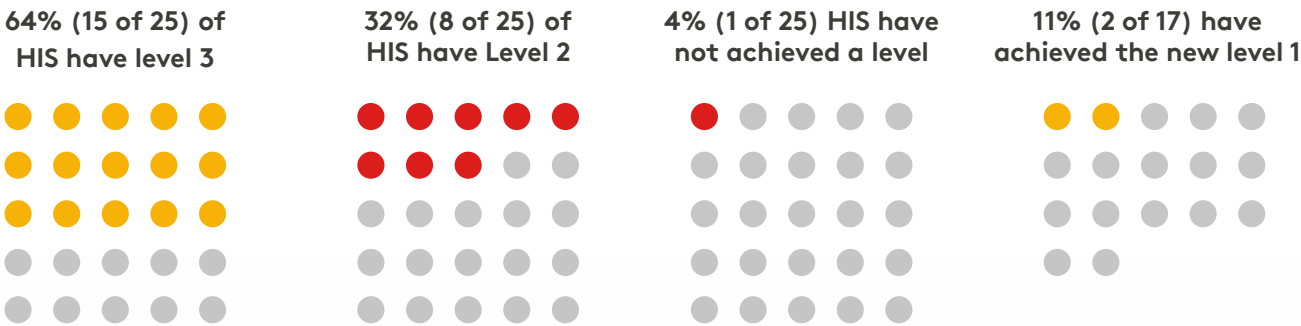
#### Well-being Objective 3

Wales is recognised internationally as a successful sporting nation.

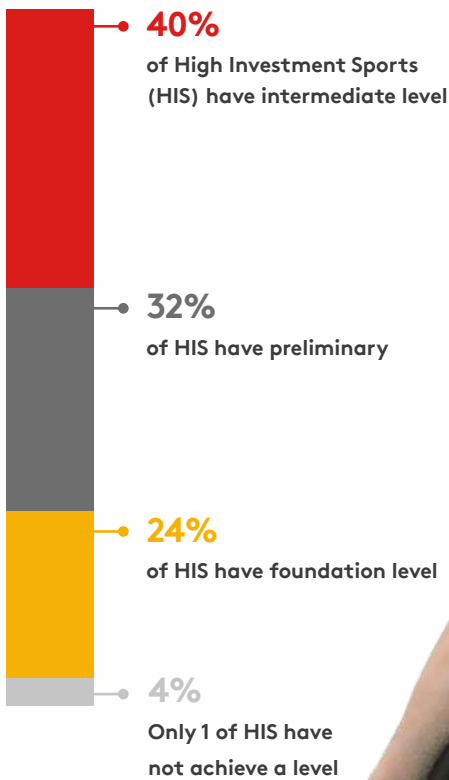
#### Well-being Objective 4

‘Sport Wales is an exemplar organisation driving a culture that promotes well-being equality and sustainability.’

# Safeguarding standards



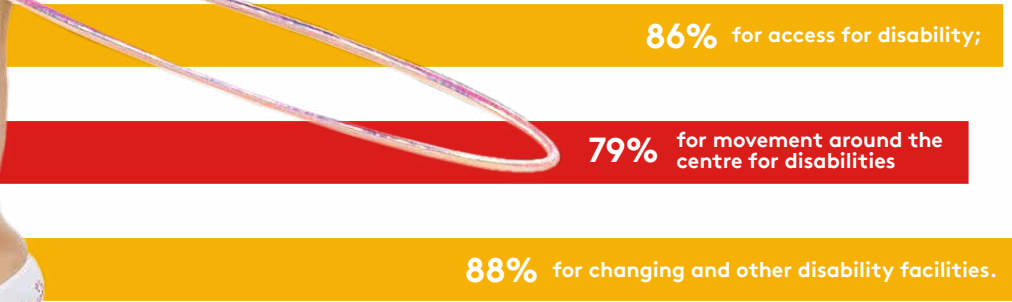
# Equality Standard





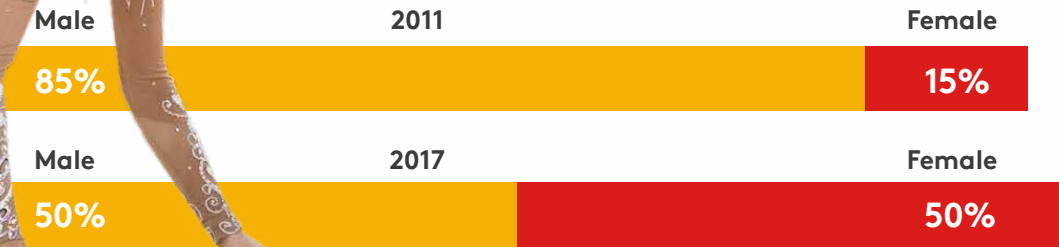
### Sport Wales National Centre

The Centre User Survey November 2017 gave good or very good levels of satisfaction levels of



### Sport Wales Board Diversity

We have improved



### Public Sector Sharing Group

We instigated the development of a public sector organisation sharing group, bringing together organisations to identify how to better deliver the Well-being Goals. Early work includes support for Board members to better scrutinise against the Well-being of Future Generations Act.

#### Fantastic Partners

“Collaborating with other national institutions to explore ways of delivering the Well-being Goals and the principle of sustainability is very beneficial to Amgueddfa Cymru. It provides us with a forum to explore together the detail in the Act and consider ways of aligning our strategies for the greater benefit of people in Wales.”

Nia Williams, Director of Learning and Engagement at Amgueddfa Cymru – National Museum Wales





# Age is not a barrier to enjoying sport

## Older People

Working with national governing bodies on developments such as walking football and hockey mean people can conquer isolation while enjoying new challenges.

### Fantastic Partners



National Public Health Service for Wales  
Gwasanaeth Iechyd Cyhoeddus Cenedlaethol Cymru

Bridgend Public Health Team of the National Public Health Service for Wales (NPHS) in partnership with Bridgend Never Too Old Action Team run the "Olympage Games" for older people living in Bridgend County Borough. More than 100 older and disabled people took part in this year's games, proving they're not too old to go for gold.

## Children

We work closely with the Children's Commissioner with a focus on the UN Convention Rights of the child and developing the next generation



A highly skilled and passionate young workforce ready to support the sector



An understanding of how skills developed as a Young Ambassador/young leader can be transferred to University and employment

## Young Ambassador Programme

Supported by all 22 local authorities Young Ambassadors is a partnership between Sport Wales and the Youth Sport Trust.



Increased motivation to improve the wellbeing of themselves and others



Confidence and personal skill set

### Fantastic Partners



sportwales  
chwaraeon cymru

Run in partnership with Youth Sport Trust and supported by Young Ambassadors Alumni 'Team Leaders', 40 young people have completed the National Leadership Academy (NLA) programme to develop employability skills including communication, facilitation, team working and decision-making.

In feedback 57% of participants rated the experience 10/10 and the other 43% rated it 9/10.

**"The National Leadership Academy has provided me with another 'family' who I hope to continue my learning path with for many years to come. I've learnt so much without feeling like I was learning"**

NLA participant feedback







**“We wanted to make people comfortable with leading cricket by using the Welsh Language”**

Aled from Cricket Wales



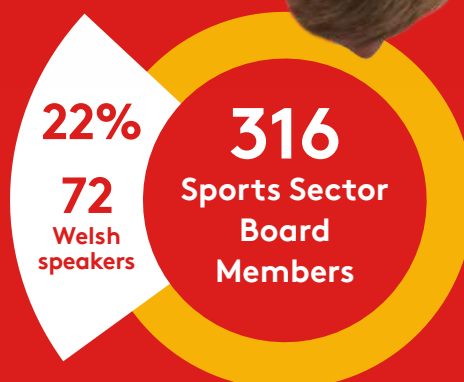
# Welsh Language

**The new Welsh Language Standards for Sport Wales came into place in January 2017 reaffirming our commitment to invest in delivery through the medium of Welsh.**

We increased our investment in the Urdd in 17/18 and continue to support Gemau Cymru - the biggest multi-sport event in Wales - as part of the performance pathway for Welsh athletes.

2016 Welsh Leadership Audit – The 2016 audit provides qualitative information on the diversity of Senior Leadership Teams and Boards across 43 Sport Wales funded National Governing Bodies in Wales.

In 2016/17, 42 members of staff completed Welsh Language training.



**13 Community Chest applications** have been made through the medium of Welsh

**47 Organisations** conduct their sporting activity entirely through the medium of Welsh

**242 Organisations** conduct their sporting activity bilingually

**187 Organisations** also believe that our grant will increase the use of the Welsh language in their organisation

## Number Welsh speakers within Sport Wales:

**30 full time staff who are Welsh speakers**

**37 casual/seasonal staff who are Welsh speakers**

### Fantastic Partners

Gwin Jim  
Gymnastics Club

When a waiting list to join a local gymnastics club in North Wales was over two years, Gwyn Owen ran his own session for his son and his friends. Fast forward five years and the club is now thriving, benefiting from a Sport Wales Development Grant for facilities and equipment enabling the club to offer sessions in Welsh for the whole community.

[youtu.be/cokwvk\\_R5-w](https://youtu.be/cokwvk_R5-w)





# Creating active, healthy and prosperous communities

## Tackling inequalities through positive action

Equality and inclusiveness rightly remain key challenges. Sport Wales holds a leadership position in the sector and has worked with National Governing Bodies (NGBs) to identify policies and actions which can increase inclusivity.

### We have supported NGBs to deliver training on equality



Welsh Netball

**Mental health awareness**  
for staff



Swim Wales

A new Board with

**equal gender  
representation, plus  
LGBT and disability  
representation**



FA of Wales and  
Welsh Football Trust

**Football v Homophobia**



Welsh Triathlon

**More women**

on coaching courses linked to the  
'Go-Tri' programme



Welsh Gymnastics  
Introduced an annual

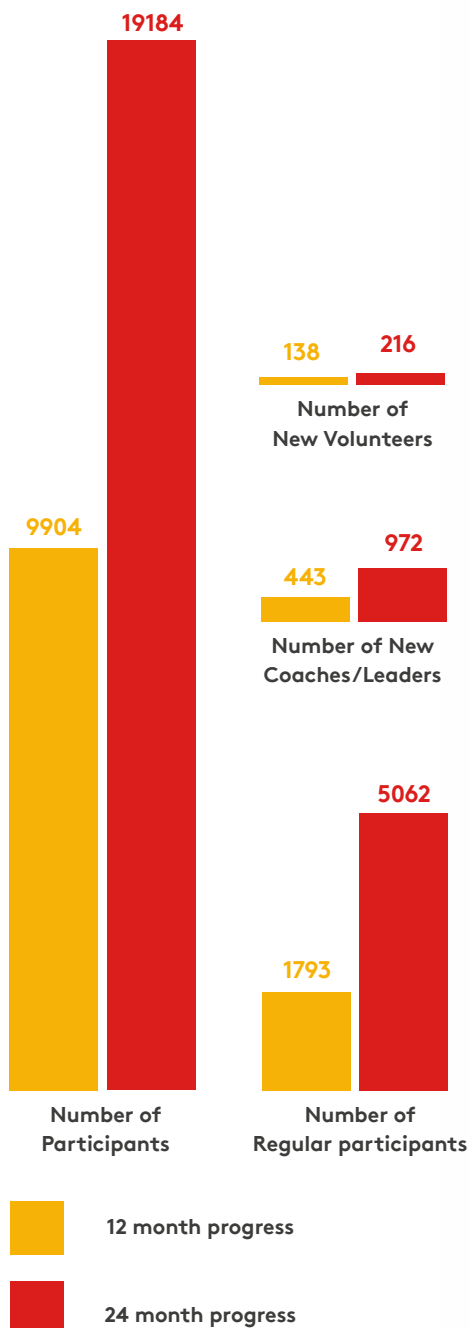
**'Inclusive Club'**  
Award



# Increasing the amount of regular and frequent activity taking place throughout Wales

Now in its third year, the £3m Calls for Action (C4A) programme tackles obstacles that prevent groups from participating in community sport.

This phase of C4A specifically targets under-represented groups and provides them with **opportunities to develop the right skills and confidence to be physically active.**





# Empowering women & girls

'Our Squad' is a campaign to raise awareness of women's sport - part of our strategic approach to increasing involvement of women and girls in sport and physical recreation.

SQUAD

Our

The campaign uses social media to spotlight real life women from all backgrounds taking part in different activities, breaking down perceptions of sport as "not for me".

Social media channels share information about sports and physical activity, how to get involved in sport and tips for keeping up or improving. Our Squad has developed into an online community, with women providing content themselves and offering support for each other.

## Ffi Davies via Twitter:



Loved being involved with this piece by [@OurSquadCymru](#). [@HociCymric](#) always made me feel at home when I made the big move to the big city! Will be a newbie again on Wednesday with [@LadiesCRCC](#) if the ice stays away. If you don't try, you'll never know! [#courage](#)

## Fantastic Partners

Our investment into Girl Guiding Cymru has enabled 250 leaders from over 150 local units to deliver activities to approx. 3000 girls. 50 "sport educators" (aged 14-25) have been trained to act as Champions to support local activities and over 6000 new sport "Give it a Go" badges have been awarded.





Individual visits to the  
Our Squad website:

TARGET  
**5,300**  
ACHIEVED  
**9,850**

TARGET

ACHIEVED

Direct engagement with  
the sport finder:

TARGET  
**533**  
ACHIEVED  
**646**

TARGET

ACHIEVED

Online view on the campaign film:

TARGET  
**5,000**  
ACHIEVED  
**36,000**

TARGET

ACHIEVED

TARGET

FACEBOOK ACTUAL TOTAL

Social media interactions:

TARGET  
**5,000**

FACEBOOK ALONE HAS ACHIEVED

**17,929**



# Working in Partnership

## Public Health

**Sport Wales is engaging in the health and well-being agenda at a national and local level.**

We are connected – Sport Wales staff sit on local Health Board Steering Groups and the National Exercise Referral Group.

This year, Public Health Wales and Sport Wales have developed a Joint Action Plan, ensuring a multi-agency approach on reaching our organisations’ objectives and having a greater impact on physical activity levels. The Joint Action Plan considers the WHO Dec 2017 Global Action Plan on Physical Activity and is consistent with the themes of Getting Wales Moving. It has four main areas of focus and is incorporated into the Sport Wales strategy and business planning process. It aims to create active (i) Society (ii) Environments (iii) People and (iv) Systems.

**Sport Wales has also delivered workshops on the healthy mind, developed content for the Public Health Network and is part of the obesity strategic group as well as Cymru Well Wales.**

1300

health and social care professionals &

50

NERS staff up-skilled

700

disabled people signposted to physical activity (including sport)


## Case Study

The Health Disability Sport Partnership: Working in partnership to transform the lives of disabled people through the power of sport.

physical activity sector working together to improve the health and well-being of people in Wales, both physical and mental.

The three year partnership in North Wales between Betsi Cadwaladr University Health Board and Disability Sport Wales is a positive example of health and the

It brings together health bodies, social services, local authorities, physical activity (including sport) and third sector partners.

<b>Fantastic Partners</b>	<b>Aneurin Bevan LHB</b>	 <div><b>GIG CYMRU NHS WALES</b> Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board</div>
<p>The benefits of increasing physical activity has been incorporated into Blaenau Gwent, Caerphilly and Torfaen Public Service Board's Situational analysis, underpinning statutory well-being plans. Previously, the benefits of increasing physical activity were considered only in potential health terms, with little consideration to wider benefits across public services. Now increasing physical activity will be considered in terms of prioritised partnership actions.</p>		





**Every £1 of investment produces  
£124 of added social value**

Health Disability Sport Partnership - Three Year Project Report



# Education

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**Physical literacy helps influence and shape approaches to delivering the curriculum and has helped us build and support across communities and sectors. We recognise that without physical literacy embedded within curriculum delivery, any interventions outside school gates will be a harder task.**

With Welsh Government support, the Physical Literacy Journey (PLJ) was created as a draft curriculum planning tool and is currently being reviewed by the curriculum reform team.

We know we can't achieve our goals on our own and the need to collaborate has resulted in the recruitment of a National Physical Literacy Consultant Team. We assign the team to organisations that want to help us achieve long term shared goals.

Work with the further education sector has continued this year with our investment through Colegau Cymru, supporting colleges to increase participation in sport and volunteering of targeted groups.

Within Higher education, BUCSs Wales has rebranded as Welsh Student Sport, enabling greater autonomy and a broader offer to students with recreational and competitive University sport.



## Building capacity distributed leadership

**“Good leadership is being bold enough to have vision and humble enough to recognise achieving it will take the efforts of many people.”**

Governance and Leadership Framework for Wales.

Striving to make a true difference, the sport and physical activity sector needs transformational leadership as well as future leaders. We want to build strong, dynamic organisations that better deliver outcomes for the communities of Wales.

We have developed a tailored development programme, enabling our leaders to create an inclusive culture within the organisation.

## Executive Leadership and the Leadership Programmes

Sport Wales developed and delivered two programmes this year – Executive Leadership (for Chief Executives and Chief Officers) and the Leadership Programme (for senior managers)

Evaluation of the programmes proved they had a strong impact on participants and their teams within in the workplace. Every single line manager confirmed they had seen a significant improvement in the leadership approach of their participant since the programme.

**“It’s important that everyone in Sport Wales know how important this programme is for our leaders. It’s essential that it becomes part of our landscape and that it’s seen as a rite of passage for leaders in our sector.”**

Leadership Programme Participant



## Sport Wales Values



### Teamwork

The power of  
working together



### Delivery

Making a  
difference



### Ambition

The pursuit  
of success

## Which means we commit to:

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>● Being a positive impact on others, encouraging and supporting them when required.</li> <li>● Celebrating and recognising our successes together</li> <li>● Respecting others and earning respect</li> <li>● Investing time to actively listen and to get to know the person not just the face</li> </ul> | <ul style="list-style-type: none"> <li>● Focusing on what will make the greatest difference – no matter how big or small</li> <li>● Taking responsibility for our own delivery and development</li> <li>● Trusting and utilising the skills and experience of others to get the job done</li> </ul> | <ul style="list-style-type: none"> <li>● Setting our standards high and challenging constructively</li> <li>● Seeking and being open to new ideas and expertise from around the world</li> <li>● Enjoying and taking pride in the work we do</li> <li>● Being courageous to do things differently</li> </ul> |
|---|---|--|

## And the Inclusive Leadership Behaviours that underpin our values are:

**SELF-AWARENESS:** monitor own responses to individuals or groups and examine any inconsistencies (unconscious bias)

**EMPATHY:** actively listen to others & endeavour to always understand and respond to how they feel

**ACCEPTANCE:** show acceptance of people, without bias. Challenge any inappropriate language and banter from others. Be authentic

**SEEK DIVERSE VIEWPOINTS:** actively engage with diverse networks and curiously explore individuals' perspectives

**FEEDBACK:** provide positive feedback to build confidence; and stretch feedback to overcome barriers and build resilience

**GROWTH:** encourage individuals to make their unique contributions; coach and develop them to realise their full potential

**VISION:** create a diverse, engaged and talented organisation which is at the leading edge of innovation and builds future sustainability

**COLLECTIVE LEADERSHIP:** take full accountability for ensuring an inclusive culture and support & challenge one another to achieve this

**In order to build an Inclusive Culture where individualisation matters.**







# BME Collaboration

Sport Wales invested £500,000 over the last three years on the Wales Council for Voluntary Action BME Sport Cymru project, building capacity for BME communities to take part in sustainable sporting and physical activities by developing areas of volunteering, training, governance and funding.

## WCVA BME Sport Cymru reached:

- More than 2500 BME people
- Diverse ethnic and religious backgrounds
- Different ages and gender
- Deprived areas
- Some of the most inactive BME communities including refugees and asylum seekers, Roma, Gypsy and Travellers

## 2,522 members of the BME community

have taken part in sport thanks to the BME Sport Cymru programme, following over

**£500,000 of investment**

over the last 2 years

## Nearly £2.5 million

invested into

## Calls4Action

programme, funding projects which specifically tackle inequalities in sport participation

## Fantastic Partners

### Swansea Chinese Community Co-Op Centre

In Swansea's close knit Chinese community, a project officer built trust by investing time with local people and supported a community chest application for a badminton shuttle time course. Chinese Community Co-Op Centre has recently had 14 members of their group complete the course and can now help run future badminton sessions.





# Investing into the heart of Communities

**Proactive investment has been the catalyst to encourage more people to be active.**

Run in partnership with the 22 Local Authorities in Wales with awards of up to £1,500 per year to local clubs and community groups, the Community Chest fund is distributed by community panels made up of local people. Nearly 60 different sports are represented in our Community Chest funding, with Rugby, Football and Cricket being our top supported sports.

Of the **£1.6 million** invested in grassroots sport this year, over **£360,000** has been invested into projects that are specifically tackling inequality.

**80**

are disability projects

**823 grants**

awarded are positively impacting on 'Young People and Adults Hooked on Sport for Life'.

**235 grants**

awarded are 'Positively Targeting the Gap in Inequality'

**296 grants**

awarded are helping to 'Deliver a Complete Sporting Pathway'

**201**

awards were for projects specifically aimed at **Women and Girls**







# A new way of delivering Sport North Wales

**We want to develop a more sustainable sport sector, prevent problems becoming worse and reduce gaps in participation levels.**



In North Wales, a robust business case based on the strategic, economic, commercial, management and financial case for change was developed by Sport Wales and its partners. Approval has been granted to market test North Wales and subject to further Welsh Government approval, Sport Wales would seek to procure a new agency to run Sport North Wales from 2018/19. The clear message from the consultations was that the new agency approach presented an exciting and innovative opportunity for all partners.

**[playyourpart.wales](http://playyourpart.wales)**

## Sport North Wales market testing

- 4 engagement events across the region
- Input from more than 250 people
- Involvement with every north Wales local authority

# Delivering International Success and promoting Wales to the World












“Everything about Wales is about the pride and passion to represent the country, and when we put on the shirt there is no bigger honour for us.” - Gareth Bale, Euro 2016

## Major Events

Wales has an enviable reputation for hosting national and international sports events.

Occasions such as the UEFA Champions League Final, Test match cricket, rugby's 6 Nations and World Title boxing fights drive social, economic and sporting impacts. They inspire our communities and showcase Wales to the world.

## Elite table

	2006	2008
Commonwealth Games	   2 7 10	
Olympic Games		   2 0 0
Paralympic Games		   10 3 1



# World Class Performance

**We have world class performers representing Wales on the world stage across a range of sports. As a smaller nation we punch above our weight. Our focus this year was preparing our world class team for the Winter Olympics and Paralympics and Commonwealth Games in 2018.**

Each and every athlete competing is a testament to a wealth of collaborative teamwork to achieve success. More than 70 athletes and their coaches receive performance support services from the Sport Wales Institute. We support them to fulfil their potential, and the principles we apply to talented athletes can benefit all.



















With a population of just over three million Wales can't afford to miss talent. Through a greater understanding of what works in high performance sport, we have developed our capacity to measure impact and inform future interventions.

Following the record-breaking successes of the Glasgow Commonwealth Games and Rio Olympics and

Paralympics, an independent review of the Elite sport strategy was commissioned from GST consultancy. Following the Glasgow Games, the Institute made a purposeful shift in emphasis, attempting to focus as much on influencing the development of athletes earlier in their career as on delivery to medal level athletes. GST's role was to explore with our key partners not only how this change was progressing but also examining their commitment to it.

The High Performance team have shifted the focus over the last year, developing the system which will ensure Welsh success in a sustainable way. We invest in sport, not just medals.

The eight years since the launch of the original elite sport strategy has seen a record level of success at Commonwealth, Olympic and Paralympic level. The number of female medallists has also increased during this period with, for example, 80% of the Olympic medals won by Welsh athletes at the Rio Olympic Games being won by female athletes.

2010	2012	2014	2016
   2    5    12		   5    11    20	
	   3    3    1		   4    6    0
	   3    3    8		   5    4    0

## Welsh Swimming – change in approach for performance development with a sport

Our Sports Psychologist worked with Swim Wales coaches to establish a 'Winning Behaviours' framework, covering skills needed to be successful in life and in the pool – communication skills, self-awareness, decision-making. Developed with younger athletes, coaches and parents, the framework is delivered at squad weekends in a phased approach. Skills academy swimmers and parents learn in group formats with more tailored individual support provided to senior swimmers.

### Fantastic Partners

Boxing helps transform young lives by providing an environment of focus, discipline and accomplishment. In partnership, Sport Wales has worked on a project integrating performance support services within Welsh Boxing.

#### Together we:

- Provided a dedicated training and preparation facility
- Designed and delivered programmes in consultation with the performance staff.
- Delivered science and medicine services as part of the Welsh Boxing team
- Worked with younger groups of boxers and coaches to deliver good practices earlier in a young boxer's career.



## Facilities

### Available, affordable and accessible

**Sport Wales works closely with a range of partners - including NGBs and local authorities - to make sure that we have available, affordable and accessible sports facilities across Wales for community clubs and groups.**

We have worked with the FAW Trust, Welsh Rugby Union and Hockey Wales to strategically plan and provide expert advice to artificial 3G pitches in Wales, monitoring the impact of our investment.

The FAW Trust is piloting work with councils across Wales to create local facilities plans, setting a long-term vision to protect and attract investment in facilities as well as convincing schools to open their facilities

for community use - helping community needs and contributing to a healthier Wales.

Although it is the responsibility of each local authority to determine the range, cost and accessibility of sport facilities under their control, we will continue to work closely with the local authorities to protect access to all sports facilities in Wales.



# Performance Analysis

**Sport Wales is a producer of Official Statistics and, as such, we comply with the Code of Practice for Statistics. Official statistics are an essential public asset providing a window on society and play a key part in the decisions that the public, government and other organisations make.**

Our statistics - and data more generally - need to inspire public confidence, they must have public value, be high-quality, and trustworthy.

An implicit part of our way of working is to learn and evaluate. We are involving citizens and users far more as we evolve. Recent examples include our new approach to investing in community sport in Wales and the development of a new vision for sport in Wales.

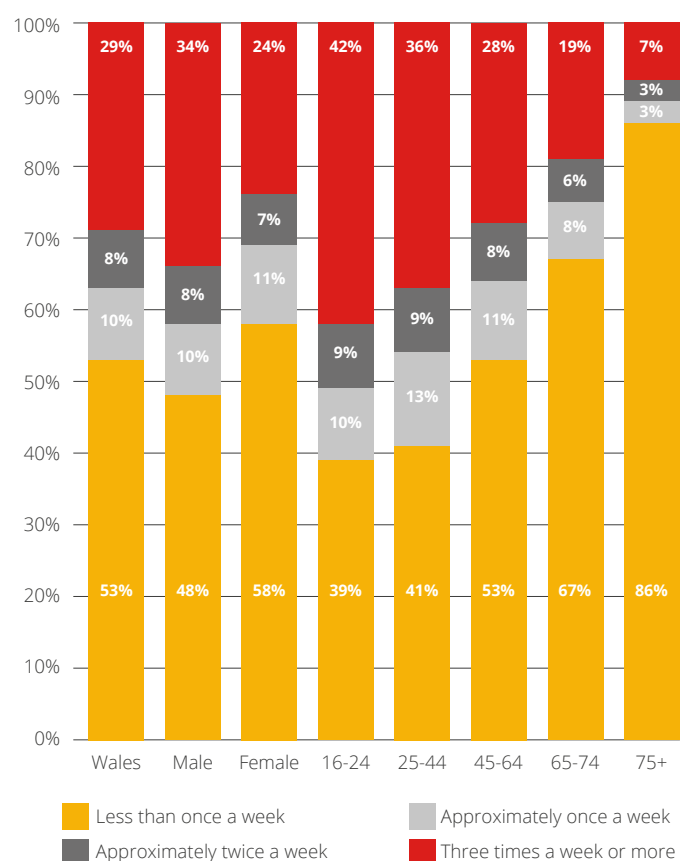
This year we commissioned independent reviews of the Free Swimming Initiative and our Young People Sport Programmes. The findings and recommendations from these reviews will help shape our strategy and proposals for community sport in Wales.

We have also commissioned Sheffield Hallam University to produce a social return on investment for sport in Wales and to assess its economic importance. Together, both elements will provide a holistic measure of the value of sport in Wales.

## % of adults in Wales that have undertaken any participation (by sport) in the previous four weeks.

Sporting activity	Wales (%)	Male (%)	Female (%)
Walking (over 2 miles)	34	32	36
Swimming (indoor or outdoor)	14	12	16
Gym or fitness classes	14	13	14
Athletics/Running (any)	14	15	12
Jogging	10	11	10
Football (indoor, outdoor or futsal)	9	15	3
Any cycling	9	13	5
Road running cross country	6	8	4
Pool	6	9	3
Rambling/hill & fell walking	5	6	5
Golf (inc. pitch and putt)	5	9	2
Dance (any)	4	1	7

## Frequency of participation (average per week)



# Looking Forward

**At the start of 2018/2019 all eyes will turn to the Gold Coast as our Commonwealth Games team performs on the world stage. Whatever the results we know our high performance team will grow from the experience and develop skills required to be successful in life.**

As the Vision for Sport in Wales is finalised in the Summer, the new strategy for Sport Wales will also start to take shape. This will be a long-term plan to guide our work and we will align clearly to the new vision.

We will listen, involve and consult on the development of new strategy. It will outline new approaches to action, delivery and working to create sustainable solutions to future challenges. Fundamental future decisions, such as priorities for investment and our organisation's skill set, will be led by the new strategy.

This has been a year of transition for Sport Wales but we can't stop now. We will continue to modernise, champion diversity, equality and well-being and inspire the sector to be an exemplar of collaboration and co-creation.

Our new board members and chair join Sport Wales at an important time, bringing a wealth of experience of working with under-engaged communities as well as an understanding of the needs of elite athletes. We look forward to seeing the impact of their invaluable insight and perspective in developing the vision for sport in Wales, the business strategy and the new corporate strategy.

Finally we want to pay tribute to all the partners we work with - without the knowledge, passion and skills of each and every individual working in sport or partner organisations in Wales we would not be able to make such progress. We appreciate your contribution and your support and we know we can't achieve our goals without you.

**Thank you.**







# Financial Results for the Year

**The total comprehensive expenditure for Sport Wales after taxation for the year ending 31 March 2018 totalled £21,870,000 (2016/17 £22,986,000). The net movement on the general fund for the year (page 62), after the funding received from the Welsh Government, was a planned under spend of £283,000 (2016/17 planned over spend of £341,000). The £283,000 increase was arrived at after charging £492,000 depreciation (2016/17 £532,000) and was largely in line with expectations.**

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

## Sustainability

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment. The Corporate Environmental Strategy is fully in place since previously being approved by the Board. Sport Wales reduced its CO2 emissions by 7% compared to 2016/17, which is significantly above our target of 3% annual reductions.

Throughout 2017/18 Sport Wales has attempted to reduce its travel costs by encouraging staff to use video conferencing, Skype and Sharepoint. This has led to a significant reduction in the cost, mileage and CO2 emissions of travel compared to 2016/17 (see table on page 38 for full details).

Sport Wales also continues to offer a Cycle Scheme to employees, in order to reduce car usage. Employees may claim a mileage allowance of 20p per mile for all business journeys made by bicycle.

Sport Wales remains committed to implementing technological solutions to help reduce emissions and waste where possible, such as dual screens to review documents rather than printing them

hence reducing paper and printing costs. Staff are encouraged to work flexibly where possible, and this has led to staff working from home more regularly. While this does not have an impact on the mileage figures reported below (staff cannot claim mileage expenses for commuting to work), it does contribute to a reduction in congestion and emissions.

Sport Wales National Centre slightly decreased its Energy Performance Operational Rating (DEC) during the year and remains well below the typical rating for the type of building.

Throughout the year, the programme of introducing energy efficient measures continued. LED lights were installed in a number of meeting rooms, offices, corridors and stairwells. Nine more bedrooms were refurbished to use the swipe key card system to control electrical fittings.

The centre continues to operate in accordance with the Waste Hierarchy guidance and operates an Environmental Management System.

The significant reduction in waste collection compared to 2016/17 was due to the removal of a large number of diseased trees in the previous year. In 2017/18, 38% of all waste at the centre is recycled. While this is a reduction on the 82% recycled waste figure in 2016/17, this was largely due to the removal of diseased trees referred to previously.

There was a large increase in water usage compared to 2017/18 and after a thorough investigation no leaks could be detected. During the year a new water meter was installed and the increase may be attributable to this.

Plas Menai has continued to implement its Environmental Policy and the ongoing building refurbishment has given us opportunities to upgrade to more energy efficient systems that are



reflected in the improvements shown in the table. Improvements in 2017/18 have seen our DEC rating improve from F to an E and we hope that the measures implemented during the last 12 months will bring the rating to a D when the new certificate is issued in May 2018.

The refurbishment of the onsite customer accommodation has now been completed and all rooms have been fitted with energy efficient LED lighting and new energy efficient boilers.

Work on refurbishing the centre has also taken another step forward with new false ceilings being fitted throughout the reception area and meeting room. This will help with insulating the centre and reduce heat loss and contribute to a reduction in heating over the next 12 months.

At the same time all the old halogen lights have been replaced with LED lights. Where possible we have introduced sensor operated lights.

We have also invested in new gas cookers. LPG is cheaper and more energy efficient than electricity and we hope to see big reductions in our electricity usage over the next 12 months.

Environmentally, we have removed all single use plastic stirrers and plastic cups from the dining room.

Over the next 12 months we will continue to look for funding to install a solar array as well as continuing with our programme of refurbishment and upgrading to more energy efficient lighting and operating systems.

# Environmental Sustainability

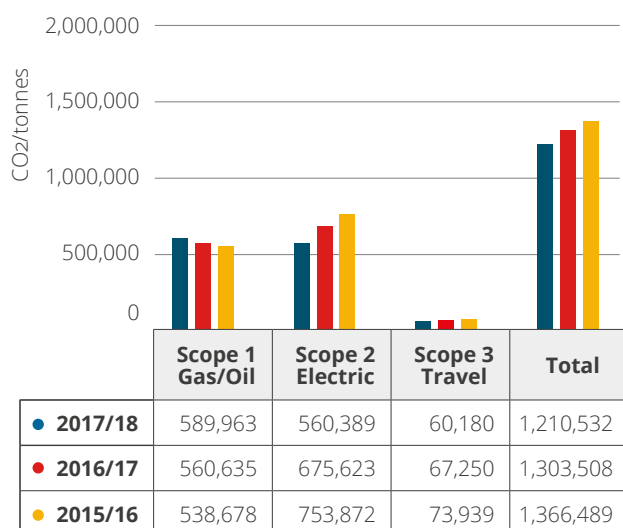
The following tables includes all Sport Wales offices data and associated cost

Waste		2017/18	2016/17	2015/16
Non-financial (tonnes)	Total KG	59,121	158,580	68,390

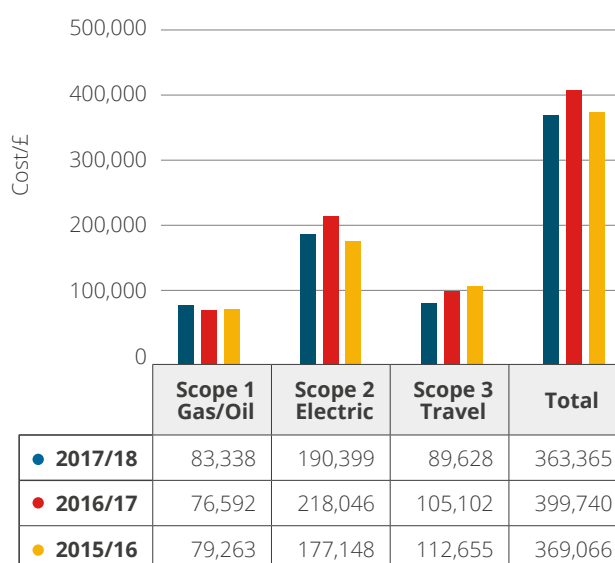
Greenhouse		2017/18	2016/17	2015/16
Co2	Total gross emissions (Co2)	1,150,352	1,236,258	1,292,550
	Total net emissions (Co2)	1,150,352	1,236,258	1,292,550
	Gross emission, scope 1	589,963	560,635	538,678
	Gross emissions, scope 2	560,389	675,623	753,872
Energy	Electricity (non-renewable)	1,594,006	1,639,661	1,631,087
kWh	Electricity (renewable)	0	0	0
	Gas	1,224,229	1,206,082	1,149,833
	Gas Oil	1,321,260	1,225,689	1,205,087
Financial Indicators (£)	Expenditure – energy	273,737	294,640	256,410

Finite Resource	Water	2017/18	2016/17	2015/16
Non-financial (M³)	Supplied	15,862	13,278	12,266
	Abstracted	3,663	2,075	2,514
Financial indicators (£)	Water supply costs	25,264	28,683	23,223

Travel		2017/18	2016/17	2015/16
Co2	Rail	5,571	6,736	7,910
	Air	22,719	18,041	25,006
	Ferry	0	0	0
	Car (Taxi/Bus etc)	164	422	277
	Own Car Usage	31,726	41,986	40,746
	<b>Total</b>	<b>60,180</b>	<b>67,185</b>	<b>71,950</b>
Cost	Rail	25,033	30,314	36,197
	Air	13,700	9,227	11,168
	Ferry	0	0	0
	Car (Taxi/Bus etc)	925	2,278	2,076
	Own Car Usage	49,970	63,281	63,214
	<b>Total</b>	<b>89,628</b>	<b>105,100</b>	<b>109,685</b>
Miles	Rail	74,430	86,180	109,725
	Air	69,588	52,668	70,991
	Ferry	0	0	0
	Car (Taxi/Bus etc)	578	1,562	1,063
	Own Car Usage	110,197	139,479	139,064
	<b>Total</b>	<b>254,793</b>	<b>279,889</b>	<b>314,244</b>

CO<sub>2</sub> 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 £25,000 should be awarded on the basis that they offer "the optimum combination of whole life costs and benefits to meet Sport Wales' 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. In particular, we are conscious of the wider environmental impact which our work has and will investigate ways in which we can positively impact upon this.

### Accounting Officer:

**S Powell**  
9 July 2018



# Directors Report

## Board

During 2017/18, Sport Wales comprised the following board members;

<b>Mr Lawrence Conway **</b>	(Chair from 29.03.2017)
<b>Ms Pippa Britton**</b>	(Vice Chair Appointed 01.10.2017)
<b>Prof. John Baylis</b>	(Retired 31.08.2017)
<b>Mr Simon Pirotte</b>	(Retired 31.08.2017)
<b>Ms Amanda Bennett*</b>	(Retired 31.08.2017)
<b>Mr Andrew Lycett*/**</b>	(Retired 31.08.2017)
<b>Ms Julia Longville</b>	(Reappointed 01.09.2015, Vice Chair 17.04.2017 to 30.09.2017)
<b>Ms Johanna Sheppard*</b>	(Reappointed 01.09.2015)
<b>Mr Peter King*</b>	(Reappointed 01.09.2015)
<b>Mr Richard Parks</b>	(Reappointed 01.09.2017)
<b>Ms Samar Small* (nee Wafa)</b>	(Reappointed 01.09.2017)
<b>Mr Ashok Ahir *</b>	(Appointed 01.10.2017)
<b>Mr Ian Bancroft</b>	(Appointed 01.10.2017)
<b>Mr Christian Malcolm</b>	(Appointed 01.10.2017)
<b>Ms Alison Thorne*</b>	(Appointed 01.10.2017)

**Chief Executive** Ms S Powell

\* Member of the Audit & Risk committee

\*\* Member of the Remuneration committee

## 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 2017/18. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 19 of these accounts.

## Personal Data Related Incidents

Sport Wales has controls and policies in place to ensure data integrity. Information Technology 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 46.

## 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](http://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 latter.

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 2018 Sport Wales paid 98% (2016/17 100%) 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 & Risk Committee oversees the nature and amount of non-audit work undertaken by Wales Audit Office our external auditors.

During 2017/18 there was no non audit work undertaken by auditors. The audit fee is disclosed in note 7 to the financial statements.

### Statement on Disclosure of Relevant Audit Information.

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

## Statement Of Council's And Chief Executive's Responsibilities

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' 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. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for the keeping of proper records, and for safeguarding Sport Wales' assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury.

### Accounting Officer:

**S Powell**  
9 July 2018

# Annual Governance Statement 2017/2018

## Introduction

The Governance Statement brings together all disclosures 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 Corporate Governance in Central Government Departments: Code of Good Practice 2017 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 professions and members with expertise and experience relevant to both community and elite sport. Following the Assurance review undertaken by Welsh Government during 2016/17, Lawrence Conway was appointed as interim Chair, initially for a 12-month period, subsequently extended to 18 months to August 2018. The process to appoint a permanent Chair from August 2018 was initiated by Welsh Government in February 2018.

During the year, Welsh Government appointed five new Board members, namely Ashok Ahir, Pippa Britton, Ian Bancroft, Christian Malcolm and Alison Thorne. Four existing Board members, namely John Baylis, Amanda Bennett, Andrew Lycett and Simon Pirotte left the Board, their terms of office having expired. I thank them for their dedicated service to Sport Wales during their tenures and warmly welcome the new members.

Sport Wales is committed to equality and the diversity of its Board, which now comprises 45% female representation, 36% BME and 9% consider themselves to have a disability.

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



<b>Board Member</b>	<b>Board Meeting</b> (Number of meetings attended of 5)	<b>Audit &amp; Risk Committee</b> (Number of meetings attended of 4)
Lawrence Conway (Chair)	5 / 5	Not Applicable
Pippa Britton**(Vice Chair)	2 / 2	Not Applicable
Amanda Bennett*	2 / 2	1 / 1
John Baylis*	2 / 2	Not Applicable
Peter King	4 / 5	3 / 3
Simon Pirotte*	1 / 2	Not Applicable
Julia Longville (Interim Vice Chair 17.4.17 to 30.9.17)	4 / 5	Not Applicable
Andrew Lycett*	2 / 2	1 / 1
Johanna Sheppard	3 / 4	3 / 3
Richard Parks	4 / 5	Not Applicable
Samar Small (nee Wafa)	3 / 5	1 / 2
Ashok Ahir**	2 / 2	1 / 2
Ian Bancroft**	2 / 2	Not Applicable
Christian Malcolm**	1 / 2	Not Applicable
Alison Thorne**	2 / 2	1 / 2
<b>(Independent members – Audit Committee only)</b>		
Sandy Blair	Not Applicable	2 / 3
Gareth Jones	Not Applicable	4 / 4
Louise Casella	Not Applicable	3 / 3
Robert Williams	Not Applicable	1 / 1
<b>Overall Percentage Attendance rate</b>	<b>83%</b>	<b>84%</b>

\* Members retired 31.08.2017      \*\* Members appointed 01.10.2017

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, two other permanent committees are established; The Audit & Risk Committee and the Remuneration Committee.

### Whistleblowing Policy

Sport Wales has an established and Board approved Whistle-Blowing Policy which is detailed in the Staff Handbook. During 2017/18 Sport Wales was not aware of any reported incidents. We believe that the policy is effective and staff have full access to it, if required. The policy is reviewed periodically with the Staff Handbook.

## Audit and Risk Committee

The Board has established an Audit and Risk Committee to support it in discharging its responsibilities specifically in the areas of risk, internal control and governance through:

- Reviewing the comprehensiveness and operation of current processes, controls and other measures to meet the assurance needs of the Board and the Accounting Officer;
- Reviewing the reliability and integrity of the assurances provided by the executive and the internal and external auditors;
- Providing an opinion as to how well the Board and Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of Financial Reporting).
- Risks identified are assigned to Corporate Directors and mitigating actions are detailed in the risk register.

The Board appointed Peter King as the new Chair of the Committee to replace Andrew Lycett. We are grateful for Andrew's significant contribution to the development of the Committee during his tenure as Chair.

The Committee also bade farewell to Amanda Bennett plus two longstanding independent members, namely Sandy Blair and Louise Casella. The Board extends its appreciation for their contributions.

New appointments to the Committee during the year included Board members Ashok Ahir, Samar Small and Alison Thorne, plus a new independent member, Robert Williams.

During 2017/18, Sport Wales introduced an 'Assurance Framework' to supplement the risk management process. The purpose of the

Framework is to document the level of assurances, both internal and external, incorporated into business processes so as to provide the Accounting Officer and the Board with the requisite assurance. This is monitored regularly by the Audit & Risk Committee.

The Audit & Risk Committee consists of up to seven members, three of which could be independent, with a minimum of one external member required. The Committee met four times during the year and there was an overall members' attendance rate of 84%.

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

- the operation and effectiveness of the risk management and assurance 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;
- compliance with the Framework Document issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- the Governance Framework document;
- regulatory compliance;
- review of grant funding;
- review of core financial systems
- review of Board member expenses;
- review the Gifts and Hospitality Register;
- agreeing the year's internal audit plan;

The Board received the minutes of the Audit & Risk Committee at each meeting and are advised by the Chair of any significant matters. The Chair also 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 2017/18 no information risk issues or significant control weaknesses were identified and the Audit and Risk Committee was satisfied that the level of risk was acceptable and managed in an appropriate manner.

### **Remuneration Committee**

The Remuneration Committee meet to review and recommend for approval to Welsh Government the Chief Executive's salary and the annual pay award for all staff via the Welsh Government's pay remit process. Further details can be found within the Remuneration and Staff Report on page 50.

### **The Executive Senior Management Team**

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 typically fortnightly to discuss and agree corporate matters. Formal monthly meetings are held which follow an agenda and minutes are taken to ensure we record decisions at a corporate level. Progress against the Business Plan is reported and monitored on a quarterly basis.

### **Board and Committee Effectiveness**

During the year, we continued to develop good governance. It considered in detail measures by which it can continually improve. This included formally signing up to the sector's 'Governance & Leadership Framework' (GLFW) and under the direction of the Vice Chair, committed to developing a robust governance plan, that will incorporate both formal processes, for example full effectiveness reviews of the Board on a biennial basis, annual appraisals for each Board member and also the development of an action plan for adherence to the GLFW, which includes the behavioural aspects of good governance.

At the end of each Board meeting, Members reflect on business and discuss ways by which the Board can be more effective in discharging its responsibilities. The Board is committed to supporting the Executive Team and resolved during the year to nominate individual Board members to work closely with members of the Executive on all major projects, for example the new Community Sport & Activity Project.

The Board is content with the quality and amount of information received in order for it to make considered decisions.



# Risk Management

## The purpose of the system of internal control

The system of internal control is designed to manage and limit risk but can never eliminate it. It therefore only provides reasonable and not absolute assurance. The system of internal control is based upon an on-going process designed to identify and prioritise the risks of achieving Sport Wales' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should this happen, 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 2018 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 Sport Wales has an effective risk management process. This is overseen by the Board, through the Audit & Risk Committee. As an organisation, the key risks are monitored through appropriate use of the Risk Register. There is a documented Risk Strategy & Management Policy that contains definitions relating to risk management and the policy also sets out how risks should be identified, recorded, analysed and managed.

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 the

Accounting Officer. Operating risks are the responsibility of the relevant heads of department while day to day risk management may be delegated to the staff they manage.

New risks are identified by officers of Sport Wales, Audit & Risk Committee scrutiny or the Board itself. When a new risk has been identified, it is inserted into the appropriate Risk Register, assessed and scored and assigned to a corporate director and/or manager.

## The risk and control framework

Risk management is embedded within the management structure of Sport Wales. The majority of identified risks are derived from the organisational objectives and the business planning process of Sport Wales.

The Risk Register is an electronic solution that is accessible to relevant managers via an online portal. Sport Wales' risk management arrangements are subject to an annual internal audit and presented to the Audit & Risk committee. 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 Corporate Risk Register is reviewed at regular intervals by Senior Management, the Risk Management & Assurance Group and the Audit & Risk Committee. In addition, managers present by rotation to the Risk Management & Assurance Group on their specific areas of risk and how they control or mitigate those risks. The new Assurance Framework is similarly reviewed by the Risk Management & Assurance Group.

## Grants Monitoring

The majority of Sport Wales' funding is expended in the award of grants. Grant awards are made on clear investment criteria into key sporting outputs and outcomes. Sport Wales takes appropriate steps to monitor the application of such awards by requiring formal reporting from recipients, as well as maintaining an on-going dialogue with key partners to gather informal intelligence. In addition, there are specific reconciliation criteria and where expenditure may vary from the level of grant award, Sport Wales exercises its right to claw back such amounts.

## Procurement

Sport Wales' Internal Auditors undertook a review of procurement activity during 2017/18. This was a follow-up to the audit undertaken in 2016/17. It is pleasing to note that of the one high, and six medium, recommendations made in the previous year's report, the high category recommendation had been implemented and five of the six medium category recommendations had been fully implemented. The remaining recommendation regarding obtaining three written quotes was re-raised following testing. During the year, updated financial procedures were produced and circulated to all staff.

## Key Risks

Risks to key strategic and operational activities are identified, evaluated and considered by the Directors Group, and action taken to mitigate them. Risks and the actions to manage risks are reviewed at regular intervals. The internal audit programme is influenced by risks recorded in the Risk Register and, where appropriate, the auditors make recommendations to address any risk or identify new ones. The Audit & Risk Committee will review these recommendations and action appropriately.

Looking ahead, there are a number of key risks which have been identified at Sport Wales and included in the Corporate Risk Register.

Sport Wales was tasked by the Minister to consult upon, and produce, a new vision for sport in Wales. This will be followed by the development of a new strategy for Sport Wales. Inevitably, there are risks attached to any significant new strategy, but Sport Wales is committed to consulting widely on both strategies in order to produce an inclusive strategy undertaken in line with the ways of working of the Wellbeing of Future Generations Act.

Whilst Sport Wales is grateful to Welsh Government for notification of a cash neutral budget for 2018/19 and a similar indicative allocation for 2019/20, the increased financial cost of meeting pension deficit payments, continues to present the greatest threat to the delivery of Sport Wales objectives.

Other key risks identified on the corporate Risk Register include those relating to the delivery of our community, elite and corporate services' strategies and objectives. Also, the introduction of Welsh Government's Well-Being of Future Generations Act from 1st April 2016 is meaning a new area of compliance for Sport Wales. We have produced a suite of Well-being objectives that have been approved by the Board following a period of internal and external consultation.

They have been submitted to the Commissioner and are shown on our website.

Sport Wales is working towards ensuring compliance with the General Data Protection Regulations (GDPR), which comes into effect 25th May 2018.

Sport Wales has an overall informed and measured appetite for taking risk to achieve its priorities. Risk appetite is owned by the Board and is reviewed annually. Where significant risk arises Sport Wales will take effective control action to reduce and manage these risks to a safe level. The Executive and Board are aware of the need to innovate further and faster in the future and to this end are actively exploring different delivery mechanisms and partners. This will create new and different risks and potentially increase the level of risk taken by Sport Wales. The Sport Wales Risk appetite may therefore rise but only within an informed and managed risk environment.

The Internal Auditors have, for the third consecutive year, given Sport Wales an overall “substantial assurance” rating for the year. It also gave this highest rating category for Sport Wales’ corporate governance and risk management arrangements. During the year, internal audit reports identified opportunities to enhance the control systems. It is encouraging to note that arising out of the internal audit work, there were no findings classified as being of “high” risk. In total, 24 recommendations were made together with 9 action points. Of the recommendations made, 10 (42%) were classed as ‘medium’ priority and 14 (58%) were ‘low’ priority. In terms of follow-up action, 12 out of 15 previous recommendations made (80%) had either been fully implemented or not re-raised by the auditors. Of the remaining 3, 1 has since been implemented, 1 relates to the procurement section above, and the final 1 relates to staffing structure, which is due to be considered during 2018/19.

## Internal Control

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

I am responsible for reviewing the effectiveness of the system of internal control. This is overseen by the Board, through the Audit & Risk Committee. It is informed by the work of both the internal and external auditors and the staff presentations to the Risk Management Group of Sport Wales who have responsibility for the development and maintenance of the internal control framework. I plan to address identified weaknesses and ensure continuous improvement of the systems.

The internal audit service for Sport Wales during 2017/18 was provided by Deloitte LLP, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which provide an independent annual opinion on the adequacy and effectiveness of Sport Wales’ systems of internal control and risk management, together with recommendations for improvement.

The contract for the Internal Audit service was tendered during the year. Deloitte LLP were re-appointed for a three year contract, commencing 1st April 2018.

Every year the Audit & Risk Committee produces an Annual Report of their work to the Board of Sport Wales.



## On-going Developments

Whilst the current system of internal control is strong, there are always areas which require or will benefit from improvement.

Sport Wales has continued to review the control system in operation over the National Governing Bodies generally and during 2017/18 additional steps have been implemented to further strengthen the controls in place to manage the risk inherent in investing public funding into third party organisations. We will keep this under constant review in 2018/19.

During 2017/18, Sport Wales continued to strengthen its planning and budgeting process by better aligning the two, and ensuring resources are better allocated to strategic priorities. This process has involved the Leadership Team of Sport Wales, comprising Directors and Heads of Department. Thus greater ownership of budgets and resources has resulted.

Sport Wales is committed to an engaged workforce. Our achievement of gold standard in 'Investors in People' is testament to this. We will continue to evolve as an organisation, and ensure we have a fit-for-purpose workforce as we face the

inevitable challenges that operating in a time of reduced resources bring.

We welcome the introduction of Welsh Governments Well-Being of Future Generations Act, which took effect from 1st April 2016. We are one of four pilot organisations working with the Wales Audit Office to develop a future way of auditing those public sector organisations who are responsible for implementing the Act.

Sport Wales intends to introduce an innovative and exciting development with the introduction of the new Community Sport & Activity Project from 2018. This will be a new and collaborative way of delivering community outcomes across Wales. The project will begin in North Wales. We are working with Welsh Government to develop a model to take this forward.

### Accounting Officer:

**S Powell**  
*9 July 2018*

# Remuneration & Staff Report

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 Public and Commercial Services (PCS) Union. All policies are equality checked before implementation. Sport Wales is committed to a policy of equality of opportunity in its employment practices. In particular, Sport Wales aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation. We also follow the 'Equality Standard for Sport' and 'Positive about Disabled' schemes.

Sport Wales currently applies the same grading structure as Welsh Government. However this structure no longer suitably recognises the differing needs and characteristics of Sport Wales' roles. Also, Sport Wales applies a number of allowances to compensate issues with our pay structure, which has led to widespread inequality and unfairness.

During 2017/18, a formal Project Steering group was established which comprised employees from the HR and Finance departments, as well as representatives from PCS, at both local and branch level. A representative from ACAS was also part of

the formal team to provide advice and guidance. The Corporate Services Director chaired the group.

In light of the above, Sport Wales proposes the implementation of a new pay & grading structure during 2018/19 to address these issues. In accordance with Sport Wales' Framework Document with Welsh Government, the new structure will require Ministerial approval.

Sport Wales is working throughout the process in collaboration with our recognised Union, Public and Commercial Services (PCS) to devise a new grading structure, pay scales and allowance review. This project is currently ongoing.

## Investing In Our People

Sport Wales has "Investors in People" status and its human resources policies reflect best practice as part of its commitment as a learning organisation. During 2015/16, Sport Wales achieved the Gold standard in "Investors in People". The standard explores practices and outcomes within an organisation under three performance headings: leading, supporting and improving. These three areas explore culture, leadership skills, engagement and staff development which all contribute towards Sport Wales being a high performing organisation. Sport Wales is due for re-assessment on the 28th May 2018

## Sickness Absence Data

The sickness data for employees of the whole organisation for 2017/18 (2016/2017) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
906.5 (909)	145.89 (148.53)	6.21 (6.12)

The overall absence rate for 2017/18 is 2.81%. This is a slight increase from the 2016/17 rate of 2.59%, but is still comparable with ONS

(Office of National Statistics) published rates for the public sector of 2.9%.

During this period there have been 5 employees on long-term sick leave, 4 of these absences are now concluded and where applicable employees are supported to return to work through adapted work programmes and occupational health provision.

As part of a continued focus on managing absence and employee health effectively, Sport Wales' sickness absence policy will be reviewed during 2018/19, with support from the recognised Trade Union (PCS). This year employees have benefitted from initiatives focussed around mental wellbeing. In the coming year Sport Wales will continue to support employees' mental and physical health by signing the Time to Change Wales Mental Health Pledge, corporate participation of the Cardiff Half Marathon, and also re-establishing a cross departmental wellbeing group to work in support of the Sport Wales wellbeing strategy.

## Pension Scheme

Sport Wales operates two pension schemes for its staff. Most staff are members of the Cardiff and Vale of Glamorgan Pension Fund. The Fund is a defined benefit scheme based on Career Average Re-Valued Earnings (CARE). The Fund's 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. Pension built up from 1 April 2014 is calculated at the rate of 1/49th with an option to take an extra lump sum in exchange for pension. The contributions of employees are set at 5.5% to 10.5% based on salary range or 2.75% to 5.25% if the employee opts for the 50/50 pension scheme. Further details can be found in note 1.6 and note 17 to the financial statements. In addition, Sport Wales operates a Defined Contribution pension scheme, with Scottish Widows, in which Sport Wales contributes 6.5%, with employees contributing 1.5%..

## Remuneration Policy

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.

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 WSGBs and NHS Bodies" policy.

The Remuneration Committee which consists of Sport Wales' Chair, Vice Chair and Chair of the Audit & Risk Committee supported by Sport Wales' delegated employees meets to agree the pay award for all staff via the Welsh Government's pay remit process. All changes of pay for the CEO are approved by the Remuneration Committee.

## 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 normally for a further three year period. The Chair is entitled to be remunerated at a daily rate of £337 and is contracted to work two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work three days a month.

## Notice Period

The Chief Executive is entitled to four months' notice of termination of contract by Sport Wales and the remaining senior staff are entitled to three months' notice of termination of contract.



Chief Executive Officer Salary

Remuneration

“Salary” includes gross salary, allowances and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £96,000 (2016/17 £94,500). No members of staff are eligible for a bonus payment.

A proportion of the Senior Management salary costs are allocated to lottery.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interest of the senior managers of Sport Wales. Details on start/leave dates can be found in the Pension Benefits table on page 53. This information is audited.

Benefits in Kind

There are no benefits in kind

Staff Costs

	2017/18	2016/17
	£'000	£'000
<b>Permanent:</b>		
Salaries and wages	5,503	5,406
Provision for redundancies, strain on pension and payment of notice	-	124
Social Security costs	529	516
Other Pension costs	1,943	1,601
Agency & Instructional Staff	105	236
Staff on secondment	(6)	(46)
	<hr/> 8,074	<hr/> 7,837
IAS19 Adjustments	(540)	(390)
	<hr/> 7,534	<hr/> 7,447
Less: Allocated to SPORTLOT	(2,127)	(2,033)
	<hr/> 5,407	<hr/> 5,414

## Remuneration (subject to audit)

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit to the nearest £000	Total £000
		2017/18 (2016/17)	2017/18 (2016/17)	2017/18 (2016/17)	2017/18 (2016/17)
Mr Lawrence Conway <sup>1</sup>	Chair	- -	- -	- -	- -
Ms Pippa Britton <sup>5</sup>	Vice Chair	(50%) -	5 - 10 -	- -	5 - 10 -
Dr Paul Thomas <sup>2</sup>	Chair	- (50%)	- (40 - 45)	- -	- (40 - 45)
Mrs Adele Baumgardt <sup>2</sup>	Vice Chair	- (50%)	- (15 - 20)	- -	- (15 - 20)
Ms Sarah Powell	Chief Executive	25% (25%)	95 - 100 (90 - 95)	26,000 (28,000)	120 - 125 (120 - 125)
Mr Graham Williams	Corporate Director	25% (25%)	55 - 60 (55 - 60)	4,000 (29,000)	60 - 65 (85 - 90)
Mr Brian Davies	Corporate Director	80% (80%)	55 - 60 (55 - 60)	21,000 (25,000)	80 - 85 (80 - 85)
Mr Jonathan Davies <sup>3</sup>	Corporate Director	50% (50%)	20 - 25 (55 - 60)	6,000 (18,000)	25 - 30 (75 - 80)
Mr Peter Curran	Corporate Director	25% (25%)	60 - 65 (60 - 65)	19,000 (20,000)	80 - 85 (80 - 85)
Mr Malcolm Zaple	Manager Sport Wales National Centre	0% (0%)	60 - 65 (60 - 65)	7,000 (33,000)	65 - 70 (90 - 95)
Mr Steven Morgan	Manager Plas Menai Watersports Centre	0% (0%)	50 - 55 (50 - 55)	81,000 (16,000)	130 - 135 (65 - 70)
Prof. John Baylis <sup>4</sup>	Council Member	50% (50%)	0 - 5 (5 - 10)	- -	0 - 5 (5 - 10)
Mr Simon Pirotte <sup>4</sup>	Council Member	50% (50%)	0 - 5 (5 - 10)	- -	0 - 5 (5 - 10)
Ms Johanna Sheppard <sup>6</sup>	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Ms Julia Longville <sup>7</sup>	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Peter King	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Ms Amanda Bennett <sup>4</sup>	Council Member	50% (50%)	0 - 5 (5 - 10)	- -	0 - 5 (5 - 10)
Ms Sama Small (nee Wafa)	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Andrew Lycett <sup>4</sup>	Council Member	50% (50%)	0 - 5 (5 - 10)	- -	0 - 5 (5 - 10)
Mr Richard Parks	Council Member	50% (50%)	5 - 10 (5 - 10)	- -	5 - 10 (5 - 10)
Mr Ashok Ahir <sup>5</sup>	Council Member	50% -	0 - 5 -	- -	0 - 5 -
Mr Ian Bancroft <sup>5</sup>	Council Member	50% -	0 - 5 -	- -	0 - 5 -
Mr Christian Malcolm <sup>5</sup>	Council Member	50% -	0 - 5 -	- -	0 - 5 -
Ms Alison Thorne <sup>5</sup>	Council Member	50% -	0 - 5 -	- -	0 - 5 -

<sup>1</sup> Lawrence Conway has elected not to take a salary whilst in the role of Interim Chair

<sup>2</sup> Terminated 29th March 2017

<sup>3</sup> Left 4th August 2017

<sup>4</sup> Retired 31st August 2017

<sup>5</sup> Appointed 1st October 2017

<sup>6</sup> On Maternity leave from 1st January 2018.

Elected not to receive payment whilst on Maternity leave.

<sup>7</sup> Vice Chair between 17th April and 30th September 2017

The Remuneration Report now requires that a Single Total Figure of Remuneration is shown. The above table is similar to that used previously, and still shows the salary paid in bandings. The pension benefit figure which contributes to the single total figure is calculated in a new way as follows:

(real increase in pension\* x 20) + (real increase in lump sum\*) – (contributions made by employee)

\*excluding increases due to inflation or any increase/decrease due to a transfer of pension rights

The pension benefit figure is not an amount that has been paid to the employee by Sport Wales during the year. It is a future benefit for the employee which is influenced by many factors including but not limited to, salary changes and any additional contributions made by the employee.

### Pension Benefits of Senior Managers (subject to audit)

Name	Real increase in Pension (and lump sum) at state pension age for 2017/18	Total accrued Pension (and lump sum) at state pension age at 31 March 2018	CETV at 31 March 2018	CETV at 31 March 2017	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
Ms Sarah Powell Chief Executive	0.0 – 2.5 (-0.0 – 2.5)	25 – 30 (35 – 40)	381	347	23
Mr Peter Curran Corporate Director	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	50	33	11
Mr Steven Morgan Manager Plas Menai Watersports Centre	2.5 – 5.0 (0.0 – 2.5)	5 – 10 (0 – 5)	68	20	44**
Mr Malcolm Zapple Manager Sport Wales National Centre	0.0 – 2.5 (-0.0 – 2.5)	25 – 30 (45 – 50)	497	470	22
Mr Brian Davies Corporate Director	0.0 – 2.5 (0.0 – 2.5)	10 – 15 (0 – 5)	162	140	17
Mr Jonathan Davies* Corporate Director	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	42	36	4
Mr Graham Williams Corporate Director	0.0 – 2.5 (-0.0 – 2.5)	20 – 25 (30 – 35)	320	303	12

\*Jonathan Davies left 4th Aug 2017.

\*\*Private pension was amalgamated during the year

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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' 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.

## Staff Costs

The average number of permanent employees during the year on a whole time equivalent basis was made up as follows:

	2017/2018 No	2016/2017 No
<b>Total</b>	145.9	148.5

Staff composition of corporate directors are 75% male and 25% female. Of the remaining permanent employees 50% are male and 50% female.

## Tax Policy for Off-Payroll Appointees

As at 31 March 2018, there were 5 arrangements that had existed (2016/17, 5 arrangements, restated). Of which 4 arrangements have been in place for 4 years or more and 1 arrangement in place between 2 and 3 years. All arrangements have been assessed as not having been caught by IR35. Sport Wales are content that assurance has been sought to confirm that individuals have made appropriate arrangements to pay tax. Neither individual is a Board member or is a senior official with significant financial responsibility.

## Compensation schemes – exit packages

Exit package cost band	Number of redundancies	
	2017-18	2016-17
< £10,000	0	0
£10,000 - £25,000	0	0
£25,000 - £50,000	0	2
£50,000 - £100,000	2*	1
£100,000 - £150,000	0	0
Total number of exit packages	2	3
<b>Total resource cost (£)</b>	<b>131,000</b>	<b>145,000</b>

\*One payment relates to an employee leaving and one relates to payment of a pension strain

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme. 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.

Fair Pay Disclosures

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.

	2017-18	2016-17
Band of Highest Paid Director's Total Remuneration (£ '000)	95 - 100	90 - 95
Median Total Remuneration	28,496	26,400
Ratio	3.4	3.5

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

There was a decrease in the median ratio of 0.1%. This was due to a pay award during 2017/18 that saw larger percentage increases for staff on lower salaries.

Remuneration ranged from £16,300 to £96,000 (2016/17 remuneration ranged from £16,000 to £94,500).

Accounting Officer:

S Powell  
9 July 2018

# The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

## Report on the audit of the financial statement

### Opinion

I certify that I have audited the financial statements of Sports Council for Wales for the year ended 31 March 2018 under paragraph 18(3) of Schedule 8 of the Government of Wales Act 2006. These comprise the Consolidated Statement of Comprehensive Net Expenditure, Statement of Financial Position, Consolidated Statement of Financial Position, Consolidated Statement of Cashflows, Consolidated Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant accounting policies.

These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union/United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of Sport Council for Wales' affairs as at 31 March 2018 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.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in

the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Accounting Officer is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

### Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Report on other requirements

#### Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under the Government of Wales Act 2006. In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Governance Statement for the financial year 2017-18 is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the for the financial year 2017-18 is consistent with the financial statements and the Performance Report has been prepared in accordance with Welsh Ministers' guidance.

### Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report.

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

- proper accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the 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.

### Responsibilities

#### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Executive's responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Government of Wales Act 2006 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.



## Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions. I obtain sufficient evidence 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.

<b>Huw Vaughan Thomas</b>	24 Cathedral Road
Auditor General for Wales	Cardiff
July 2018	CF11 9LJ

The maintenance and integrity of the Sport Wales website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Consolidated Statement of Comprehensive Net Expenditure for The Sports Council for Wales and The Sports Council for Wales Trust for the year ended 31 March 2018

		2017/18	2016/17
	Note	£'000	£'000
<b>EXPENDITURE</b>			
Grant Expenditure	5	15,097	16,239
Staff Costs	6	5,407	5,414
Other Expenditure	7	3,591	3,440
Depreciation	9	492	532
		24,587	25,625
<b>INCOME</b>			
Income from Activities	3	(2,841)	(2,685)
Other Income	3	(111)	(182)
		(2,952)	(2,867)
<b>Net Expenditure</b>		21,635	22,758
Pension Finance Cost		236	258
(Surplus)/Deficit on Disposal of Property, Plant & Equipment	8	1	(29)
Interest Receivable		(2)	(1)
		235	228
<b>Net Expenditure after interest and before taxation</b>		21,870	22,986
Taxation Payable		-	-
<b>Net Expenditure after Taxation</b>		21,870	22,986
<b>Other Comprehensive Expenditure</b>			
Net loss/(gain) on revaluation of Property, Plant & Equipment		2,387	(149)
Actuarial loss pension		904	2,075
<b>Total Comprehensive Net Expenditure for the year ended</b>		25,161	24,912

### 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 £21,870,000 (2016/2017 £22,986,000).

The notes on pages 65 to 82 form part of these accounts

## Statement of Financial Position of The Sports Council for Wales as at 31 March 2018

		At 31 March 2018	At 31 March 2017
	Note	£'000	£'000
<b>Non-current assets</b>			
Property, Plant & Equipment	9(a)	561	468
<b>Total non-current assets</b>		561	468
<b>Current assets</b>			
Trade and other receivables	10	1,300	1,574
Cash and cash equivalents		544	373
		1,844	1,947
<b>Total Assets</b>		2,405	2,415
<b>Current liabilities</b>			
Trade and other payables	11	(842)	(600)
Grant accruals	12	(4)	(19)
Provisions	18	-	(124)
<b>Total current liabilities</b>		(846)	(743)
<b>Non-current assets plus net current assets</b>		1,559	1,672
<b>Non-current liabilities</b>			
Trade and other payables due in more than one year	11	(114)	(146)
Pension Liabilities	17	(10,476)	(9,746)
<b>Total non-current liabilities</b>		(10,590)	(9,892)
<b>Assets less liabilities</b>		(9,031)	(8,220)
<b>Taxpayers' equity</b>			
General fund		1,445	1,526
Pension reserve		(10,476)	(9,746)
Revaluation reserve		-	-
		(9,031)	(8,220)

The notes on pages 65 to 82 form part of these accounts

The financial statements were approved by the Board on 9th July 2018 and were signed on its behalf by;

**Accounting Officer:**

**S Powell (Chief Executive)**  
9 July 2018

## Consolidated Statement of Financial Position of The Sports Council For Wales and The Sports Council For Wales Trust as at 31 March 2018

		At 31 March 2018	At 31 March 2017
	Note	£'000	£'000
<b>Non-current assets</b>			
Property, Plant & Equipment	9(b)	17,174	19,490
<b>Total non-current assets</b>		17,174	19,490
<b>Current assets</b>			
Trade and other receivables	10	1,300	1,574
Cash and cash equivalents	14	548	377
		1,848	1,951
<b>Total Assets</b>		19,022	21,441
<b>Current liabilities</b>			
Trade and other payables	11	(842)	(600)
Grant accruals	12	(4)	(19)
Provisions	18	-	(124)
<b>Total current liabilities</b>		(846)	(743)
<b>Non-current assets plus net current assets</b>		18,176	20,698
<b>Non-current liabilities</b>			
Trade and other payables due in more than one year	11	(114)	(146)
Pension Liabilities	17	(10,476)	(9,746)
<b>Total non-current liabilities</b>		(10,590)	(9,892)
<b>Assets less liabilities</b>		7,586	10,806
<b>Taxpayers' equity</b>			
General fund		13,127	12,844
Pension reserve		(10,476)	(9,746)
Revaluation reserve		4,935	7,708
		7,586	10,806

The financial statements were approved by the Board on 9th July 2018 and were signed on its behalf by;

### Accounting Officer:

**S Powell (Chief Executive)**

9 July 2018



**Consolidated Statement of Cashflows for The Sports Council For Wales  
and The Sports Council For Wales Trust  
for year ended 31 March 2018**

**Cash flow from operating activities**

		<b>2017/18</b>	<b>2016/17</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities</b>			
Net deficit after interest		(21,870)	(22,986)
(Surplus)/Deficit on disposal of property, plant & equipment	8	1	(29)
Depreciation of property, plant & equipment	9(b)	492	532
(Increase) /Decrease in trade and other receivables	10	274	717
Increase/(Decrease) in trade payables	11	209	(279)
(Decrease)/Increase in grant accruals	12	(15)	2
Interest received	13	(2)	(1)
Pension costs	17	(174)	(39)
Increase in provision for redundancies	18	(124)	(135)
Net cash outflow from operating activities		<u>(21,209)</u>	<u>(22,218)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	9(b)	(563)	(521)
Interest received	13	2	1
Net cash outflow from investing activities		<u>(561)</u>	<u>(520)</u>
<b>Cash flows from financing activities</b>			
Net cash used in financing activities		(21,770)	(22,738)
Funding received from the Welsh Government	4	21,941	22,249
Net increase in cash and cash equivalents		<u>171</u>	<u>(489)</u>
<b>Net increase in cash and cash equivalents in the period</b>			
Cash and cash equivalents at the beginning of the period	14	377	866
Cash and cash equivalents at the end of the period	14	<u>548</u>	<u>377</u>
		<u>171</u>	<u>(489)</u>

The notes on pages 65 to 82 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 2018

	Revaluation Reserve	General Fund	Pension Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2017	7,708	12,844	(9,746)	10,806
Net Expenditure after interest and before tax	-	(21,870)	-	(21,870)
Funding received	-	21,941	-	21,941
Revaluation of tangible fixed assets	(2,387)	-	-	(2,387)
Pension costs	-	(174)	174	-
Transfer to general fund	(386)	386	-	-
Actuarial loss	-	-	(904)	(904)
<b>Funds at 31 March 2018</b>	<b>4,935</b>	<b>13,127</b>	<b>(10,476)</b>	<b>7,586</b>

The funds in Sport Wales own non-consolidated accounts at 31 March 2018 were ((£9,031,000)), (31 March 2017 ((£8,220,000)) with £16,617,000 (2016/17 £19,026,000) attributable to the Sports Council for Wales Trust.

The notes on pages 65 to 82 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 2017

	Revaluation Reserve	General Fund	Pension Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2016	7,994	13,185	(7,708)	13,471
Net Expenditure after interest and before tax	-	(22,986)	-	(22,986)
Funding received	-	22,249	-	22,249
Revaluation of tangible fixed assets	149	-	-	149
Pension costs	-	(39)	39	-
Transfer to general fund	(435)	435	-	-
Actuarial loss	-	-	(2,077)	(2,077)
<b>Funds at 31 March 2017</b>	<b>7,708</b>	<b>12,844</b>	<b>(9,746)</b>	<b>10,806</b>

The notes on pages 65 to 82 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 2018

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2017/18 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 to adhere to the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales in 2015.

#### 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 £5,000 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	35 -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 in the Statement of Financial Position.

Any pension liabilities or assets are apportioned between Sport Wales and Lottery on the historic rate of apportionment of staff costs according to the time staff spend in carrying out Lottery activities.

## 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% (20% 2016/17) 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

A provision is made to provide for liabilities which are likely to be incurred due to an event or decision being taken within a financial year, but there is uncertainty to the amount and/or date on which they will arise. A change to the provision is charged to the Statement of Comprehensive Net Expenditure. When the actual liability occurs, this is offset against the provision previously made.

During 2017/18 the strain on pension invoice was received and paid, therefore the provision has now been released. Also, the redundancy provision has been released for the one member of staff who left during the year. For this member of staff, the original redundancy payment was calculated using the 2016 terms of the Civil Service Compensation Scheme, but after a judicial review, the additional payment due based on the 2010 terms was calculated and was paid in March 2018.

At March 2017, per Welsh Government instruction, a provision was made in respect of the former Chair & Vice-Chair's payment of notice. The provision has been utilised during 2017/18.

## 1.14 Newly Issued Accounting Standards Not Yet Effective

The application of any new or amended IFRS standards is governed by their adoption by the FReM. Sport Wales applies changes to standards when they become effective. There are no known material impacts from IFRS changes that have been issued and are not yet effective on the financial statements in the period of initial application.

## 2. Analysis of Net Comprehensive Expenditure

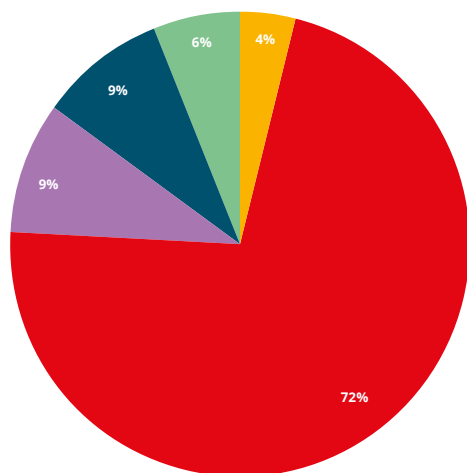
IFRS 8 requires operating segments to be identified on the basis of internal reports about components of Sport Wales that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

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

	Note	2017/18 £'000	2016/17 £'000
<b>National Centres</b>			
Revenue	3	(2,818)	(2,659)
Expenditure Other	7	1,600	1,500
Net Operating Contribution		<u>(1,218)</u>	<u>(1,159)</u>
<b>Grants</b>			
Sports Development Grants Income	3	(23)	(26)
Grant Expenditure	5	15,097	16,239
Net Operating Cost		<u>15,074</u>	<u>16,213</u>
<b>Sports Development and Corporate</b>			
Other Income	3	(111)	(182)
Expenditure Other	7	1,991	1,940
Net Operating Cost		<u>1,880</u>	<u>1,758</u>
Staff Costs	6	<u>5,407</u>	<u>5,414</u>
<b>Net Comprehensive Expenditure before Other Costs</b>		<u>21,143</u>	<u>22,226</u>
<b>Other Costs</b>			
Property, Plant & Equipment and Pensions		4,018	2,686
Net Operating Cost		<u>4,018</u>	<u>2,686</u>
<b>Total Comprehensive Net Expenditure</b>		<u>25,161</u>	<u>24,912</u>

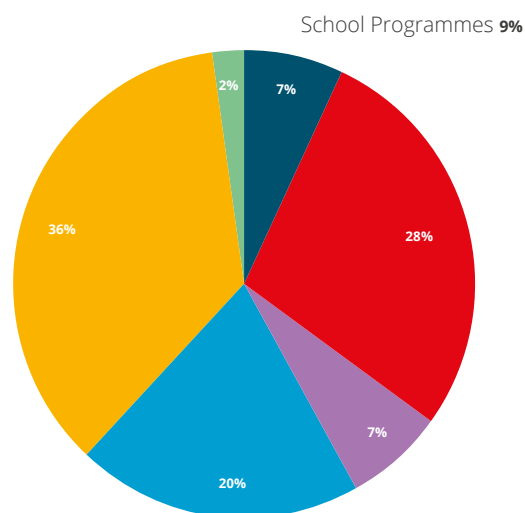
## 2. Analysis of Net Comprehensive Expenditure - Continued

**Net Comprehensive Expenditure  
before Other Costs**



- National Centres\*
- Grants\*
- Sports Development\*
- Corporate
- Staff Costs
- \* includes relevant staff costs

**Grants Expenditure  
£'000**



- Dragon Sport
- 5 X 60
- Coaching Plan
- Free Swimming
- Governing Bodies
- Other Grants

## 3. Income

	2017/18 £'000	2016/17 £'000
<b>Income from activities:</b>		
Sports Development Grants:		
Other	23	26
National Sports Centres		
Catering	315	302
Governing Body Facility Usage	509	512
General Facility Usage	359	341
Accommodation	474	361
Fitness Centre Membership	167	148
Course Bookings	994	995
	<u>2,818</u>	<u>2,659</u>
	2,841	2,685
<b>Other operating income:</b>		
Recovery of grants	-	30
Gemmau Cymru Grant	55	55
Tourism Grant	49	70
Other income	7	27
	<u>111</u>	<u>182</u>
<b>Total Income</b>	<u>2,952</u>	<u>2,867</u>

#### 4. Grants Receivable from Government

	2017/18 £'000	2016/17 £'000
Transferred to general fund	21,941	22,249

#### 5. Grant Expenditure

	2017/18 £'000	2016/17 £'000
Governing Bodies	6,457	6,885
Physical Literacy Programmes for Schools	48	777
Local Authorities	8,592	8,577
	15,097	16,239

The figure above includes £1,353,697 direct expenditure incurred on behalf of grant recipients (£1,669,042 in 2016/17).

Public Sector	8,903	9,133
Private Sector	6,194	7,106
	15,097	16,239

#### 6. Staff Costs

	2017/18 £'000	2016/17 £'000
<b>Permanent:</b>		
Salaries and wages	5,503	5,406
Provision for redundancies, strain on pension & payment of notice	-	124
Social Security costs	529	516
Other Pension costs	1,943	1,601
Agency & Instructional Staff	105	236
Staff on secondment	(6)	(46)
	8,074	7,837
IAS19 Adjustments	(540)	(390)
	7,534	7,447
Less: Allocated to SPORTLOT	(2,127)	(2,033)
	5,407	5,414



Other Pension costs include a lump sum contribution of £887,000 towards the net pension liability (2016/17 £670,000). The lump sum contribution is allocated 76% Sport Wales and 24% Lottery. The allocation is part of the 'Allocated to SPORTLOT' line.

IAS19 Employee Benefits requires an actuarially calculated figure (current service cost) to be charged to the Statement of Comprehensive Net Expenditure (SoCNE). For 2017/18, this

charge was £1,390,000 (incl past service cost) and replaces the employer's pension costs in the SoCNE. The employer's contribution was £1,930,000, so the net effect was (£540,000) to staff costs. As current service cost is a notional entry, this is reversed in the Statement of Changes in Taxpayers' Equity so that the General Fund is only charged with the cost of employer's pension contributions.

## 7. Other Expenditure

(a)	2017/18 £'000	2016/17 £'000
Auditor's Fees - Audit services	23	23
- Trust Accounts	3	3
Travelling, subsistence and hospitality expenses of:		
Members	10	19
Headquarters staff	39	39
National Sports Centres	4	7
Sports Development	99	100
Central Support Services	499	502
Marketing and communications	607	698
Research	448	347
Interest Payable to Welsh Government	1	1
Other Expenditure:		
National Sports Centres	1,596	1,493
Sports Development	262	216
Movement in Provision for doubtful debts	-	(8)
	<u>3,591</u>	<u>3,440</u>

This expenditure can be further analysed as follows:

(b)	2017/18 £'000	2016/17 £'000
National Centres	1,600	1,500
Sports Development	361	316
Corporate	1,630	1,624
	<u>3,591</u>	<u>3,440</u>

## 8. Disposal of Property, Plant & Equipment

	2017/18 £'000	2016/17 £'000
Gross book value	14	202
Accumulated depreciation	(13)	(192)
Net book value	1	10
Proceeds from sale	-	39
Surplus on sale of asset	(1)	29

## 9. Property, Plant & Equipment

(a) Council:	Equipment £'000	Vehicles £'000	ICT £'000	Total £'000
Cost as at 1 April 2017	748	164	166	1,078
Additions	99	53	46	198
Disposals	(14)	-	-	(14)
At 31 March 2018	833	217	212	1,262
Depreciation at 1 April 2017	(373)	(100)	(137)	(610)
Charge for the year	(81)	(14)	(10)	(105)
Disposals	14	-	-	14
At 31 March 2018	(440)	(114)	(147)	(701)
Net Book Value at 31 March 2018	393	103	65	561
Net Book Value at 31 March 2017	375	64	29	468

	Equipment £'000	Vehicles £'000	ICT £'000	Total £'000
Cost as at 1 April 2016	550	157	140	847
Additions	205	21	36	262
Disposals	(7)	(14)	(10)	(31)
At 31 March 2017	748	164	166	1,078
Depreciation at 1 April 2016	(308)	(97)	(137)	(542)
Charge for the year	(70)	(17)	(10)	(97)
Disposals	5	14	10	29
At 31 March 2017	(373)	(100)	(137)	(610)
Net Book Value at 31 March 2017	375	64	29	468
Net Book Value at 31 March 2016	242	60	3	305

## 9. Property, Plant & Equipment

<b>(b) Consolidated:</b>	<b>Plas Menai Freehold land buildings £'000</b>	<b>Sport Wales National Centre buildings £'000</b>	<b>Equipment £'000</b>	<b>Vehicles £'000</b>	<b>ICT £'000</b>	<b>Total £'000</b>
Cost or Valuation at 1 April 2017	6,209	12,813	1,317	166	166	20,671
Additions	205	159	100	53	46	563
Disposals	-	-	(14)	-	-	(14)
Revaluation	(283)	(2,490)	-	-	-	(2,773)
At 31 March 2018	6,131	10,482	1,403	219	212	18,447
Depreciation at 1 April 2017	-	-	(943)	(101)	(137)	(1,181)
Charge for the year	(170)	(216)	(81)	(15)	(10)	(492)
Disposals	-	-	14	-	-	14
Revaluation	170	216	-	-	-	386
At 31 March 2017	-	-	(1,010)	(116)	(147)	(1,273)
Net Book Value at 31 March 2018	6,131	10,482	393	103	65	17,174
Net Book Value at 31 March 2017	6,209	12,813	374	65	29	19,490

	<b>Plas Menai Freehold land buildings £'000</b>	<b>Sport Wales National Centre buildings £'000</b>	<b>Equipment £'000</b>	<b>Vehicles £'000</b>	<b>ICT £'000</b>	<b>Total £'000</b>
Cost or Valuation at 1 April 2016	6,084	12,926	1,280	168	140	20,598
Additions	217	81	205	21	36	560
Disposals	-	-	(168)	(23)	(10)	(201)
Revaluation	(92)	(194)	-	-	-	(286)
At 31 March 2017	6,209	12,813	1,317	166	166	20,671
Depreciation at 1 April 2016	-	-	(1,031)	(107)	(137)	(1,275)
Charge for the year	(172)	(263)	(70)	(17)	(10)	(532)
Disposals	-	-	158	23	10	191
Revaluation	172	263	-	-	-	435
At 31 March 2017	-	-	(943)	(101)	(137)	(1,181)
Net Book Value at 31 March 2017	6,209	12,813	374	65	29	19,490
Net Book Value at 31 March 2016	6,084	12,926	249	61	3	19,323

Included in Plas Menai Freehold land and buildings is land valued at £175,000 (2016/17 £175,000). The land and buildings held by the SCW Trust were independently valued as at 31 March 2018 at £16,613,000 by Messrs Cooke & Arkwright, Chartered Surveyors in accordance with the Royal Institute Chartered Surveyors appraisal and valuation manual. This valuation excludes the land at Sport Wales National Centre, which is leasehold. Lease payments of £3,071 per annum are paid for the Sport Wales National Centre. There are fifty years remaining on the existing ninety-nine year lease, equating to an overall outstanding commitment of £153,550. The revaluation loss of £2,387,000 was mainly due to a change in build rate for the National Centre in Cardiff from that used in 2017, together with a reduction in the regional factor for South Glamorgan.

## 10. Trade and Other Receivables (Due within 1 year)

	At 31 March 2018 £'000	At 31 March 2017 £'000
Trade Receivables	183	180
SPORTLOT	710	794
VAT	105	90
Prepayments and accrued income	281	364
Grant prepayment	-	132
Grant repayable	22	15
Provision for bad and doubtful debts	(1)	(1)
	<u>1,300</u>	<u>1,574</u>

	At 31 March 2018 £'000	At 31 March 2017 £'000
<b>Intra-government balances</b>		
Balances with other central government bodies	896	1,010
Balance with local authorities	70	127
	<u>966</u>	<u>1,137</u>
Balance with bodies external to government	334	437
	<u>1,300</u>	<u>1,574</u>



## 11. Trade Payables and Other Liabilities

	At 31 March 2018 £'000	At 31 March 2017 £'000
Trade Payables	168	164
Accruals	554	367
Deferred income	234	215
	<u>956</u>	<u>746</u>

	At 31 March 2018 £'000	At 31 March 2017 £'000
Current Trade and Other Payables	842	600
Non-current Trade and Other Payables	114	146
	<u>956</u>	<u>746</u>

	At 31 March 2018 £'000	At 31 March 2017 £'000
<b>Intra-government Balances</b>		
Balances with other central government bodies	259	210
Balance with local authorities	8	6
	<u>267</u>	<u>216</u>
Balance with bodies external to government	689	530
	<u>956</u>	<u>746</u>

## 12. Grant Accruals

	At 31 March 2018 £'000	At 31 March 2017 £'000
Accrued Grants	<u>4</u>	<u>19</u>

### 13. Gross Cash Flows

	2017/18 £'000	2016/17 £'000
<b>Cash Flows From Investing Activities</b>		
Interest received	2	1
<b>Capital Expenditure and Financial Investment</b>		
Payments to acquire property, plant & equipment	(563)	(560)
Receipts from the sale of property, plant & equipment	-	39
	(563)	(521)
<b>Cash Flows From Financing Activities</b>		
Funding received from the Welsh Government (note 4)	21,941	22,249

### 14. Cash and Cash Equivalents

	2017/18 £'000	2016/17 £'000
As at 1 April	377	866
Net change in cash and cash equivalent balances	171	(489)
As at 31 March	548	377
The following balances at 31 March were held at:		
Commercial banks and cash in hand	548	377
As at 31 March	548	377

### 15. Capital Commitments

	At 31 March 2018 £'000	At 31 March 2017 £'000
Contracted but not paid	6	3

### 16. Contingent Liabilities

There were no contingent liabilities outstanding at the year end.

## 17. Employee Benefits

The following pension disclosures have been prepared in accordance with IAS19 '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.

Pension data contained within this disclosure have been provided by Sport Wales's independent actuary, AON Hewitt. The IAS19 valuation provided by the actuary is for Sport Wales as a whole; no separate valuations have been obtained for the Sport Council for Wales Consolidated financial statements and the Lottery financial statements, and hence the data below is disclosed as gross.

The pension fund deficit along with the associated entries which impact the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Changes in Taxpayers Equity have been apportioned between the Sports Council of Wales Consolidated financial statements and the Lottery financial statements in a ratio based on the historic apportionment of staff costs to the Lottery account. For 2017/18 this is Sports Council for Wales 76% and Lottery Accounts 24%.

Sport Wales made a total pension contribution in 2017/18 of £1,930,000 (2016/17 £1,550,000) which is analysed as follows:

- Employers Pension contributions £989,000 representing 24.2% of pensionable pay (2016/17 £876,000 20.2%)
- Advanced contributions in respect of early retirement cost £58,000 (2016/17 £0)
- Lump Sum Contribution of £887,000 (24% of which was met by Lottery), (2016/17 £670,000 of which 24% was met by Lottery)

The rate of employer's pension contributions from 2017/18 will be 24.2%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2016. 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. Sport Wales expects to contribute £1,960,000 to the fund in 2018/19, which includes a contribution towards the pension deficit of £914,000. In addition to this "strain on fund" contributions may be required as well.

The full pension cost to Sports Council of Wales is £310,000 of which £236,000 (2016/17 £258,000) is allocated to the consolidated accounts, with the remainder of £74,000 (2016/17 £82,000) allocated to Lottery.

The full actuarial loss on pension to Sports Council of Wales is £1,190,000 of which £904,000 (2016/17 £2,075,000) is allocated to the consolidated accounts, with the remainder of £286,000 (2016/17 £655,000) allocated to Lottery.

The full pension liability to Sports Council of Wales is £13,650,000, of which £10,476,000 (2016/17 £9,746,000) is allocated to the consolidated accounts, with the remainder of £3,174,000 (2016/17 £2,944,000) allocated to Lottery. The Lottery pension liability is adjusted by £102,000 to accommodate the net impact of historic changes in apportionment of staff costs to the Lottery account with the offset £102,000 allocated to the pension liability in the Sports Council for Wales consolidated accounts.

## Main Financial Assumptions

	31 March 2018 %	31 March 2017 %	31 March 2016 %
Discount Rate	2.6	2.6	3.5
Inflation - CPI	2.1	2.0	1.8
Rate of increase to pensions in payment	2.1	2.0	1.8
Rate of increase to deferred pensions	2.1	2.0	1.8
Rate of general increase in salaries	3.1	3.0	2.8
Mortality Assumptions:	Years	Years	Years
Future lifetime from age 65 (aged 65 at accounting date)			
- Male	23.1	23.0	23.8
- Female	25.8	25.7	26.8
Future lifetime from age 65 (aged 45 at accounting date)			
- Male	24.2	24.0	25.9
- Female	27.2	27.1	29.1

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 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 2018.

## Analysis of movements in surplus (deficit) during the year

	31 March 2018 £m	31 March 2017 £m
Fair value of fund assets	42.87	40.34
Present value of liabilities	(56.52)	(53.03)
(Deficit) in scheme at end of year	(13.65)	(12.69)

## Analysis of amount charged to Operating Costs

	31 March 2018 £m	31 March 2017 £m
Current service cost	1.33	1.16
Past service cost	0.06	0.00
Interest cost	0.31	0.34
Expense recognised	1.70	1.50



## Remeasurement of amounts recognised in Other Comprehensive Expenditure

	31 March 2018 £m	31 March 2017 £m
Return on plan assets in excess of that recognised in net interest	(0.17)	(7.00)
Actuarial losses due to change in financial assumptions	1.07	11.37
Actuarial losses due to change in demographic assumptions	0.00	(4.02)
Actuarial losses due to liability experience	0.29	2.38
Total amount recognised in Other Comprehensive Expenditure	1.19	2.73
Total amount recognised	2.89	4.23

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

	31 March 2018 £m	31 March 2017 £m
Opening defined benefit obligation	53.03	41.36
Current service cost	1.33	1.16
Interest expense on defined pension obligation	1.37	1.44
Contributions by participants	0.29	0.31
Actuarial losses on liabilities- financial assumptions	1.07	11.37
Actuarial losses/(gains) on liabilities - demographic assumptions	0.00	(4.02)
Actuarial losses on liabilities - experience	0.29	2.38
Net benefits paid out	(0.92)	(0.97)
Past service cost (including curtailments)	0.06	0.00
Closing defined benefit obligation	56.52	53.03

## Changes to the fair value of assets during the year

	31 March 2018 £m	31 March 2017 £m
Opening fair value of assets	40.34	31.35
Interest income on assets	1.06	1.10
Remeasurement gain on assets	0.17	7.00
Contributions by the employer	1.93	1.55
Contributions by participants	0.29	0.31
Net benefits paid out	(0.92)	(0.97)
Closing fair value of assets	42.87	40.34

## Actual return on assets

	31 March 2018 £m	31 March 2017 £m
Expected return on assets	1.06	1.10
Actuarial gain on assets	0.17	7.00
Actual return on assets	1.23	8.10

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

	31 March 2018 £m	31 March 2017 £m	31 March 2016 £m	31 March 2015 £m	31 March 2014 £m	31 March 2013 £m
Fair value of assets	42.87	40.34	31.35	30.40	26.37	22.48
Present value of defined benefit obligation	(56.52)	(53.03)	(41.36)	(42.57)	(36.64)	(41.67)
(Deficit)	(13.65)	(12.69)	(10.01)	(12.17)	(10.27)	(19.19)

## 18. Provisions

	Employee redundancies & strain on pension £'000	Payment of Notice £'000	Total £'000
As at 1 April 2017	114	10	124
Movement in Provision	17	-	17
Provisions utilised in the year	(131)	(10)	(141)
As at 31 March 2018	-	-	-

	Employee redundancies & strain on pension £'000	Payment of Notice £'000	Total £'000
No later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
As at 31 March 2018	-	-	-

## Employee Redundancies and Pension Strain

During 2017/18 the strain on pension invoice was received from Cardiff & Vale of Glamorgan Pension Fund and subsequently paid, therefore the provision has now been released. Also, the redundancy provision has been released for the one member of staff who left during the year. For this member of staff, the original redundancy payment was calculated using the 2016 terms

of the Civil Service Compensation Scheme, but after a judicial review, the additional payment due based on the 2010 terms was calculated and was paid in March 2018.

## Payment of Notice

At March 2017, per Welsh Government instruction, a provision was made in respect of the former Chair & Vice-Chair's payment of notice. The provision has been utilised during 2017/18.

## 19. Related Party Transactions

### Public bodies

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.

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).

### Individuals

During the year, Sport Wales entered into transactions of a material nature with

Any declaration of interest for items discussed in meetings must be declared by the individual, who will withdraw for that section of the meeting.

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
<b>S Morgan</b> Manager, Plas Menai	Welsh Gymnastics	424	Daughter member	-
	URDD	310	Daughter member	-
	Royal Yachting Association	9	Former CEO	-
<b>S Powell</b> CEO	Welsh Hockey Union	399	Former Member	-
	Swansea University	26	Honorary Fellow	-
<b>J Longville</b> Council Member	Cardiff Metropolitan University	10	Principal Lecturer	-
	Welsh Netball	257	Chair of Selectors	-
	Welsh Gymnastics	424	Previous mentor	-
	Welsh Athletics	421	Son athlete of Welsh Athletics	-
<b>J Sheppard</b> Council Member	Welsh Netball	257	Mother is employee	-
	Rhondda Cynon Taf CBC	741	Sister is former employee	-
	Welsh Badminton Union	101	Sister is chair	-
	Golf Union of Wales	254	Sister is board member	-
	Welsh Rugby Union	696	Father is WRU Match Official	-

Member's Panel	Body	Payments in Year £000	Nature of link	Committed Grant Payment
<b>A Bennett</b> Council Member	Sport & Recreation Alliance	20	Governance Advisor	-
<b>B Davies</b> Corporate Director	Welsh Gymnastics	424	Spouse Coach	-
<b>G Williams</b> Corporate Director	Welsh Netball Tennis Wales	257 186	Children members Wife Member	- -
<b>A Lycett</b> Council Member	Welsh Government	251	Immediate family member employed	-
<b>S Small</b> Council Member	Cardiff City Council BBC FAW	852 19 747	Former Instructor & Family Employee Sibling is employee Voluntary Programme Support	- - -
<b>P Curran</b> Corporate Director	Swansea University	26	Partner is lead academic	-
<b>I Bancroft</b> Council Member	Aura Leisure Flintshire County Council	6 405	Commissioner & Funder Employee	- -
<b>C Malcolm</b> Council Member	Welsh Athletics	421	Board Member & Lead Coach	-

## Remuneration of Senior Managers and Council Members

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within the Remuneration and Staff Report on pages 50 to 56.

## 20. Events After The Reporting Period

The accounts were authorised for issue by the Accounting Officer on the date they were certified by the Auditor General for Wales. There were no events after the reporting period.