



# SPORT WALES CHWARAEON CYMRU

LOTTERY DISTRIBUTION  
ANNUAL REPORT AND ACCOUNTS  
2019/20



Noddir gan  
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**Y LOTERI GENEDLAETHOL**  
THE NATIONAL LOTTERY®

SPORT WALES



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## SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT

1 APRIL 2019 - 31 MARCH 2020

### ANNUAL REPORT AND ACCOUNTS

The National Lottery etc Act 1993 (as amended) nominated the Sports Council for Wales (known by its trade name, Sport Wales) as the body responsible for distributing funds generated by the lottery to sport in Wales. The duties of Sport Wales in performing its Lottery functions are carried out pursuant to the account directions issued by the Secretary of State for Digital, Culture, Media and Sport, in accordance with Section 26(1) of the National Lottery etc Act 1993 and the Statement of Financial Requirements issued under Section 26(3) of the Act.

### MANAGEMENT

The management and administration of the Lottery function is carried out through the Sports Council for Wales and the panels established by Sport Wales to assist in distributing Lottery funds to good causes in Wales.

### REGISTERED OFFICE

Sophia Gardens  
Cardiff  
Wales  
CF11 9SW

# A MESSAGE FROM LAWRENCE CONWAY, CHAIR

**THIS YEAR SPORT WALES LAUNCHED OUR NEW STRATEGY. THE LAUNCH WAS, OF COURSE, JUST THE BEGINNING. THE HARD WORK IS NOW UNDERWAY TO ENSURE THAT WE 'ENABLE SPORT IN WALES TO THRIVE' AND THAT WE ARE ABLE TO SHARE AND EMBED THIS GOAL ACROSS THE SECTOR, REACHING ALL COMMUNITIES OF WALES.**

Sport partnerships and collaboration will form a key part of the strategy's success.

We must work together so that everyone can have a better chance to enjoy sport and physical activity, close to where they live and work.

We are committed to being a 'learning organisation.' While we are proud to have a diverse mix of Board Members at Sport Wales, we are unafraid to look at the challenges that exist within the sport sector more widely. We will continue to fight for inclusivity, so that the barriers to sport are broken down.

Sport plays a major role in tackling the alarming rates of obesity among young people. We understand that the contribution of sport to the health agenda is significant – and we know there is more to do.

Of course, the achievements of Wales at elite level continue to impress. Over the past 12 months, we've seen the men's Welsh rugby team lift the 6 Nations cup, our men's Welsh football team qualify for the Euros and our Olympic hopes including boxer Lauren Price and sailor Hannah Mills dominate in their sport. There have been many notable achievements over the past year and we welcome many more to come.

**LAWRENCE CONWAY, CHAIR**

# PERFORMANCE OVERVIEW

**OVER THE PAST 12 MONTHS, THERE HAVE BEEN MANY EXAMPLES WHERE WELSH SPORT HAS SHONE BOTH AT AN ELITE AND COMMUNITY LEVEL AND IT IS IMPORTANT THAT WE ENSURE THESE TWO PERCEIVED WORLDS ARE ENTWINED AND CO-DEPENDENT.**

This year's Wales Sport Awards was an exemplar moment and a particular instance that stood out for me was Alun Wyn Jones (winner of the Sports Personality of the Year) taking the time to chat and wanting his photograph with Inspiring Person of the Year winner Mia Lloyd and Young Sportswoman Lily Rice. This speaks volumes about Welsh sport performing as one, as it does about the humble and genuine elite stars Wales produces.

We are incredibly proud of our sport stars, from the medal winners to the volunteers at grassroots club and community level – all of whom contribute to the plan to 'enable sport in Wales to thrive.' But what do we mean by the word thrive? 'To thrive' can mean different things to different people. It is our task, at Sport Wales, to capture what those different things mean for sport. We must be flexible, willing to adapt and harness the views and energy of the many individuals who make up our sporting landscape.

We look forward to learning collectively and harnessing the benefits from the obvious diversity of our sector to ensure sport delivers all the good it is capable of doing for our communities and nation.

As we move forward, we will be looking to improve the way in which sport in Wales is funded so that it aligns to the Vision for Sport in Wales and our new strategy.

With positive steps forward already having taken place for the way in which sport is delivered, including Sport North Wales and a financial boost to our facilities, we move into 2020/21 with continued and justified enthusiasm.

Change brings with it the opportunity to challenge ourselves and work closely together to find solutions for the good of Welsh sport.

**BRIAN DAVIES, ACTING CEO**



## CORONAVIRUS IMPACT

Since preparing the core narrative of this annual report, the global Coronavirus Pandemic and its severe implications became a stark and dark reality.

The full impact is obviously yet to be realised but certainly during the last few weeks of this financial year there were direct implications for our method of working; income generation; and plans for future sector support and delivery.

In the interests of public health, Sport Wales took the decision to close our offices and both National Centres on 19th March with staff being asked to work remotely where possible. While this led to some inevitable short-term disruption to operations and our ICT systems, Sport Wales' previous investment in technology facilitated the vast majority of staff to be able to work effectively from home within 72 hours of the decision being taken.

There has not been a significant increase in staff sickness rates as a result of the pandemic and there have been no long term absences of key management personnel. The wider impact of Covid-19 on both the Corporate Risk Register and wider governance arrangements can be found within the Annual Governance Statement on page 72.

Without wishing to detract from the seriousness of the pandemic, the majority of this report outlines what another successful year it has been for sport in Wales at all levels and how the sport sector has made such a positive impact across a range of other agendas important to society and Government.

Indeed, if there is at least one positive that can be gleaned from the dire pandemic situation, it is the fact that it is clearly still important for the nation to remain active. The benefits for physical health and mental well-being have never been made as clear.

The Board and Executive are also very grateful to the staff of Sport Wales for the way they have reacted and risen to the challenges presented by the COVID-19 crisis.

# ENABLING SPORT IN WALES TO THRIVE

WE WANT TO UNLEASH THE BENEFITS OF SPORT ON EVERYONE IN WALES. SPORT WALES' NEW STRATEGY HAS BEEN CREATED WITH THE HELP OF PEOPLE FROM ALL PARTS OF WALES.

## LET'S RECAP.



## WE'RE GOING THROUGH CHANGES.

Our approach is changing. We want to continue to learn, understand and explore.

We will strive to be more flexible so that we can respond more quickly to the changing needs and motivations of the people of Wales and its communities.

We will be investing our resources differently, seeking out and encouraging effective collaborations which have the potential to create far-reaching impact.

We will continue to work with our current partners, but we are open to working with different types of organisations too.

We will gather evidence to continually improve what we do.

We are evolving and we would love you to join us on the journey towards a happier, healthier, sportier Wales.

# LEARNING TOGETHER

We've spent the last year telling our partners we want an honest, open and challenging relationship. We want to learn together by knowing what worked, but also what didn't. If we expect that of others, we must expect it from ourselves, and so here we are telling you what we didn't get right.

## KEY THINGS WE COULD IMPROVE:

### BOARD DIVERSITY

The policy target of a 50-50 gender balance by 2020 was a great way to raise the profile and focus attention. We soon learnt that the intent, behaviours and approach were equally important. This learning led us to develop the essential requirements to highlight the progress being made by partners.

### SCHOOL SPORT SURVEY

We made changes in 2018 but didn't communicate them as well as we should have. We also didn't recognise the impact some of those changes would have. We've learnt from that and will be consulting on the 2021 survey in more depth, listening to the feedback and designing the new survey accordingly.

### OUR TEAM

We know we could have a more diverse and representative workforce. We are putting in place new approaches to how we recruit in order to attract a more diverse network of candidates and have explored opportunities such as work experience and shared equality objectives to better reflect the communities we wish to serve.

### OUR PARTNER INVESTMENT

Over the last 12 months, we've been asking the views of our partners on our investment process. We were told that there was too much subjectivity in our decisions around partner investment and that partners want a more transparent, flexible and less bureaucratic approach. Through our investment model work we are putting in place ways to respond to what we've heard and to implement the necessary changes.

# OUR INTENTIONS

We have developed six statements – our strategic intents – with clear outcomes. These organisational outcomes, which will act as our well-being objectives, demonstrate what you can expect to see as a result of our collective work.

## **#1 BE PERSON CENTRED**

The needs and motivations of the individual lead the delivery, whether just starting out, aiming to progress or striving for excellence on the world stage.

## **#2 GIVE EVERY YOUNG PERSON A GREAT START**

Every young person has the skills, confidence and motivation to enable them to enjoy and progress through sport; giving them foundations to lead an active, healthy and enriched life.

## **#3 ENSURE EVERYONE HAS THE OPPORTUNITY TO BE ACTIVE THROUGH SPORT**

Sport is inclusive and provides a great experience for all.

## **#4 BRING PEOPLE TOGETHER FOR THE LONG-TERM**

There is a collaborative, sustainable and successful sport sector, led by collective insight and learning.

## **#5 SHOWCASE THE BENEFITS OF SPORT**

The impact of sport is evidenced, and sport's reach is fully understood, showcased and celebrated through Wales.

## **#6 BE A HIGHLY VALUED ORGANISATION**

Sport Wales is a respected organisation, striving to overachieve by delivering an exemplary service through valued staff.

# BUSINESS PLANNING

This Annual Report performance overview updates on progress against the Business Plan 2019/20 and highlights examples of good practice, ongoing projects, other work that has been carried out, and challenges.

## EXAMPLES OF WHAT WE SAID WE'D DELIVER DURING 2019/20

- **A NEW RESOURCE STRATEGY THAT ALIGNS TO OUR STRATEGIC INTENT**
- **A STRATEGIC REVIEW OF ROLE & PURPOSE OF NATIONAL CENTRES**
- **A NEW APPROACH TO PARTNERSHIP SUPPORT & DEVELOPMENT**
- **A COMMISSIONED STUDY OF THE BEST ATHLETE ENVIRONMENT**
- **A COLLECTIVE APPROACH TO SUPPORT EDUCATIONAL SETTINGS**
- **A NEW PARTNER ASSURANCE FRAMEWORK**
- **A SPORTS INTELLIGENCE HUB**
- **A REDESIGNED AND REFRESHED ORGANISATION**
- **SPORT NORTH WALES**

## INVESTING IN SPORT

### A NEW RESOURCE STRATEGY THAT ALIGNS TO OUR STRATEGIC INTENT.

In order to achieve the new Vision for Sport in Wales, and recognising that we must operate within a finite public resource, Sport Wales has been developing a bold new investment model which will affect how partners such as National Governing Bodies are funded.

To be introduced in 2021/22, the new model will encourage innovation and collaboration, giving partners greater flexibility to decide how their funding can generate the maximum impact.

### FUNDING WILL BE DETERMINED BY THREE KEY COMPONENTS:

- 1. CAPABILITY**
- 2. INSIGHT, INFORMATION AND DATA**
- 3. ACCOUNTABILITY**

Clear, transparent funding decisions will be directly linked to Sport Wales' new strategy, and the emphasis will be on what really matters, rather than what can be easily measured.





SPORT WALES

**#1**

**PERSON-CENTRED**

# FREE SWIMMING

**SPORT WALES HAS WORKED IN COLLABORATION WITH THE SECTOR TO LAUNCH A NEW FREE SWIMMING INITIATIVE, FROM OCTOBER 2019.**

**THE PRIORITY AREAS TO REACH ARE:**



**YOUNG PEOPLE FROM DEPRIVED AREAS**



**PEOPLE OVER THE AGE OF 60 FROM DEPRIVED AREAS**

This focus allows us to target customers in a far more personalised way.

It's an opportunity for us to move away from concentrating on the numbers and instead place more emphasis on the person's individual needs and the reasons why they might enjoy a swimming session. To support partners in preparation for the launch and to assist in developing the initiative, Sport Wales hosted five learning events:-

**3**

**REGIONAL CONSULTATION EVENTS**

attracting over 70 delegates

**2**

**NATIONAL PARTNER EVENTS**

attracting over 75 delegates

The new initiative is operating in all 22 Local Authority (LA) areas in Wales.

It is too early to report on the impact to-date, but the early signs are positive in terms of how partners are engaging with the revised objectives and the target audiences.

We know that the right offer will take time to develop. Significant resources are being committed to evaluate the impact during 2020/21.



## SPORTING SPOTLIGHT SOLE SISTERS

Sole Sisters started out as a social running group, founded by Janine Price and Kath Cross. It is a safe space, where women of any age and any ability can come together in a non-competitive environment. They pride themselves in being open to everyone, with members ranging from 10 years old to 80 years old. For many of the local women attending the sessions, they wanted a place where they could be role models for their children - and this led to the creation of Junior Sole Sisters. The team behind Sole Sisters consulted with their community, where some women raised childcare as a barrier to physical activity. There are now many sessions running in Cwm as a result - including buggy fit, bootcamps and family walking groups - helping to meet the needs of the individual in a fun sport setting.



# #THRIVINGATHLETE

**SPORT WALES LAUNCHED AN ONLINE CAMPAIGN CALLED 'THRIVING ATHLETE' AROUND MENTAL HEALTH AND WELLBEING OF ATHLETES IN WALES.**

A number of high-profile athletes (current and retired) endorsed the messaging including David Cotterill, Jazz Carlin, Vicky Thornley, Beth Davies, Jamie Baulch and Menna Fitzpatrick. What's more, many sports contributed with photos of their athletes 'thriving,' stories and supporting messages (including a video message from Ryan Giggs). The campaign also attracted media attention, including a debate on Radio Wales featuring ambassador Jamie Baulch and Sport Wales Institute's Performance Advisor Zoe Eaton.

The messaging is ongoing with topics discussed including preparing for life after sport, obtaining a good life-sport balance and the benefits of wellbeing for athlete development.

## SPORT WALES INSTITUTE & ATHLETE MENTAL HEALTH

The Sport Wales Institute has continued to facilitate the roll out of Mental Health First Aid training for performance staff (delivered by Cardiff Met Uni Athlete Mental Health lead Dr Mikel Mellick). Coaches, Performance Directors and sports science & medicine practitioners from Welsh Boxing, Disability Sport Wales, Welsh Gymnastics, Welsh Judo, Swim Wales, Welsh Athletics and Welsh Cycling have all completed the 12 hour 'Training in Mind' accredited course.

The Institute also drafted the following resources:

Bereavement support for those experiencing a loss from death by suicide

Managing distressing events in a team environment at a Major Games

The former resource has recently been shared with wider staff and a key partner. Both have been shared with the UK Sport Mental Health Expert panel.



### SPORTING SPOTLIGHT WELSH GYMNASTICS - PERSON-CENTRED APPROACH

Welsh Gymnastics' performance team consulted with parents of their elite squads to improve the overall experience for the child and parent. Parents wanted a better understanding of the elite pathway and needed guidance to support their child in terms of nutrition, sleep, recovery and mental wellbeing. As a result of this feedback parent 'induction' workshops were introduced and experts brought in to cover those topics. In addition, a new 'Athlete Manager' role has been created to support anyone in junior or senior squads. The role looks at holistic plans for education, training and wellbeing.



*SPORT WALES*

**#2**

**GIVE EVERY YOUNG  
PERSON A GREAT START**

# EDUCATION

## A COLLECTIVE APPROACH TO SUPPORT EDUCATIONAL SETTINGS.

### CURRICULUM FOR WALES 2022

The revised Curriculum for Wales was published in January 2019. Sport Wales are pleased to see a greater visibility for sport in the Health and Wellbeing Area for Learning and Experience (HWB AoLE). This follows feedback as part of the consultation. We are also pleased to see that it remains physical literacy informed. Sport Wales is currently working in partnership with Public Health Wales and Natural Resources Wales to explore how we can best support the professional development of teachers to implement the Health and Wellbeing Area of Learning and Experience.

### YOUNG LEADERS

15 Young Ambassadors (YA) from across Wales have become the 5th cohort to complete the National Leadership Academy supported by Sport Wales and the Youth Sport Trust. The 12 female and three male YAs took part in residential weekends which focused on developing key skills like facilitation, presentation and networking while enhancing their confidence to help enable sport in Wales to thrive.



## SPORTING SPOTLIGHT 10TH ANNIVERSARY YOUNG AMBASSADOR CONFERENCE - NOVEMBER 2019

Sport Wales celebrated the Young Ambassadors (YA) programme as it hit the ten-year mark.

In collaboration with the Youth Sport Trust, the National YA steering group planned, organised and delivered a conference for 100 new Gold Young Ambassadors from across Wales. The aim was to inspire them to continue to make positive changes in their schools and communities through sport and physical activity.

A number of YA alumni came along to share their story of how being a YA helped them through education and into employment.

The project is a hugely successful London 2012 legacy, with around 4,000 YAs recruited and trained each year from Bronze to Platinum and around 20,000 YAs across Wales since 2010.



# PLAY MAKERS

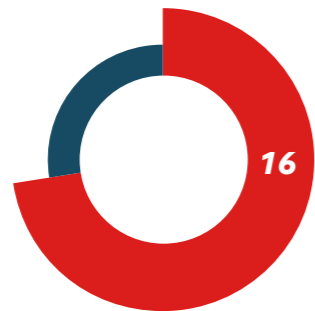
## 11,000 LEADERS

TRAINED IN THE FIRST 6 MONTHS OF 2019/20 INCLUDING

**2,500 AT LEVEL 1, 2 AND 3 (13+)**

AND

**8,000 PLAYMAKERS (9+)**

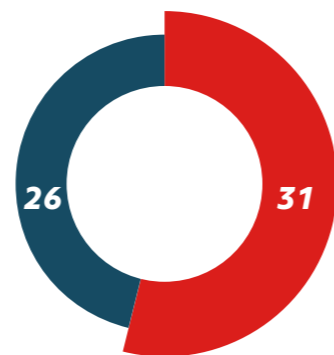


## 16 OUT OF THE 22 LA'S

are now delivering the PlayMaker Award to every Year 5 pupil across their counties to start them on their leadership journeys and support them to deliver sport and physical activity opportunities in their schools.

In many cases the PlayMakers are supported by Bronze Young Ambassadors in Year 6 who support the promotion, advocacy and delivery of the PlayMaker activities.

**31 NEW TUTORS TRAINED**  
AND  
**26 REFRESHED**



## SPORTING SPOTLIGHT ALL STARS CRICKET - ACROSS WALES

All Stars Cricket has helped many thousands of under 8s over the last three years develop a love for the game as well as a good measure of physical motor skills thrown in!

So why has All Stars (5-8s) been so successful? The scheme is easy to sign-up to and accessible for everyone, with over 125 centres across Wales.

Its success among children has helped raise the profile of local cricket clubs.

With new interest in the game, the demand has grown for the next age groups – and kick-started Dynamos Cricket.

Both All Stars and Dynamos Cricket give girls and boys an opportunity to try a new sport while the curriculum of fun cricket activities and games provide children with basic movement skills to begin a lifelong love of sport and physical activity.

What's more, the schemes are able to operate thanks to volunteers and have proved a huge success in getting parents involved.





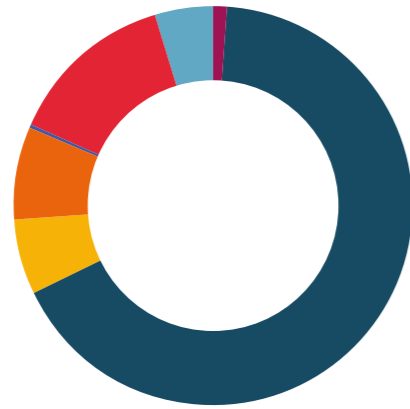
**SPORT WALES**

**#3**

**ENSURE EVERYONE  
HAS THE OPPORTUNITY  
TO BE ACTIVE  
THROUGH SPORT**

# OUR GRANTS

## COMMUNITY CHEST



**TOTAL AWARDS: 1341**  
**TOTAL AWARDED: £1,624,314**  
**TACKLING INEQUALITY: 303**

PRIMARY FOCUS	TOTAL AWARDED	NUMBER OF AWARDS
BME	£22,420	17
Club development	£1,082,676	896
Disability	£98,372	77
Lesbian, Gay, Bisexual and Transgender (LGB&T)	£1,215	1
Other	£121,447	99
Welsh language	£4,245	3
Women and girls	£219,933	178
Workforce	£74,006	70

## DEVELOPMENT GRANTS



**TOTAL AWARDS: 44**  
**TOTAL AWARDED: £819,254**

PRIMARY FOCUS	TOTAL AWARDED	NUMBER OF AWARDS
Club Development	£330,206	24
Disability	£114,304	7
Other	£353,080	10
Women and Girls	£21,664	3

# PLACE FOR SPORT

**IN 2019, WELSH GOVERNMENT ALLOCATED £5M PLACE FOR SPORT FUNDING TO AWARD GRANTS THAT COULD IMPROVE, PROTECT OR CREATE NEW SPORTS FACILITIES IN WALES.**

The money helped to fund:

**MORE THAN 150 PROJECTS**

**28 DIFFERENT SPORTS**

Projects ranged from new cycle tracks and changing room renovations to new artificial pitches, floodlight installations and table tennis training robots!

**118 OF THE CLUBS AND ORGANISATIONS AWARDED FUNDING APPLIED VIA A £1M OPEN FUND.**

A total of **319** applications were submitted for the open fund (with requests reaching more than £15 million for total project costs with more than £20 million).

Due to the huge appetite shown for further improvements across Wales, the Welsh Government has allocated **£3M WORTH OF PLACE FOR SPORT FUNDING TO SPORT WALES IN 2020/21** as part of the Healthy Wales Healthy Weight delivery plan to improve, protect or create new sports facilities across the country.

This will include:

**£1M FOR ARTIFICIAL PITCHES**

**£2M OPEN FUND**

# HEALTHY AND ACTIVE FUND

17 projects across Wales have been awarded a total of £5.4m from the first phase of the Healthy and Active Fund (HAF), delivered by Welsh Government, Sport Wales and Public Health Wales.

## THE FUNDING AIMS TO IMPROVE MENTAL AND PHYSICAL HEALTH BY ENABLING THE ADOPTION OF HEALTHY AND ACTIVE LIFESTYLES ACROSS WALES.

Money has been awarded to organisations who actively promote and enable healthy activity for one or more of the following groups:

CHILDREN AND YOUNG PEOPLE

PEOPLE WITH A DISABILITY OR LONG-TERM ILLNESS

PEOPLE WHO ARE ECONOMICALLY INACTIVE OR WHO LIVE IN AREAS OF DEPRIVATION

OLDER PEOPLE AND THOSE AROUND THE AGE OF RETIREMENT FROM WORK

### THE SUCCESSFUL PROJECTS WERE:

- 'SPORTING MEMORIES' - Sporting Memories Network CIC
- 'GROWING TOGETHER' - Keep Wales Tidy
- 'BALANCED LIVES FOR CARE HOMES' - Action for Elders Trust
- 'HAPPY' - National Trust
- 'SUPER-AGERS' - Bridgend County Borough Council
- 'WEST WALES LET'S WALK' - Pembrokeshire Coast National Park Authority
- 'ACTIF WOODS WALES' - Smallwoods Association - Coed Lleol
- 'WELSH ACTIVE EARLY YEARS PROGRAMME' - Early Years Wales
- 'HEALTHY & ACTIVE NEWPORT' - Newport Live
- 'PLAY AMBASSADORS' - Play Wales
- 'BABI ACTIF' - Eryri-Bywiol Cyf
- 'HEALTHY BODY - HEALTHY MIND PROJECT' - Women Connect First
- '5 WAYS TO WELLBEING' - Betsi Cadwaladr University Health Board
- 'STREETGAMES' - Street Games UK Ltd
- 'OPENING DOORS TO THE OUTDOORS' - The Outdoor Partnership
- 'CYFEILLION CERDDED CYMRU' - Living Streets Cymru
- 'BEACTIVE RCT' - Interlink RCT



### SPORTING SPOTLIGHT BME SPORT HEALTHY BODY - HEALTHY MIND PROJECT' - WOMEN CONNECT FIRST

The mission of Women Connect First is to empower and improve the lives of disadvantaged BME women and communities in South Wales, to help them realise their full potential and make a positive contribution to Welsh society. They received funding through the Healthy and Active Fund. An example of one of the projects they have introduced is a new partnership with the women's group of Madina Mosque's management committee. An Open Day was organised during February half term 2020 which attracted over 200 women and children. Activities included Dance Fit and Yoga taster sessions for women and children, health and nutrition advice stations, a seminar delivered by Public Health Wales on screening programmes, and a consultation on what future activities they wanted to take part in.

## DISABILITY SPORT

**THE PERFORMANCE PATHWAY TEAM AT DISABILITY SPORT WALES HAVE EXPANDED THEIR PERFORMANCE PATHWAY HUBS TO ENABLE MORE OPPORTUNITIES FOR DISABLED ATHLETES IN WALES TO DEVELOP THEIR SKILLS AND INTERESTS.**

Sessions continue to be delivered twice a month at the West Hub in Aberystwyth providing multi skills activities and strength & conditioning for up to 19 participants.

A new multi-sport session has been established at a South Hub in Cardiff to provide an opportunity for participants to enter the programme from a young age to a non-sport specific environment. This also means the existing session at the South Hub can be moulded into a bespoke athletics performance-based session.

Discussions have now begun to create a North Hub in partnership with the community team to develop their understanding of what the pathway can provide and who could be signposted. This model will ensure that there is an opportunity for disabled people across all areas of Wales to be identified, profiled, develop interest and progress further along a performance pathway in disability sport.

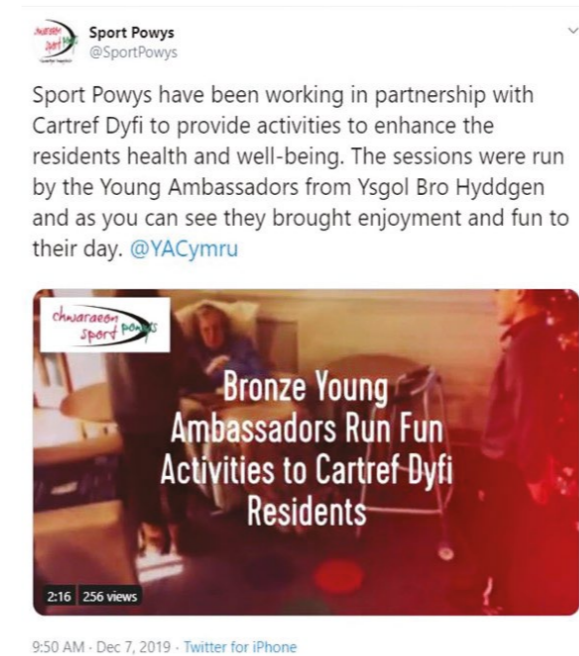
## WOMEN AND GIRLS

### #WATCHHERGO

Sport Wales helped support the launch of Wales' Women in Sport initiative #WatchHerGo. The launch event at the Senedd saw a mix of high-profile speakers, including Claire Balding, help set the scene for the future of women's sport in the country. Encompassing participation, performance, volunteering, coaching and leadership – the movement aims to increase the visibility of women in sport.

## INTERGENERATIONAL SPORT

Young Ambassadors have visited older people to provide fun and accessible health activity sessions. The following two social media posts highlight examples from Sport Powys and Ceredigion Actif.



### SPORTING SPOTLIGHT THE URDD, WELSH LANGUAGE AND SPORT

The Urdd receives funding from Sport Wales annually. Its aim is to use the power of the Welsh language to engage with children, young people and families and get them actively involved in sport week in, week out - for life. The Urdd 'Chwaraeon Bach' programmes actively encourage families to participate in a fun and creative environment, introducing the fundamental motor development skills of children through play. Across South and West Wales 'Chwaraeon Bach' now includes vast opportunities for the foundation phase across varied sports to include football, rugby, netball, gymnastics and multi-skills, contributing towards the children's holistic wellbeing through Physical Literacy development.





**SPORTING SPOTLIGHT  
BOARD DIVERSITY  
NATIONAL GOVERNING  
BODIES (NGBS)  
AND KEY NATIONAL  
PARTNERS**

At its July 2018 meeting the Sport Wales Board agreed a policy for all sport NGBs and national partners to achieve gender parity (the EU Commission's definition of gender parity is at least 40% women or men on a board).

There has been a large cultural shift from 'why do we need a diverse and inclusive board?' to 'how can we develop a diverse and inclusive board?' which has brought about a solution-oriented focus.

Seven organisations have achieved the policy, with a further five only a few % points away from doing so. This is up from four organisations in July 2018.

Action plans from 16 partners have committed to providing a plan by end of the financial year.

Board Diversity has a far higher profile internally, with it featuring prominently on the Sport Wales website and attention driven to the subject through a series of events.

**SPORT WALES**

**#4**

**BRING PEOPLE  
TOGETHER FOR  
THE LONG-TERM**

## REGIONAL SPORT

## SPORT NORTH WALES

Over the past year the Sport North Wales Partnership has:



**AGREED A  
GOVERNANCE  
MODEL**



**DEVELOPED STRATEGIC  
OUTCOMES FRAMEWORK AND  
YEAR ONE DELIVERY PLAN**



**DEVELOPED  
THEIR FINAL  
BUSINESS CASE**

The roll-out for the Community Sport and Activity Programme (CSAP) has begun across other parts of Wales:

**3 SECTOR ENGAGEMENT  
EVENTS** held across  
South Wales in June 2019.

**180** individuals attended from  
around **90** organisations

**3 PARTNERSHIP  
DEVELOPMENT DAYS**  
held in October 2019.

attended by  
**80** participants  
from **44**  
organisations

**43** Expressions  
of Interest

## SPORT GOVERNANCE

The Government and Leadership Framework for Wales (GLFW) was first introduced in 2015 but was reviewed with partners and rewritten in 2019 to ensure it is up to date with political shifts and policy changes.

Since its launch, it has proved a hugely valuable resource – by the sector, for the sector - and seen Wales leading the way in this area of work.

It is designed to help organisations of all types and sizes develop solid structures and high quality behaviours so that they are well equipped to be the best they can be.

It has seven principles and key behaviours which should be used by boards to help lead an organisation. By adopting the Framework, organisations can more easily benchmark their progress and continually improve.

## MENTORING PROGRAMME

Sport Wales has supported 13 members of the Welsh Coaching Network to develop their understanding of mentoring and the contribution it can make to their organisation's coach development environment through an 18 hour mentoring programme.

## THE WELSH INSTITUTE OF PERFORMANCE SCIENCE (WIPS)

WIPS is a three-way partnership between Sport Wales, Wales' leading academic sport scientists and relevant industry partners. Together the partnership conducts high impact research in line with Sport Wales strategies, encouraging and maximising the latest research, innovation and technology to help enhance the performance of our nation's athletes.

## PROJECTS OVER THE PAST YEAR AND ONGOING INCLUDE:

Working with 'the female athlete' to identify how menstruation affects performance. Firstly, interviews with female athletes took place to understand their experiences. Following this and using the insight, coach and parent education is being developed and delivered to multiple sports.

The Sport Wales Institute is supporting judo in terms of physiotherapy, Strength & Conditioning (S&C) and physiology. WIPs reviewed information around competition demand and work to rest ratios. They were able to inform practice to support the most appropriate conditioning sessions.

The aim of the Coach Learning project was to understand how adults learn, retain information and apply knowledge. As a result, the project has enabled us to take an evidence-based approach towards coach development and enhance the support provided to coaches nationally.

A key role of the sport psychology team involves working with individuals to support their personal wellbeing and athletic development. The Thriving Environments project is developing our understanding of how people involved in sport (e.g. athletes, coaches) thrive effectively.

SPORTING SPOTLIGHT  
COLLABORATION  
NON-PERFECT DAD  
END OF 2019 AND START OF 2020

Gymnastics, Cricket, Athletics and Hockey joined forces to host a series of events for parents of athletes. Richard Shorter, otherwise known as "The Non-Perfect Dad" set about answering the question: how do parents ensure the support they provide offers the best chance of realising that potential? The sessions looked at how best to support children in sport, from club level through to elite. It was an example of sports finding a common aim and planning the sessions together.



SPORT WALES

**#5**

# SHOWCASE THE BENEFITS OF SPORT

# CELEBRATING WELSH SPORT

## OUR SHINING STARS OF SPORT DESCENDED ON THE CELTIC MANOR IN DECEMBER FOR THE WALES SPORT AWARDS 2019.

Through the winners, prizegivers and guests, the event helped showcase the power of sport and celebrate its wider reach.

Jointly organised by Sport Wales and BBC Cymru Wales, it provides a chance to recognise the very best of community sport across the country, as well as our elite sporting heroes.

A dedicated nominations campaign saw a record number of quality entries for the community categories.

Stealing the show for grassroots sport on the night were **THE MIA LLOYD** (Inspiring Person), **THE HOMELESS WORLD CUP** (Great Sport Story), **GOODGYM CARDIFF AND VALE** (Getting Wales Active) and **HANNAH MILL'S COACHING CHAIN**.

In the elite world and in a big year for rugby union, Warren Gatland was named Coach of the Year, the men's Welsh rugby squad took Team of the Year and Alun Wyn Jones was hailed Wales' Sports Personality of the Year. Boxing legend Joe Calzaghe was awarded the Lifetime Achievement accolade while Lily Rice and Etienne Chappell claimed the Carwyn James awards.

The Awards were presented by Gethin Jones and Catrin Heledd.



### SPORTING SPOTLIGHT MIA LLOYD WINNER OF INSPIRING PERSON OF THE YEAR AT WALES SPORT AWARDS 2019

Back in May of 2017, Mia (pictured) was diagnosed with a rare type of bone cancer called Osteosarcoma in her left femur. She had a nagging pain in her knee that seemed to get worse when exercising. The cancer spread to her lungs. She had 10 months of gruelling chemotherapy at Noah's Ark Children's Hospital in Cardiff. She opted for an above knee amputation – a tough decision, but one that allowed her to get back to the running track as soon as possible. The thought of getting back into sport kept Mia going during her hospital stay. She was introduced to Gemma Cutter (Disability Sport Wales) who explained all the opportunities open to her. Her goal is to get a running blade which should make her dream of running a little easier. She loves sport and trying new things. She takes part in wheelchair basketball, swimming and golf. She has also tried climbing, adaptive skiing and para-cycling.

# HAPPY BIRTHDAY NATIONAL LOTTERY

We helped celebrate the 25th birthday of the National Lottery in autumn 2019. As it turned 25, it offered a chance to recognise the investment it has provided Welsh sport over the past quarter century.

**MORE THAN £309 MILLION HAS BEEN GIVEN TO NEARLY 26,000 PROJECTS ACROSS WALES.**

Sport Wales took the opportunity to launch a new online magazine show Welsh Sport Insider, which is designed to showcase the best in sport across Wales.

Sport Wales worked with the National Lottery Promotions Unit (NLPU) to ensure that Welsh sport was given a high profile in the national campaign and that the transformative impact of the funding to sport was recognised.

## SPORT'S WORTH TO WALES

Last year's Social Return on Investment (SROI) report found that

**FOR EVERY £1 INVESTED IN SPORT IN THE COUNTRY THERE IS A RETURN OF £2.88**

£1

£2.88

and a whopping **£3.4 BILLION** of benefits for Welsh communities. We continued to shine a spotlight on the #ValueofSport with the release of new data The Economic Importance of Sport in Wales 2016/17 - produced by Sheffield Hallam University.

It shows the sport industry grew to **£1,142M** (up 10% since 2010). It generated **29,700** sport-related jobs in the same year. The sport sector was also found to out-perform pharmaceuticals, travel, accommodation and textiles industries in Wales.



### SPORTING SPOTLIGHT THE PRINCIPALITY STADIUM

An assessment of the economic impact of the Principality Stadium showed its estimated value to the Welsh economy being £32.3m in additional Welsh economic activity/output, with £11m of this being gross value added.

The stadium's events calendar supported almost 400 full time equivalent jobs, at the stadium site and elsewhere in Wales through its supply chain.

Our report on the economic impact of sport found the sporting economy contributed £1,182m in Consumer Expenditure and generated 29,700 sport-related jobs (in 2016/17).

# LEARNING ORGANISATIONS

## COMMUNICATIONS, LEARNING AND INSIGHTS PROGRAMME (CLIP)

### EDUCATING THE SECTOR

CLIP provides regular access to education and training opportunities for partners of Sport Wales.

Following a successful trial that was rated 100% successful by the Welsh sport sector, we officially launched our new learning programme.

A joint approach from the Sport Wales communications and insight teams - training and support is focused on areas such as evidencing impact, using data, social media, and use of technology in marketing.

CLIP is subsidised by Sport Wales to ensure sessions are affordable for the range of organisations that make up the Welsh sport sector. In a recent survey, 95% said the Clip programme had already proved beneficial to their work.

## SHARING KNOWLEDGE

Under the umbrella of Sport Wales' respected CLIP learning programme, a series of presentation-style sessions were held to share lessons learned with others. Both Sport Wales staff and external partners shared experiences in interactive, energetic sessions which looked to provoke discussions and ideas.

### OBJECTIVES:

ENCOURAGE ORGANISATION OR SECTOR-WIDE COLLABORATION

SHARING LESSONS LEARNED FROM SUBJECT

BOOSTING CONFIDENCE IN THE SPORT WALES STRATEGY

TO DISCUSS POLICY POSITION WITHIN THE SECTOR



### SPORTING SPOTLIGHT CLIP SESSION: HOW TO DEMONSTRATE THE IMPACT WE HELP TO MAKE

NOVEMBER 2019

A sold-out event of 80 attendees discussed the move away from measuring data to prove success and instead utilising data to learn and improve. The session helped explain what impact sport is having on Wales. Attendees were given a better understanding of how they can demonstrate the difference their work makes to Wales at an organisational and individual level.

Speakers included:

- Dr Larissa E Davies, Reader in Sport Management within the Sport Industry Research Centre (SIRC) at Sheffield Hallam University;
- Bethan Smith, a Programme Manager for citizen engagement at Cognitive Edge
- Andrew Thomas, Group Manager - Sports and Physical Activity, Bridgend County Council
- Owen Lewis, Assistant Director of Sport System Strategy and Services at Sport Wales

A second session was held to discuss why it is important for the sporting offer for young people to be person-centred, and HOW to do it. More sessions are planned for the future.





SPORT WALES

**#6**

**BE A HIGHLY VALUED  
ORGANISATION**

## REDESIGN

### A REDESIGNED AND REFRESHED ORGANISATION.

The redesign and recruitment process is underway, following a completed consultation phase. The new-look Sport Wales will work according to the organisation's strategic intents. It is hoped that the process will be complete by late Spring.

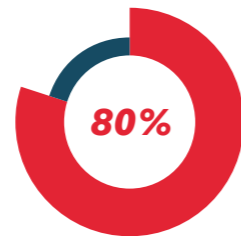
## USER VIEWS

### SPORT WALES INSTITUTE

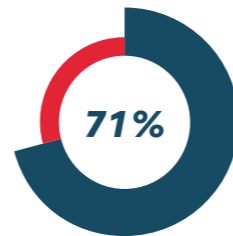
All athletes, coaches and performance directors (an estimated pool of 155 people) who access bespoke support services from the Institute were invited to complete the 2019 Sport Wales Institute Survey during September.



The most used services are soft tissue therapy, physiotherapy and performance nutrition, while the least commonly used services are physiology and performance analysis.



80% of athletes rate the institute services as either 'good' or 'excellent', which is a seven percentage point increase compared with 2017.



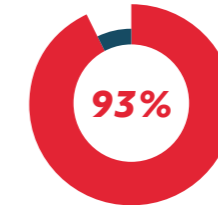
71% of coaches and performance directors rate the Institute services as either 'good' or 'excellent', which is a five percentage point decrease compared with two years ago.



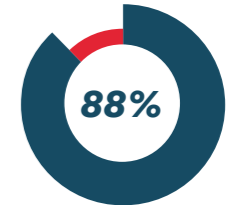
## SPORT WALES NATIONAL CENTRE



Excellent rating achieved in QUEST, the UK Quality Scheme for Sport and Leisure

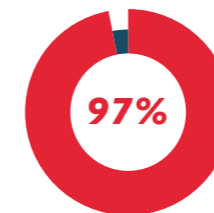


93% of users had a positive experience (good or very good) of their overall impression of the Centre.

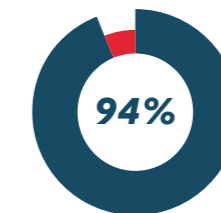


88% of users had a positive experience (good or very good) of the value for money provided by the Centre.

## PLAS MENAI NATIONAL OUTDOOR CENTRE



97% users of Plas Menai had a positive overall impression of the site.



94% had a positive experience of the value for money provided by the Centre.

The Net Promoter Score (NPS) for Plas Menai was a healthy +64 in 2019 (this is a measure of advocacy; recommending the Centre to friends and colleagues. NPS is calculated by subtracting the proportion of detractors (giving fairly negative ratings) from the proportion of promoters (giving positive ratings))





## NEW SPORT WALES WEBSITE LAUNCHED

The launch of a new corporate bilingual website saw completion of the very first phase of a project to increase engagement with our customers and improve businesses efficiency.

The first phase was about consolidation – providing an online resource that would present our services and products in a way that would make it easier for visitors to understand the role of Sport Wales.

### FUTURE PHASES WILL NOW LOOK AT:

- 1** Improved data visualisation to improve access to data on sports participation, including the School Sport Survey
- 2** Personalisation of the online experience, including an area to login to a learning resource for the sports sector
- 3** Personalisation for customer making the online experience a one-stop-shop for Sport Wales resources

Our Club Solutions website also continues to provide help and support to clubs and volunteers in Wales, while a new online resource – to drive commercial income – is being developed by Plas Menai.



### SPORTING SPOTLIGHT SPORT WALES INSTITUTE AND THE TOKYO OLYMPIC GAMES

#### SUMMER 2021

With the Tokyo 2021 Olympic Games on the horizon, the British Olympic Association has confirmed the performance services team that will provide day-to-day support for athletes.

Team GB's performance hub will be held at the Sport Wales Institute in Cardiff. Eight performance analysts based in the UK but working on Tokyo time will be situated at the Hub and supporting on the ground operations in Tokyo. These include two members from Sport Wales' Institute, Carys Jones and Jennifer Roach.

# OUR CENTRES AND THE ENVIRONMENT

## SPORT WALES NATIONAL CENTRE



Installation of **MOVEMENT ACTIVATED LIGHTS** and window upgrades for thermal efficiency (Energy Performance Operational Rating reduced to 43, reduction of 32.8% since scheme introduced)



**CYCLE RACKS** to promote active travel, and the use of timer controls to switch off equipment when not in use



**BIO-DEGRADABLE CUPS**, cutlery and containers are used in the centre's café, any food waste is composted, while cooking oil is recycled into biodiesel



**WATER** is provided free of charge in the centre's reception area to promote the use of re-usable bottles rather than single-use plastics



**FREE FRUIT FRIDAYS** once a month and cafeteria menus including more seasonally balanced healthy choices

## PLAS MENAI NATIONAL OUTDOOR CENTRE



The old light fixtures have been replaced with energy efficient low wattage LED units



Double glazed windows have been installed in the accommodation area



False ceilings and insulation has been added where necessary to make rooms more energy efficient



A conscious effort has also been made to reduce the number of trips made with the centre's vehicles

Although significant improvements have been made to reduce the carbon footprint of both centres in recent years, additional changes will be required over the next decade which will require further financial investment. Future plans will also look at how Sport Wales can support the wider sports sector, including national governing bodies, with their efforts to help tackle the global climate emergency.



## SPORTING SPOTLIGHT ATHLETE KITCHEN AND LOUNGE SPORT WALES NATIONAL CENTRE, CARDIFF

An athlete training kitchen and lounge is under construction to support high performance athletes. The kitchen area will help influence meal choices for more athletes and provide kitchen coaching to support high performance sport. The space will also serve as an area to prepare, serve and store food using good food hygiene standards. In addition, an athletes' lounge is being constructed as an appropriate rest and recreation area between training sessions.

- 153 events took place at the Sport Wales National Centre, ranging from European Championships to School Eisteddfods
- National Governing Bodies had 23,447 hours of use representing 58% of overall use. The balance is made up of community use.
- A membership total of 891, up 7.4% from last year
- Overall usage for the year was 244,551

## OUR PLEDGE

## WE WILL

**LEARN TOGETHER:**

Constantly exploring, testing and reviewing.

**DELIVER TOGETHER:**

Sharing outcomes, nurturing open and honest relationships, providing robust feedback, constantly improving performance.

**CELEBRATE TOGETHER:**

Recognising our shared successes through effective partners.

## BY ...

**ACTING WITH INTEGRITY:**

Understanding and respecting each other's cultures and values. Promoting equality and diversity.

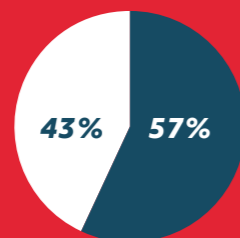
**ADDING VALUE:**

Ensuring the optimum mix of support, challenge, investment, skills and expertise to achieve our shared outcomes.

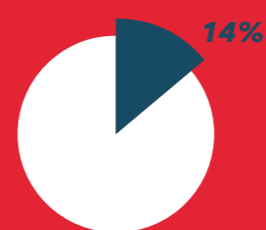
**ENCOURAGING INNOVATION:**

Welcoming new ideas and approaches and supporting ambition and fresh thinking. Not being afraid to feel uncomfortable.

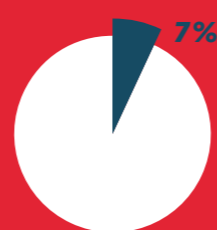
## SPORT WALES BOARD



57% FEMALE  
AND  
43% MALE



14% ARE  
FROM BME  
BACKGROUNDS



7% HAVE A  
DISABILITY

ALL AGE BRACKETS FROM 30S - 70S ARE REPRESENTED.

## OUR DUTIES

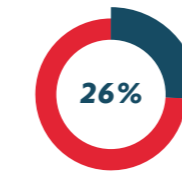
## SAFEGUARDING STANDARDS

ALL  
26

ALL 25 HIGH INVESTMENT SPORT have achieved either **LEVEL 2 OR 3** of the Safeguarding Standards (Young People)



100% of High Investment Sports have achieved at least Level 2 (Young People) with **28%** achieving Level 3.

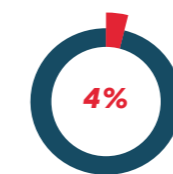


26% (5 out of 19) Low Investment Sports (LIS) to have achieved the new Level 1 Standard (Young People) – SnowSport Wales are the first of the LIS to have achieved Level 2 of the Standards

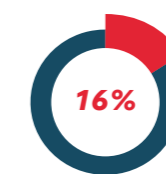
Since the introduction of the new Adults at Risk support service in Nov 2018 the engagement from partners has been excellent. The partnership with the Ann Craft Trust who provide the service will continue for another 2 years (minimal)

Engagement with Safeguarding lead officer events and training continues to be high across funded partners and beyond

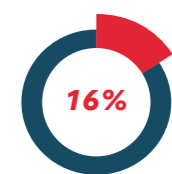
## EQUALITY STANDARDS



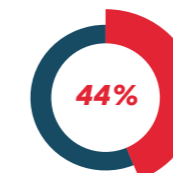
Only **1 (4%)** High Investment NGB has not achieved any of the standards



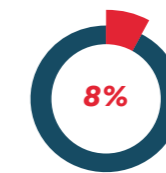
**5 High (16%)** Investment NGBs have achieved or maintained the Foundation standard



**5 High (16%)** Investment NGBs have achieved or maintained the Preliminary standard



**11 (34%)** High Investment NGBs have achieved or maintained the Intermediate standard



**2 (8%)** High Investment NGBs have started the assessment process for the Advanced standards – should they achieve the Advanced standard during 2020/21, Golf and DSW will be the first two partners in Wales

# SPORT PERFORMANCE

## IT'S DIFFICULT TO REFLECT UPON ELITE SPORT IN 2019 WITHOUT FIRST MENTIONING RUGBY.

The Welsh men's side won the Grand Slam in the Six Nations tournament, enjoyed a 14-game unbeaten run that saw them ranked number one in the world and gain a World Cup semi final spot in Japan.

2019 set a positive tone with **HANNAH MILLS** becoming a sailing world champion for the second time, **JADE JONES** claiming a taekwondo world title, boxer **LAUREN PRICE** punching her way to a world number 1 spot and **ELINOR BARKER**'s cycling world gold.

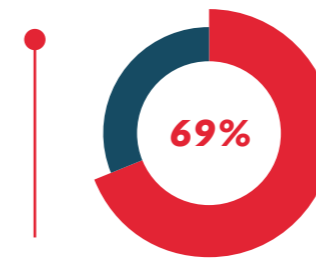
In para-sport, **HOLLIE ARNOLD** (javelin) and **ALED DAVIES** (shotput) both enjoyed success with their fourth consecutive World Para Athletics titles in Dubai.

In team sport, while the Wales netball team did not qualify for the World Cup, they did take part in a Summer Test Series. The matches against South Africa, Malawi and Trinidad & Tobago took place at the Viola Arena Cardiff (formerly Ice Arena Wales), while two games against Grenada took place at the Sport Wales National Centre.

Meanwhile, all eyes were on the men's Welsh football qualifiers for the Euros as they look to emulate the success of 2016.



## CLUB SOLUTIONS



69% increase of traffic to the site over the past 12 months to **17,260 INDIVIDUAL USERS**.

The club development tool has had a rebrand.

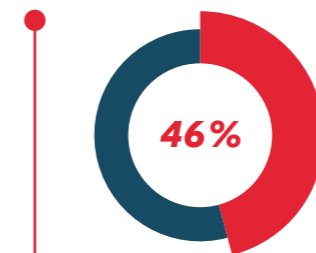
## VOLHOURS APP



Between April 2019 and end of January 2020 **33** sport organisations have set up VolHours accounts.

**743** individual volunteers have set up an account and logged **20,882 HOURS OF VOLUNTEERING**.

## BOARD DIVERSITY



Female CEOs now account for **46% OF HIGHER FUNDED NATIONAL GOVERNING BODIES (NGBS)**.

## URDD



**10,400 CHILDREN AND YOUNG PEOPLE** participate in weekly clubs provided by the Urdd through the medium of Welsh and there are over 600 active community coaches.





**SPORT WALES**

# **LOOKING FORWARD**

**AS DOCUMENTED THROUGHOUT THE REPORT, THERE ARE MANY ONGOING PLANS IN PLACE TO IMPLEMENT THE SPORT WALES STRATEGY.**



# ELITE SPORT

## A COMMISSIONED STUDY OF THE BEST ATHLETE ENVIRONMENT.

Sport Wales will continue to focus on its values and ensure that a holistic approach to athlete development is encouraged.

Sport Wales has instructed EdComs to carry out some cross-sport research, the purpose of which is to:

**BETTER UNDERSTAND THE FEATURES OF A POSITIVE DEVELOPMENT EXPERIENCE FOR ATHLETES**

**IDENTIFY THE BARRIERS AND CHALLENGES THAT ATHLETES AND THEIR PARENTS FACE**

**HIGHLIGHT METHODS TO SUPPORT SPORTS IN CREATING POSITIVE DEVELOPMENT ENVIRONMENTS**

The insight we hope to collect from this project will identify features of a positive development environment in Wales which can be used by sports and Sport Wales to:

**REFLECT ON CURRENT PRACTICE AND ACT ACCORDINGLY.**

**IDENTIFY ANY STRATEGIES THAT CAN BE DEVELOPED TO SUPPORT SPORTS IN CREATING POSITIVE ENVIRONMENTS.**

**IDENTIFY OPPORTUNITIES TO COLLABORATE.**



# FUNDING 'HEALTHY WEIGHT, HEALTHY WALES'

**FOLLOWING THE RELEASE OF HEALTHY WEIGHT, HEALTHY WALES, WELSH GOVERNMENT HAS COMMITTED £4.5 MILLION OVER THE NEXT TWO YEARS ACROSS THREE SPORT PROJECTS IN A BID TO PROMOTE HEALTHIER AND MORE ACTIVE LIFESTYLES.**

The funding projects will be co-ordinated by Sport Wales and are:

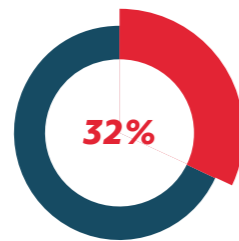
The **60 PLUS ACTIVE LEISURE SCHEME** to encourage more people aged 60 and over in Wales to access local leisure offers, with a free initial period, followed by a subsidised offer to help them develop new healthy habits.

Children and families will be a target for National Governing Bodies in Wales to pilot collaborative sports projects that help broaden opportunities to get more active, more often. **THE PROJECTS WILL BE KICKSTARTED WITH £200K.**

**£3MILLION OF WELSH GOVERNMENT FUNDING** will continue the successful work carried out as part of the Place for Sport fund that has already seen **£5 MILLION** invested into sporting facilities, including 118 Welsh clubs and organisations last year. This money has already allowed exciting projects to get off the ground, such as 'Overhang' in Carmarthenshire where work has begun to turn an old church into an indoor climbing centre, in the same year that climbing makes its Olympic debut.

# PERFORMANCE ANALYSIS

The Sport and Active Lifestyles section of the annual National Survey for Wales was released for 2018-19. Some of the findings help to measure progress towards the goals of the Well-being of Future Generations Act 2015.



The survey found that the number of people participating in a sporting activity three times a week or more remains unchanged at **32% FOR 2018/19.**

**ADULTS IN WALES ARE MOST LIKELY TO BE TAKING PART IN ACTIVITIES SUCH AS:**



#### WALKING

(2 miles or more;  
869,000 people),



**GYM OR  
FITNESS CLASSES**  
(405,000 people)



#### SWIMMING INDOORS

(279,000 people)

**THE FINDINGS ALSO SHOWED THAT 50% OF ALL ADULTS WOULD LIKE TO DO MORE SPORT OR PHYSICAL ACTIVITY.**

Preparations will soon begin for the next round of the School Sport Survey. The Survey gives children across Wales the opportunity to have their say on sport and their wellbeing, as well as giving the sector a rich insight into participation levels, behaviours and attitudes.

In addition to the Social Return on Investment review, conducted by Sheffield Hallam University, a further release showed the economic impact of sport. It found that the sport industry grew to £1,142m (up 10% since 2010), the sporting economy contributed £1,182m in Consumer Expenditure and generated 29,700 sport-related jobs (in 2016/17). The sport sector was also found to out-perform pharmaceuticals, travel, accommodation and textiles industries in Wales.

**WE HAVE EVALUATED AND SUPPORTED A NUMBER OF OUR PROJECTS OR AREAS OF WORK, INCLUDING:**

Sport Wales Institute Survey – we received 57 responses from athletes, coaches and Performance Directors and across the various sports we directly support. Feedback will help shape the services we offer going forward.

An independent review was carried out by Resources 4 Change into our current grants, with a view to launch a new grants scheme in late 2020.

Significant resources are being committed to evaluate the impact of the Free Swimming Initiative during 2020/21.

An Outcomes Framework has been developed and published. This will be populated on a quarterly basis to track our progress in real time.

The programme evaluation of the Healthy and Active Fund, including at individual project level.

*\*Sport Wales is a producer of Official Statistics and, as such, we comply with the Code of Practice for Statistics. This gives assurance to the public, government and other organisations that the data we produce is of value, if high-quality and can be trusted.\**



## LOTTERY FUNDING & ADDITIONALITY

### All Lottery distributors are required to report on their policy and practice.

Lottery funding is distinct from Government funding and should not replace Exchequer spending. Where appropriate, it can complement Government and other programmes, policies and funding.

When we assess applications for funding, we ensure additionality is considered. We work closely with leading organisations to ensure that our funding programmes add value to Government and other funding but do not replace it.

### REVIEW OF NATIONAL LOTTERY DISTRIBUTION ACTIVITIES

During 2019/20 Sport Wales distributed awards under a number of Lottery Funded grant programmes.

#### CAPITAL GRANTS

The fund's principal activities are aimed at increasing participation and improving performance in sport and

physical recreation. Sport Wales introduced its plans for the distribution of lottery funds to capital projects in September 1994. A two stage process is used for all capital applications. The first stage of the application enables the initial focus to be more on the added benefits to sport and the aims, objectives and proposed management of the project. Applicants seek provisional approval of a scheme prior to undertaking the investment necessary to present the full application which is the second stage of the process.

Capital grant offers of £2,805,000 (2018/19 £3,655,000) were met during the year. The amount provided in the accounts for signed contracts relating to capital grants decreased by £850,000 in 2019/20 (2018/19 decrease of £1,049,000).

#### REVENUE GRANTS

Revenue grant offers of £10,399,000 (2018/19 £10,488,000) were met during the year. The amount provided in the accounts for signed contracts relating to revenue grants decreased by £89,000 in 2019/20 (2018/19 decrease of £178,000).

### MOVEMENT ON LOTTERY BALANCE TO 31 MARCH 2020

The following table shows the movements of the balances held with the National Lottery Distribution Fund in the year:

Balance at 1 April 2019	Unrealised Loss	Income Received (Net)	Money Drawn Down From National Lottery Distribution Fund	Balance at 31 March 2020
(£000)	(£000)	(£000)	(£000)	(£000)
14,665	-	16,062	(15,700)	15,027

The table shows an increase in the balance held of £0.362 million, compared to a decrease of £0.876 million in the previous financial year.

## FINANCIAL RESULTS OF THE YEAR

Sport Wales's Lottery Distribution results are set out in the Statement of Comprehensive Net Income. Total net comprehensive income for the financial year amounted to £9,812,000 (2018/19 total comprehensive expenditure of £11,556,000). This has been transferred to reserves.

The statement of financial position for 2019/20 shows a total net asset figure of £10,230,000 (2018/19 £418,000). The increase is due to the extension of the 2018/19 grant offers into 2019/20, and the grant commitments were recognised within the 2018/19 accounts.

The Directors continue to adopt the going concern basis in preparing the financial statements which assumes that Sport Wales will continue in operation for the foreseeable future.

### 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 has continued to see a reduction in its CO2 emissions with a drop of 2% compared to 2018/19, which is just below our target of 3% annual reductions.

Sport Wales has continued to encourage staff to use video conferencing, Skype, Teams and Sharepoint in an effort to reduce travel.

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 are continually looking at ways that technological solutions will help reduce emissions and waste. Staff are encouraged to work flexibly where possible, and this has led to staff working from home more regularly. To support this, additional laptops have been purchased and hot desking has been introduced in some office areas. While this does not

have an impact on the mileage claimed by staff (staff cannot claim mileage expenses for commuting to work), it does contribute to a reduction in congestion and emissions.

In March 2020, Sport Wales purchased a second hybrid pool car, which will see a further reduction in carbon emissions in future years.

Sport Wales National Centre Energy Performance Operational Rating (DEC) reduced for the third year in a row and remains well below the typical rating for the type of building and the centre continues to operate in accordance with the Waste Hierarchy guidance and operates an Environmental Management System.

Even though waste overall reduced, there was an increase in waste collection to landfill compared to 2018/19. This was due to large quantities of office furniture being disposed of due to a rationalisation of offices to make them more effective and modern workplaces. This, along with no green waste collection in the year reduced recycling rates for the year.

Sport Wales National Centre has introduced bio-degradable and compostable take away cups, containers and cutlery and removed single sachets of sugar and sauces and in addition, introduced crisp packet recycling.

There was a decrease in water usage in 2019/20 partly due to the bore hole being able to be utilised for longer before it dried up.

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 tables. Following the building enhancements and investments made in previous years, we have seen a further reduction in the DEC score/rating, which is now a D with a score of 89, down from 123 from the previous year.



Refurbishment of the swimming pool lighting was completed in March 2019, the old inefficient lighting has been replaced with low wattage energy efficient LED lights and motion sensors have been installed to control the lights in the changing rooms and the viewing area. Gas Oil usage has returned to normal levels following an exceptionally warm summer where usage dropped in 2018/19.

In 2019 the Centre joined the Refill Cymru Network, encouraging people to top up their water bottles free of charge to help reduce the use of single use plastic.

A 350MW Solar Array has been installed at the Centre. This will help us make further energy reduction savings as well as reducing our electricity bills.

Over the next 12 months we will continue to look for funding to upgrade our Heating System, an options Appraisal had been conducted in 2019/20. Further investigation will also commence on installing an electric car charging point at the centre.

**Accounting Officer: S Powell**  
16/09/2020

## DIRECTORS REPORT

### BOARD

During 2019/20, Sport Wales comprised the following board members;

<b>Mr Lawrence Conway**</b>	(Chair Appointed 01.09.2018)
<b>Ms Pippa Britton**</b>	(Vice Chair Appointed 01.10.2017)
<b>Ms Johanna Sheppard*</b>	(Retired 30.04.2019)
<b>Mr Richard Parks</b>	(Resigned 07.07.2019)
<b>Mr Ashok Ahir*</b>	(Appointed 01.10.2017)
<b>Mr Ian Bancroft</b>	(Appointed 01.10.2017)
<b>Ms Alison Thorne*</b>	(Appointed 01.10.2017)
<b>Ms Judi Rhys*</b>	(Appointed 01.09.2018)
<b>Prof Leigh Robinson</b>	(Appointed 01.09.2018)
<b>Mr Phil Tilley</b>	(Appointed 01.09.2018)
<b>Mr Martin Veale*/**</b>	(Appointed 01.09.2018)
<b>Ms Rajma Begum</b>	(Appointed 01.09.2019)
<b>Mr Dafydd Trystan Davies</b>	(Appointed 01.09.2019)
<b>Ms Delyth Evans</b>	(Appointed 01.09.2019)
<b>Ms Nicola Mead-Batten*</b>	(Appointed 01.09.2019)
<b>Ms Hannah Murphy</b>	(Appointed 01.09.2019)
<b>Chief Executive</b>	Ms S Powell
<b>Acting Chief Executive***</b>	Mr B Davies (Effective 01.12.2019 to 28.06.2020)

\* Member of the Audit & Risk Assurance committee

\*\* Member of the Remuneration committee

\*\*\*Acting CEO whilst covering CEO adoption leave.

### DECLARATIONS OF INTEREST

All Members and senior staff of Sports Wales have completed a return detailing any interests in organisations which provide, or may seek to provide, commercial services to Sport Wales for 2019/20. Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 17 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 page 67.

### 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 2020 Sport Wales paid 99% (2018/19 99%) 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 1.10 and note 16 to the financial statements.

**REMUNERATION OF AUDITORS**

During 2019/20, work was undertaken around counter fraud as part of a national study, for which no fee was incurred from our external auditor, the Comptroller and Auditor General. The audit fee is disclosed in note 8 to the financial statements.

**STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES**

Under Section 35 (2) - (3) of the National Lottery etc Act 1993, the Sports Council for Wales (Sport Wales) is required to prepare a statement of accounts for the financial period in the form and on the basis determined by the Secretary of State for Digital, Culture, Media and Sport with the consent of HM Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of Sport Wales Lottery Distribution activities at the year end and of its income and expenditure, changes in equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer and Council are required to comply with the requirements of HM Treasury's Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Secretary of State for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether appropriate accounting standards, as set out in HM Treasury's Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements; and

**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.

- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the fund will continue in operation.

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

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements for determining that it is fair, balanced and understandable.

**Accounting Officer: S Powell**  
16/09/2020

**ANNUAL GOVERNANCE STATEMENT 2019/2020****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 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.

During the year, Welsh Government appointed five new Board members, namely Rajma Begum, Dafydd Trystan Davies, Hannah Murphy, Delyth Evans and Nicola Mead-Batten. Two existing Board members, namely Johanna Sheppard (term expired) and Richard Parks (resigned due to change in circumstances) left the Board. 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 57% female representation, 14% BME and 7% consider themselves to have a disability.

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

Board Member	Board Meeting (Number of meetings attended of up to 5)	Audit & Risk Assurance Committee (Number of meetings attended of up to 4)
Lawrence Conway (Chair)	5 / 5	Not Applicable
Pippa Britton (Vice Chair)	5 / 5	Not Applicable
Richard Parks <sup>1</sup>	1 / 1	Not Applicable
Ashok Ahir	4 / 5	2 / 4
Ian Bancroft	4 / 5	Not Applicable
Alison Thorne	4 / 5	4 / 4
Judi Rhys	4 / 5	1 / 2
Leigh Robinson	4 / 5	Not Applicable
Martin Veale	5 / 5	4 / 4
Phil Tilley	5 / 5	Not Applicable
Rajma Begum <sup>2</sup>	3 / 3	Not Applicable
Dafydd Trystan Davies <sup>2</sup>	3 / 3	Not Applicable
Delyth Evans <sup>2</sup>	3 / 3	Not Applicable
Nicola Mead-Batten <sup>2</sup>	3 / 3	2 / 2
Hannah Murphy <sup>2</sup>	3 / 3	Not Applicable
<b>(Independent members – Audit and Risk Assurance Committee only)</b>		
Gareth Jones	Not Applicable	2 / 4
Robert Williams	Not Applicable	3 / 4
<b>Overall Percentage Attendance rate</b>	<b>92%</b>	<b>75%</b>

<sup>1</sup>Resigned 07.07.2019

<sup>2</sup>Appointed 01.09.2019

To discharge its responsibilities and to obtain the assurance required that demonstrate good governance practices are in place, two permanent committees are established; The Audit & Risk Assurance 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 2019/20 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 ASSURANCE COMMITTEE

The Board has established an Audit and Risk Assurance 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 Committee also bade farewell to Judi Rhys and the Board extends its appreciation for Judi's contributions. Nicola Mead-Batten was appointed to the Committee during the year.

During 2019/20, Sport Wales continued to use 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 Assurance Committee.

The Audit & Risk Assurance Committee consists of up to seven members, two of which could be independent, with a minimum of one independent member required. The Committee met four times during the year and there was an overall members' attendance rate of 75%.

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;
- 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;
- performance monitoring of internal & external audit and reviewing the external audit plan.

The Board received the minutes of the Audit and Risk Assurance 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 controlled. In 2019/20 no information risk issues, significant control weaknesses or fraud were identified and the Audit and Risk Assurance 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 74.

**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.

As a result of the Covid-19 pandemic crisis, The Executive had to make decisions that might in normal circumstances have been expected to come to the Board before implementation. However, this was not possible within the time constraints imposed by the emergency and the deadlines that the Executive and Welsh Government had to work to, and in those circumstances the CEO's decision was made following discussion with the Chair.

To ensure due diligence going forward, at the April committee meeting the Board agreed to the formation of 2 new Board sub-groups as follows:

- A sub-group to consider those matters on which the CEO required urgent agreement, and which could not wait for a full Board meeting for approval. The Chair proposed this group involve the Chair, the Vice Chair, the Chair of the Audit & Risk Assurance Committee and up to two other Board members (chosen on an ad hoc basis and primarily in response to their availability).

- A sub-group charged with considering the longer-term recovery strategy for the organisation and sports sector at large. This group would also monitor the relevance and fit of the Vision for Sport and Sport Wales' new strategy.

**BOARD AND COMMITTEE EFFECTIVENESS**

During the year, we continued to develop good governance. Board meeting structures have been amended to include a session focussing on a strategic area of the business and a decision tracker has been introduced to allow members to easily look back at previous decisions.

The Board carried out an effectiveness review during the year and a number of practical changes were introduced. Communication outside of board meetings, both formally and informally was identified as a key opportunity to help Board remain informed and engaged with the organisation.

A social media networking group was set up to assist with informal engagement and Board also receive formal updates from the Communications & Digital team on a fortnightly basis.

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 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 2020 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 Assurance Committee. As an organisation, the key risks are monitored through appropriate use of the Corporate 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 Assurance 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 all Sport Wales employees via an online portal, with editing rights limited to relevant managers. Sport Wales' risk management arrangements are subject to an annual internal audit and presented to the Audit & Risk Assurance 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 Assurance 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 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.

**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 Assurance 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. While Covid-19 has had a significant impact on the Corporate Risk Register, it has not affected Sport Wales ability to operate on a going concern basis with funding committed for the next financial year.

There is a substantial risk that the financial & delivery impact the Covid-19 pandemic will have on partners and the wider sporting sector will inhibit progress of the Sport Wales Strategy and Vision for Sport in Wales. In response to this risk, through a combination of Welsh Government & National Lottery funding, Sport Wales has developed an £8.5m Sport Resilience Fund to help protect the sport sector in Wales from the consequences of the restrictions put in place. A further £550k has been set aside for the Emergency Relief Fund targeted at clubs facing significant challenges and in need of immediate financial support.

Whilst Sport Wales is extremely grateful to Welsh Government for an increased budget for 2020/21, the increased financial cost of meeting pension deficit payments, coupled with the loss of income from the closure of our two National Centres during lockdown restrictions continues to present a huge challenge in delivering Sport Wales' objectives.

The Covid-19 movement restrictions have also led to a significant disruption to operations and our usual ICT systems. Sport Wales has strong controls and systems in place to allow staff to work remotely, but there would be a significant business disruption if these systems were to fail.

Other risks on the Corporate risk register include a failure to comply with all legislation, sensitive information loss or exposure and a failure to maximise the use of technology & data.

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 fifth 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, 20 recommendations were made together with 4 action points. Of the recommendations made, 13 (65%) were classed as 'medium' priority and 7 (35%) were 'low' priority. In terms of follow-up action, 5 out of 7 previous recommendations had been implemented at the time of the audit and the remaining 2 recommendations had been implemented by the end of the year.

**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 Assurance 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 these systems.

The internal audit service for Sport Wales during 2019/20 was provided by Deloitte LLP, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which inform an independent annual opinion on the adequacy and effectiveness of Sport Wales' systems of internal control and risk management, together with recommendations for improvement.

Every year the Audit & Risk Assurance Committee produces an Annual Report of their work to the Board of Sport Wales. The internal audit programme for 2019/20 was completed prior to the impact of the Covid-19 pandemic and while there have been changes to ways of working as a result of movement restrictions, these have not had a significant impact on the system of internal control.

**ON-GOING DEVELOPMENTS**

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

Following the launch of the Sport Wales Strategy, Sport Wales has been developing a new resourcing model, which will change the way that we fund our partners. This will be implemented through a phased approach and funding will be driven by a mixture of sporting insight and an assessment of the capability of our partners across several key areas of focus. The implementation of this model will further strengthen the controls in place to manage the risk inherent in investing public funding into third party organisations, whilst also increasing their accountability.

Throughout 2019/20, much work was done to strengthen our cyber security controls through the extension of threat detection tools, extensive staff training and the introduction of Sport Wales issued mobile phones for employees working with sensitive data. We recognise that this is a fast-moving area and we will continue to look at further improvements in the coming year.

**Accounting Officer: S Powell**  
**16/09/2020**

## 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.

Following the successful implementation of the new pay and grading structure from September 2019, employees have the choice to either remain on current terms or opt into the new structure and have access to the enhanced flexible benefits. The impact of this combined with a number of employees leaving from

### SICKNESS ABSENCE DATA

The sickness data for employees of the whole organisation for 2019/20 (2018/2019) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
811.11 (868.30)	160.70 (154.52)	5.05 (5.62)

The overall absence rate for 2019/20 is 2.25%. This is an improvement from the 2018/2019 of 2.61% which was lower than the 2017/18 rate of 2.81% and is comparable with ONS (Office of National Statistics) latest published rates for the public sector of 2.7%.

Of the 2.25%, 1.29% were classed as long term and 0.96% as short term. As part of a continued focus on managing absence and employee health effectively, Sport Wales' sickness absence policy will continue to

voluntary exit or voluntary redundancy has led to a higher than usual increase in salaries and wages.

During 2019/20, Sport Wales signed up to the Healthy Travel Charter and we have become a Living Wage employer, with starting salary of at least £10 per hour. Sport Wales participated in the Cardiff Half 2019 Corporate Challenge again and the team finished a well-respected 4th place out of 47 corporate teams (2018, 8th out of 39 corporate teams).

A Staff Engagement Group has been established to bring together voices from across the organisation to help educate, inform and implement initiatives related to the culture and approach at Sport Wales.

### INVESTING IN OUR PEOPLE

The re-assessment for our Investors In People status was carried out during Spring 2019 and Sport Wales successfully retained the accreditation under the new framework. The assessment identified good practices already in place and made recommendation to build on these as we implement our new strategy.

be reviewed during 2020/21, with support from the recognised Trade Union (PCS).

This year we have reviewed our occupational health contract to ensure it provides the best service for Sport Wales and its employees. We have established a staff engagement group whose remit includes wellbeing. The group have established priorities for the year ahead and will be working with staff in their teams to provide a voice and shape direction.

### 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 1.5 and note 18 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 Assurance 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 around two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work around 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.

### TRADE UNION FACILITY TIME

Sport Wales allow members of the PCS union Branch Executive Committee to work on union matter's, when needed, during working hours and the employee will still receive their full salary entitlement.

**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 £97,000 (2018/19 £97,000). A backdated increase of £1,943 is due early 2020/21 relating to 2019/20. During 2019/20 the Chief Executive went on adoption leave. Brian Davies was appointed Acting Chief Executive effective 1st December 2019 at a gross

salary of £75,700. During the year actual salary received was £66,500. No members of staff are eligible for a bonus payment.

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

**BENEFITS IN KIND**

There are no benefits in kind

**STAFF NUMBERS AND RELATED COSTS (SUBJECT TO AUDIT)**

The staff costs figure shown in the Net Expenditure Account is an apportionment of costs incurred by Sport Wales and is arrived at as follows:

	Average No. of full time equivalent staff involved		2019/2020 £'000	2018/2019 £'000
	2019/20	2018/19		
Gross salary costs				
Chair L Conway*	0.20	0.20	18	16
Chief Executive S Powell	0.25	0.25	24	24
Other Staff**	50.03	44.68	2,658	2,279
			<u>2,700</u>	<u>2,319</u>
Salaries and wages			1,918	1,711
Social Security costs			205	171
Other Pension costs			620	564
IAS19 Adjustments			(43)	(127)
			<u>2,700</u>	<u>2,319</u>

**STAFF COSTS ARE FURTHER ANALYSED AS FOLLOWS:**

	2019/2020 £'000	2018/2019 £'000
Administration	1,194	1,003
Sports Science Support to Athletes	1,506	1,316
	<u>2,700</u>	<u>2,319</u>

\* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities.

\*\* Includes Brian Davies FTE for the four months as acting CEO and eight months as Director.

**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 78. This information is audited.

**REMUNERATION (SUBJECT TO AUDIT)**

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit to the nearest £1,000	Total £000
		2019/20 (2018/19)	2019/20 (2018/19)	2019/20 (2018/19)	2019/20 (2018/19)
Mr Lawrence Conway	Chair	50% (50%)	35 - 40 (30 - 35)	-	35 - 40 (30 - 35)
Ms Pippa Britton	Vice Chair	50% (50%)	10 - 15 (10 - 15)	-	10 - 15 (10 - 15)
Ms Sarah Powell	Chief Executive	25% (25%)	95 - 100 (95 - 100)	25,000 (25,000)	120 - 125 (120 - 125)
Mr Graham Williams	Corporate Director	25% (25%)	60 - 65 (55 - 60)	40,000 (22,000)	100 - 105 (80 - 85)
Mr Brian Davies <sup>1</sup>	Corporate Director/ Acting CEO	25% (80%)	65 - 70 (60 - 65)	37,000 (19,000)	100 - 105 (75 - 80)
Mr Peter Curran <sup>2</sup>	Corporate Director	- (25%)	- (50 - 55)	- (16,000)	- (65 - 70)
Mr Paul Randle <sup>3</sup>	Corporate Director	25% (25%)	70 - 75 (15 - 20)	23,000 (5,000)	90 - 95 (20 - 25)
Mr Malcolm Zapple	Manager Sport Wales National Centre	0% (0%)	60 - 65 (60 - 65)	14,000 (5,000)	70 - 75 (65 - 70)
Mr Steven Morgan	Manager Plas Menai Watersports Centre	0% (0%)	50 - 55 (50 - 55)	19,000 (17,000)	70 - 75 (65 - 70)
Ms Johanna Sheppard <sup>4</sup>	Council Member	50% (50%)	0 - 5 (0 - 5)	-	0 - 5 (0 - 5)
Ms Julia Longville <sup>5</sup>	Council Member	- (50%)	- (0 - 5)	-	- (0 - 5)
Mr Peter King <sup>5</sup>	Council Member	- (50%)	- (0 - 5)	-	- (0 - 5)
Ms Sama Small <sup>6</sup>	Council Member	- (50%)	- (0 - 5)	-	- (0 - 5)
Mr Richard Parks <sup>7</sup>	Council Member	50% (50%)	0 - 5 (5 - 10)	-	0 - 5 (5 - 10)
Mr Ashok Ahir	Council Member	50% (50%)	5 - 10 (5 - 10)	-	5 - 10 (5 - 10)
Mr Ian Bancroft	Council Member	50% (50%)	5 - 10 (5 - 10)	-	5 - 10 (5 - 10)
Mr Christian Malcolm <sup>8</sup>	Council Member	- (50%)	- (5 - 10)	-	- (5 - 10)
Ms Alison Thorne	Council Member	50% (50%)	5 - 10 (5 - 10)	-	5 - 10 (5 - 10)
Ms Judi Rhys <sup>9</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	-	5 - 10 (0 - 5)
Prof Leigh Robinson <sup>9</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	-	5 - 10 (0 - 5)
Mr Martin Veale <sup>9</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	-	5 - 10 (0 - 5)
Mr Phil Tilley <sup>9</sup>	Council Member	50% (50%)	5 - 10 (0 - 5)	-	5 - 10 (0 - 5)
Ms Rajma Begum <sup>10</sup>	Council Member	50% -	0 - 5 -	-	0 - 5 0
Mr Dafydd T Davies <sup>10</sup>	Council Member	50% -	0 - 5 -	-	0 - 5 -
Ms Hannah Murphy <sup>10</sup>	Council Member	50% -	0 - 5 -	-	0 - 5 -
Ms Delyth Evans <sup>10</sup>	Council Member	50% -	0 - 5 -	-	0 - 5 -
Ms Nicola Mead-Batten <sup>10</sup>	Council Member	50% -	0 - 5 -	-	0 - 5 -

<sup>1</sup>Acting CEO from 01.12.2019

<sup>2</sup>Resigned 16th December 2018

<sup>3</sup>Appointed 2nd January 2019

<sup>4</sup>On Maternity leave from 1st January 2018, returned September 2018. Elected not to receive payment whilst on Maternity leave. Retired 30th April 2019

<sup>5</sup>Retired 31st August 2018

<sup>6</sup>Resigned 20th June 2018

<sup>7</sup>Resigned 7th July 2019

<sup>8</sup>Resigned 31st December 2018

<sup>9</sup>Appointed 1st September 2018

<sup>10</sup>Appointed 1st September 2019

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:

$(\text{real increase in pension} \times 20) + (\text{real increase in lump sum}) - (\text{contributions made by employee})$

\*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 2019/20	Total accrued Pension (and lump sum) at state pension age at 31 March 2020	CETV at 31 March 2020	CETV at 31 March 2019	Real Increase/ (Decrease) CETV in Year
	£000	£000	£000	£000	£000
Ms Sarah Powell Chief Executive	0.0 – 2.5 (-0.0 – 2.5)	30 – 35 (35 – 40)	495	460	25
Mr Steven Morgan Manager Plas Menai Watersports Centre	0.0 – 2.5 (0.0 – 2.5)	5 – 10 (0 – 5)	114	94	16
Mr Malcolm Zapple Manager Sport Wales National Centre	0.0 – 2.5 (-0.0 – 2.5)	30 – 35 (45 – 50)	601	574	22
Mr Brian Davies Acting CEO/Corporate Director*	0.0 – 2.5 (0.0 – 2.5)	15 – 20 (0 – 5)	242	203	33
Mr Graham Williams Corporate Director	0.0 – 2.5 (0.0 – 2.5)	25 – 30 (35 – 40)	432	389	38
Mr Paul Randle Corporate Director	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	45	5	33

\*Brian Davies was appointed Acting CEO as at 01.12.2019 whilst Sarah Powell is on adoption leave

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme

or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales' 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.

#### FAIR PAY DISCLOSURES (SUBJECT TO AUDIT)

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.

	2019/20	2018-19
Band of Highest Paid Director's Total Remuneration (£'000)	95 – 100	95 – 100
Median Total Remuneration	30,558	30,180
Ratio	3.2	3.2

The ratio was calculated using the following assumptions:

1. Only salaries for staff paid through the payroll has been used,
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.

Remuneration ranged from £19,300 to £97,400 (2018/19 remuneration ranged from £16,900 to £97,400)

#### 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.

#### TAX POLICY FOR OFF-PAYROLL APPOINTEES

As at 31 March 2020, there were 6 arrangements that had existed (2018/19, 6 arrangements) and have been in place for 4 years or more. All arrangements have been assessed and are classed as operating outside of 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. No expenditure has been incurred on consultancy costs.

#### STAFF COMPOSITION

Staff composition of corporate directors are 75% male and 25% female. Of the remaining permanent employees 46% are male and 54% female.

Accounting Officer: S Powell  
16/09/2020

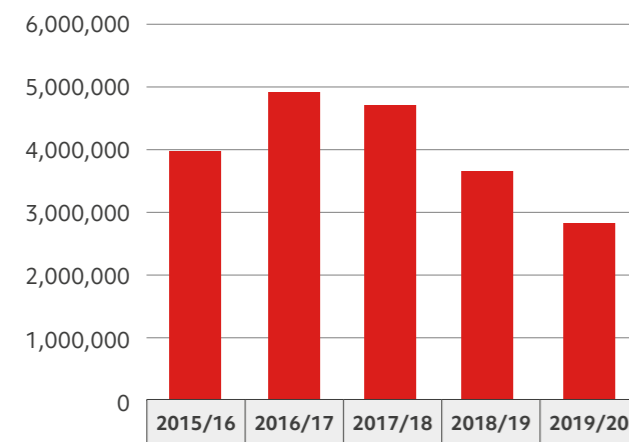


# PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

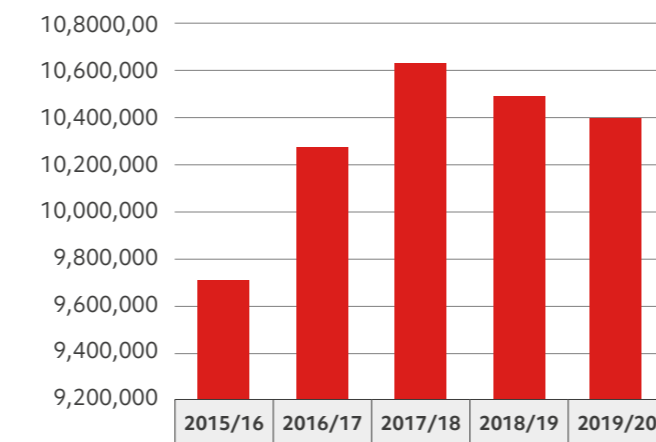
**Remote Contingent Liabilities (subject to audit)** - Sport Wales do not have any remote contingent liabilities.

**Long term expenditure trends** - trends over the last five years can be seen below:

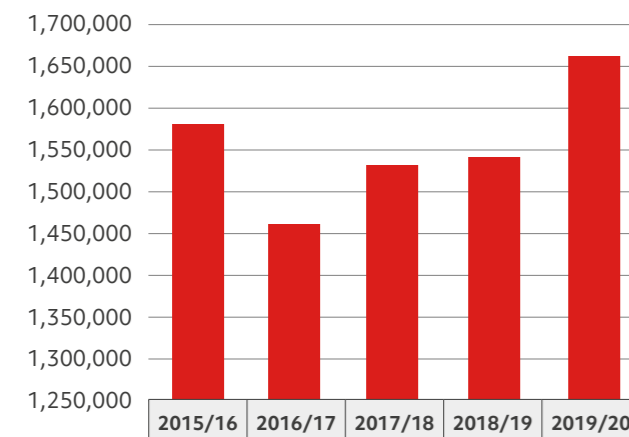
## CAPITAL GRANTS



## REVENUE GRANTS



## ADMINISTRATION COSTS



## LOSSES, SPECIAL PAYMENTS AND MATERIAL INCOME (SUBJECT TO AUDIT)

During 2019/20 there have been no losses, special payments or gifts made. There has also been no material fees or charges income.

**Accounting Officer: S Powell**  
16/09/2020

# THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SENEDD

## OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the Sports Council of Wales Lottery Distribution Account for the year ended 31 March 2020 under the National Lottery etc Act 1993. The financial statements comprise: the: Statements of Comprehensive Net Income, Financial Position, Cash Flows and Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Sports Council of Wales Lottery Distribution Account affairs as at 31 March 2020 and of net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

## EMPHASIS OF MATTER – EFFECTS OF COVID-19 ON THE VALUATION OF PENSION FUND ASSETS

I draw attention to Note 18 to the financial statements, which describes a material valuation uncertainty in respect of pooled property investments within the pension fund as a result of the Covid-19 pandemic. My opinion is not modified in respect of this matter.

## OPINION ON REGULARITY

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

## BASIS OF OPINIONS

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Sports Council of Wales Lottery Distribution Account in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our 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 Sports Council of Wales Lottery Distribution Account's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or



**SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT**  
**STATEMENT OF COMPREHENSIVE NET INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

		2019/20	2018/19
	Note	£'000	£'000
<b>Expenditure</b>			
Grant offers made in year	3	3,259	24,190
Less lapsed and revoked offers	3	(194)	(55)
Staff costs	7	2,700	2,319
Depreciation	9	40	41
Other operating costs	8	481	391
<b>Total Expenditure</b>		<b>6,286</b>	<b>26,886</b>
<b>Gross Income</b>			
Proceeds from National Lottery Distribution Fund (NLDF)	11	(16,133)	(14,463)
Investment returns from the NLDF	11	(77)	(74)
Recoveries of grant		(20)	(538)
Other income	8	(193)	(193)
<b>Total Income</b>		<b>(16,423)</b>	<b>(15,268)</b>
Net (Income)/Expenditure from Activities		(10,137)	11,618
<b>Other Comprehensive Income / Expenditure</b>			
Pension finance cost	18	73	82
Actuarial Loss/(Gain) on Pension	18	258	(139)
		331	(57)
Net (Income)/Expenditure before interest and taxation		(9,806)	11,561
Interest receivable		(7)	(6)
<b>Net (Income)/Expenditure before taxation</b>		<b>(9,813)</b>	<b>11,555</b>
Taxation payable	6	1	1
<b>Net (Income)/Expenditure after taxation</b>		<b>(9,812)</b>	<b>11,556</b>
<b>Total Comprehensive (Income)/Expenditure for the year ended 31 March 2020</b>		<b>(9,812)</b>	<b>11,556</b>
Balance at 1 April		(418)	(11,974)
Balance at 31 March		(10,230)	(418)

All recognised gains and losses have been calculated on the historical cost basis and have been reflected in the above statement. All activities are continuing with no acquisitions or disposals.

The notes on pages 88 to 102 form part of these accounts.

**SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

		At 31 March 2020	At 31 March 2019
	Note	£'000	£'000
<b>Non Current Assets</b>			
Property, plant and equipment	9	133	163
<b>Current Assets</b>			
Trade receivables and other current assets	10	25	20
Investments - balance held in NLDF	11	15,027	14,665
Cash and cash equivalents	13	450	198
<b>Total Current Assets</b>		<b>15,502</b>	<b>14,883</b>
<b>Total Assets</b>		<b>15,635</b>	<b>15,046</b>
<b>Current Liabilities</b>			
Grant accrual	3	(373)	(10,554)
Other current liabilities	12	(1,689)	(1,061)
<b>Total Current Liabilities</b>		<b>(2,062)</b>	<b>(11,615)</b>
<b>Non Current Assets plus Net Current Assets</b>		<b>13,573</b>	<b>3,431</b>
<b>Non Current Liabilities</b>			
Grant accrual	3	(66)	(24)
Pension liability	18	(3,277)	(2,989)
		(3,343)	(3,013)
<b>Assets less Liabilities</b>		<b>10,230</b>	<b>418</b>
<b>Reserves:</b>			
Income and Expenditure Reserve		13,507	3,407
Pension Reserve	18	(3,277)	(2,989)
		10,230	418

The notes on pages 88 to 102 form part of these accounts.

The financial statements were approved by the Board and signed on its behalf by:

**Accounting Officer: S Powell**  
**16/09/2020**

**SPORTS COUNCIL FOR WALES LOTTERY DISTRIBUTION ACCOUNT**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2019/20 £'000	2018/19 £'000
<b>Cash flow from operating activities</b>			
Total Comprehensive Income/(Expenditure)		9,812	(11,556)
(Increase)/Decrease in debtors	10	(19)	111
(Decrease)/Increase creditors	3,12	(9,510)	10,325
(Increase)/Decrease in balance held at NLDF	11	(362)	876
Interest received		(7)	(6)
Depreciation of plant & equipment	9	40	41
Pension cost	18	288	(185)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>242</b>	<b>(394)</b>
<b>Cash flow from investing activities</b>			
Interest received		7	6
<b>Cash flow from financing activities</b>			
Purchase of property, plant & Equipment	9	(10)	(10)
Loan repayments	10	14	24
<b>Taxation</b>			
Corporation tax paid		(1)	(1)
<b>Net cash inflow/(outflow) for the year</b>	13	<b>252</b>	<b>(375)</b>
<b>Net increase in cash and cash equivalents in the period</b>			
Cash and cash equivalents at the beginning of the period		198	573
Cash and cash equivalents at the end of the period		450	198
		252	(375)

The notes on pages 88 to 102 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE SPORTS COUNCIL FOR WALES**  
**LOTTERY DISTRIBUTION ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Balances held in NLDF £'000	Balances held at SCW £'000	Pension Reserve £'000	Total £'000
Balance at 1 April 2018	15,541	(393)	(3,174)	11,974
<b>Changes in Taxpayers' Equity 2018/19</b>				
Income from the National Lottery	14,463	-	-	14,463
Drawn down in year by Sport Wales	(15,350)	15,350	-	-
Investment Returns	74	6	-	80
Other Operating Income	-	193	-	193
Recoveries of grants	-	538	-	538
Expenditure in year	(63)	(26,952)	-	(27,015)
Pension Cost	-	-	185	185
<b>Balance as at 31 March 2019</b>	<b>14,665</b>	<b>(11,258)</b>	<b>(2,989)</b>	<b>418</b>
<b>Changes in Taxpayers' Equity 2019/20</b>				
Income from the National Lottery	16,133	-	-	16,133
Drawn down in year by Sport Wales	(15,700)	15,700	-	-
Investment Returns	77	7	-	84
Other Operating Income	-	193	-	193
Recoveries of grants	-	20	-	20
Expenditure in year	(148)	(6,182)	-	(6,330)
Pension Cost	-	-	(288)	(288)
<b>Balance as at 31 March 2020</b>	<b>15,027</b>	<b>(1,520)</b>	<b>(3,277)</b>	<b>10,230</b>

The notes on pages 88 to 102 form part of these accounts.

## SPORTS COUNCIL FOR WALES – LOTTERY DISTRIBUTION ACCOUNT NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

### 1. ACCOUNTING POLICIES

#### 1.1 BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention, modified by the valuation of Property, Plant and Equipment by reference to current costs, in accordance with the directions given by the Secretary of State for Digital, Culture, Media and Sport with the consent of Treasury in accordance with Section 35 of the National Lottery etc Act 1993 (as amended) and the consent of Welsh Ministers. A copy of the accounts direction can be obtained by request in writing to Sports Council of Wales (Sport Wales), Sophia Gardens, Cardiff, CF11 9SW. Without limiting the information given, the accounts are prepared in accordance with the 2019/20 Government Financial Reporting Manual (IFRS based FReM) IFRS issued by HM Treasury.

Separate accounts have been prepared for the activities funded from grant-in-aid, in accordance with the directions issued by the Welsh Ministers. There is no requirement for this account to be consolidated with Sport Wales's accounts.

The accounts have been prepared on a going concern basis. Sport Wales is required to account for long term grant commitments which fall due for payment in subsequent accounting periods, which are funded by future lottery proceeds.

#### 1.2 INCOME FROM THE NATIONAL LOTTERY DISTRIBUTION FUND

The distributing activities of Sport Wales's Lottery function are funded by allotted proceeds from the National Lottery. These are held in a fund administered by the Department for Digital, Culture, Media and Sport, and are available to be drawn-down into Sport Wales's Lottery bank accounts when needed.

Balances held in the National Lottery Distribution

Fund remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport. However, the share of such balances attributable to Sport Wales is shown in the accounts at market value and, at the Statement of Financial Position date, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by Sport Wales in respect of current and future commitments.

The balance held at 31 March 2020 at the NLDF, has been audited and no adjustments are required. The opening balance of the fund was not adjusted for 2018/19.

#### 1.3 PROPERTY PLANT & EQUIPMENT

Sport Wales capitalise any property, plant and equipment over £500 used exclusively in the administration of the Lottery function and the equipment is 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 value of these assets.

#### 1.4 DEPRECIATION

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

Equipment - Computers	3 years
Equipment - Other	3 - 10 years

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

### 1.5 PENSION COSTS

Sport Wales operates two pension schemes. 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. The other scheme is a defined contribution pension scheme with Scottish Widows. IAS19 requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Expenditure so as to spread the cost of pensions over employees' working lives with Sport Wales.

The apportionment of any pension liabilities or assets between Lottery and Sport Wales is based on the historic rate of apportionment of staff costs see 1.6.1. The pension fund deficit payments are allocated on the same proportion as the pension deficit allocation to the Lottery account.

### 1.6 ALLOCATION OF COSTS

The apportionment of staffing and indirect costs transferred from Sport Wales to the Lottery account is calculated on the following basis:

#### 1.6.1

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. Where staff work, or provide a service to both lottery and exchequer schemes, their costs are recharged in proportion to the amount of time spent on Lottery work.

#### 1.6.2

Non staff costs are recharged either on the basis of the floor area occupied by Lottery staff, or where no floor area data is available or considered appropriate, costs are apportioned based upon total Lottery staff time expressed as a percentage of total staff time.

#### 1.6.3

Council Members remuneration and travelling expenses are apportioned on a 50/50 basis.

### 1.7 POLICY FOR GRANT ACCRUALS

Grant awards are accounted for as expenditure in the Statement of Comprehensive Net Income and, until paid, as a grant accrual in the Statement of Financial Position if they meet the definition of a liability, which is detailed within Note 3.

Grant awards which have been formally decided upon which do not meet the definition of a liability are not included in expenditure in the Statement of Comprehensive Net Income or as an accrual in the Statement of Financial Position; but are disclosed as a contingent grant liability in the Notes to the Accounts.

### 1.8 OTHER INCOME

Relates to income generated from UK Sport for the use of Sport Wales's assets and facilities.

### 1.9 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 ongoing 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 1.6.1 Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities, see note 1.6.1 for further details. Note 18 relates to pension costs apportioned to Lottery based on historic averaged apportionment of staff costs.

### 1.10 FINANCIAL INSTRUMENTS

#### 1.10.1 FINANCIAL ASSETS

Trade receivables and other current assets do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash and

cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 1.10.2 FINANCIAL LIABILITIES

Trade Payables and other current liabilities are not interest bearing and are stated at their nominal value.

### 1.11 SEGMENTAL REPORTING

Sport Wales's management reporting for Lottery provides information relating to the distribution of Lottery grants. Sport Wales is of the opinion that the disclosure requirements of IFRS 8 Operating Segments, is not applicable to these Lottery

Distribution Accounts. There is considered to be a single operating segment for the distribution of lottery funds.

### 1.12 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. Due to the Coronavirus pandemic, HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 Leases until 1 April 2021 for public sector financial reporting.

### 2. GRANTS MET IN THE YEAR

Revenue Grants	2019/20 £'000	2018/19 £'000
Elite Cymru	3,140	3,222
Coach Cymru	2,772	2,741
National Performance	985	983
National Coaching	931	937
Disability Sport	552	552
Community Chest	1,689	1,680
Lottery Growth	312	292
Leadership	18	81
Note 3	10,399	10,488

Community Chest includes an amount of £62,165 (2018/19 £60,416) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

Capital Grants	2019/20 £'000	2018/19 £'000
Capital	29	264
Development Grants	2,685	3,051
Calls for Action	91	340
Note 3	2,805	3,655

The grant figures in the notes above includes £309,309 direct expenditure incurred on behalf of grant recipients (£463,472 in 2018/19)

### 3. GRANT ACCRUAL

	Capital £'000	Revenue £'000	2019/2020 Total £'000	2018/2019 Total £'000
Balance as at 1 April	2,140	8,438	10,578	586
Grant offers met in the year	(2,805)	(10,399)	(13,204)	(14,143)
Grant offers not taken up	(27)	(167)	(194)	(55)
Grant offers made in the year	1,019	2,240	3,259	24,190
Movement in year	(1,813)	(8,326)	(10,139)	9,992
Accruals balance as at 31 March	327	112	439	10,578
Analysed as:				
Amounts falling due within one year	261	112	373	10,554
Amounts falling due after one year	66	-	66	24
<i>Analysis of expected timing of cash flows</i>			2019/2020 £'000	2018/2019 £'000
Amounts due during 2019/20 Financial Year			-	10,554
Amounts due during 2020/21 Financial Year			373	24
Amounts due during 2021/22 Financial Year			66	-
Balance at 31 March 2020			439	10,578
			2019/2020 £'000	2018/2019 £'000
<b>Intra-government balances</b>				
Balances with other central government bodies			-	78
Balance with local authorities			52	1,080
			52	1,158
Balance with bodies external to government			387	9,420
			439	10,578

### GRANT ACCRUAL CONTINUED

Sport Wales will treat Grant awards as expenditure, and if unpaid as an accrual, if a constructive obligation to make payment exists. Grant awards that are free from any special conditions of grant become a constructive obligation when the formal offer of grant has been sent to the grant recipient.

Grant offers with special conditions attached become a constructive obligation when the applicant

has complied with the special conditions incorporated into the contract. Awards that have been decided upon but have conditions of grant outstanding that have yet to be fulfilled will not give rise to a constructive obligation and will not give rise to a grant accrual; instead such awards will be disclosed by way of note as a contingent grant liability (see note 4).

Grant awards will be treated as a formal offer upon formal written notification to the intended recipient by means of an "offer letter". Oral or informal communication by staff which is stated to be non-binding by Sport Wales will not be treated as a formal offer of grant.

Sport Wales will not treat any of the following conditions as being under their control:

- The requirement to obtain planning permission or any other regulatory approval;
- The requirement to obtain match funding from other sources;
- A general condition relating to the availability of lottery funds.

As part of the new Sport Wales strategy, a new investment model was being developed in readiness for funding decisions from 2020/21. Therefore 2019/20 was a transition year for funding decisions, so Sport Wales opted to extend the 2018/19 funding offers by 12 months to allow time to work with partners during the transition year. The extension grant offer was based on the 2018/19 offer letter amounts, with the revised offer letters being issued during the 2018/19 financial year. Consequently, the 2019/20 offers were included as offers made in the 2018/19 accounts.

However, the investment model is still being developed and ongoing discussions with selected partners are continuing. The new funding model is due to take effect for the 2021/22 financial year. Therefore, new 12 month offer letters for the financial year 2020/21 will be issued from April 2020.

#### 4. CONTINGENT GRANT LIABILITIES

	2019/2020 £'000	2018/2019 £'000
Grant Liability	471	1,365
	<u>471</u>	<u>1,365</u>

#### 5. CAPITAL COMMITMENTS

At 31 March 2020, the Lottery account had no contractual commitments for Capital and Property, Plant and Equipment (2018/2019 Nil).

#### 6. TAXATION PAYABLE

	2019/2020 £'000	2018/2019 £'000
Tax payable on interest received at 19% (2018/2019 - 19%)	1	1
	<u>1</u>	<u>1</u>

#### 7. STAFF NUMBERS AND RELATED COSTS

The staff costs figure shown in the Net Expenditure Account is an apportionment of costs incurred by Sport Wales and is arrived at as follows:

	Average No. of full time equivalent staff involved		2019/2020 £'000	2018/2019 £'000
	2019/20	2018/19		
Gross salary costs				
Chair L Conway*	0.20	0.20	18	16
Chief Executive S Powell	0.25	0.25	24	24
Other Staff**	50.03	44.68	2,658	2,279
			<u>2,700</u>	<u>2,319</u>
Salaries and wages			1,918	1,711
Social Security costs			205	171
Other Pension costs			620	564
IAS19 Adjustments			(43)	(127)
			<u>2,700</u>	<u>2,319</u>

Other Pension costs totalling £620,000, include a lump sum contribution of £235,250 towards the net pension liability (2018/19 £219,360). The remainder is the employer pension cost allocated to lottery based on individual employee time apportionment to lottery work.

IAS19 Employee Benefits requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Income (SoCNI). For 2019/20, the actual employer's contribution was (£500,000) (25% of £2,000,000). The lottery apportioned current and past service cost for 2019/20 totalled £457,500 (25% of £1,830,000) which must replace the actual employer's pension

costs included in the SoCNI. Therefore the net effect was (£42,500) to staff costs after deducting employer's contribution. As current service cost is a notional entry, this is reversed in the Statement of Changes in Taxpayers' Equity so that Lottery balances are only charged with the cost of employer's pension contributions. Further details can be found in note 18.

Redundancy costs for the year have been met in full by and reflected in the accounts for the Sports Council for Wales. There are no redundancy costs included in these financial statements.

Staff costs are further analysed as follows:

	2019/2020 £'000	2018/2019 £'000
Administration	1,194	1,003
Sports Science Support to Athletes	1,506	1,316
	<u>2,700</u>	<u>2,319</u>

\* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities.

\*\* Includes Brian Davies FTE for the four months as acting CEO and eight months as Director.

## 8. OTHER OPERATING COSTS AND OTHER INCOME

Costs	2019/2020 £'000	2018/2019 £'000
Direct Costs	231	161
Accommodation	67	63
Consultancy	5	2
Audit Fee	21	21
Recharges for Sport Wales Services	157	144
	<u>481</u>	<u>391</u>
<b>Income</b>	<b>2019/2020 £'000</b>	<b>2018/2019 £'000</b>
UK Sport Grant	193	193
	<u>193</u>	<u>193</u>

## 9. PROPERTY, PLANT AND EQUIPMENT

	Equipment £'000	Total £'000
Cost or Valuation at 1 April 2019	479	479
Additions	10	10
Disposals	-	-
At 31 March 2020	<u>489</u>	<u>489</u>
Depreciation at 1 April 2019	(316)	(316)
Charge for the year	(40)	(40)
Disposals	-	-
At 31 March 2020	<u>(356)</u>	<u>(356)</u>
<b>Net Book Value at 31 March 2020</b>	<u>133</u>	<u>133</u>
Net Book Value at 31 March 2019	<u>163</u>	<u>163</u>

## 9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Equipment £'000	Total £'000
Cost or Valuation at 1 April 2018	470	470
Additions	10	10
Disposals	(1)	(1)
At 31 March 2019	<u>479</u>	<u>479</u>
Depreciation at 1 April 2018	(276)	(276)
Charge for the year	(41)	(41)
Disposals	1	1
At 31 March 2019	<u>(316)</u>	<u>(316)</u>
<b>Net Book Value at 31 March 2019</b>	<u>163</u>	<u>163</u>
Net Book Value at 31 March 2018	<u>194</u>	<u>194</u>

## 10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March 2020 £'000	31 March 2019 £'000
<b>Due within 1 Year</b>		
Other receivables	25	20
<b>Due within more than 1 Year</b>		
Other receivables and prepayments	-	-
	<u>25</u>	<u>20</u>

Included in other receivables is nil (2018/2019 £14,000) in respect of interest free loans made over a period of up to 10 years.

	31 March 2020 £'000	31 March 2019 £'000
<b>Intra-government balances</b>		
Balances with other central government bodies	-	-
Balance with local authorities	25	2
	<u>25</u>	<u>2</u>
Balance with bodies external to government	-	18
	<u>25</u>	<u>20</u>



**11. NATIONAL LOTTERY DISTRIBUTION FUND**

	Balances held in NLDF £'000
Balance at 1 April 2018	15,541
<b>Changes in Taxpayers' Equity 2018/19</b>	
Income from the National Lottery	14,463
Drawn down in year by Sport Wales	(15,350)
Investment Returns	74
Other Operating Income	-
Recoveries of grants	-
Expenditure in year	(63)
Pension Cost	-
<b>Balance as at 31 March 2019</b>	<u>14,665</u>
<b>Changes in Taxpayers' Equity 2019/20</b>	
Income from the National Lottery	16,133
Drawn down in year by Sport Wales	(15,700)
Investment Returns	77
Other Operating Income	-
Recoveries of grants	-
Expenditure in year	(148)
Pension Cost	-
<b>Balance as at 31 March 2020</b>	<u><u>15,027</u></u>

The above balances agree to the National Lottery Distribution Fund (NLDF) statement issued by the Department for Digital, Culture, Media and Sport (DCMS).

**12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

	31 March 2020 £'000	31 March 2019 £'000
Sport Wales	1,667	1,040
Accruals	22	21
	<u>1,689</u>	<u>1,061</u>
<b>Intra-government balances</b>		
Balances with other central government bodies	1,667	1,040
Balance with local authorities	-	-
	<u>1,667</u>	<u>1,040</u>
Balance with bodies external to government	22	21
	<u>1,689</u>	<u>1,061</u>

**13. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS**

	2019/2020 £'000	2018/2019 £'000
As at 1 April	198	573
Net change in cash and cash equivalent balances	252	(375)
As at 31 March	<u>450</u>	<u>198</u>

All cash is held in commercial bank accounts.

**14. CONTINGENT LIABILITIES**

With the exception of contingent grant liabilities, disclosed in Note 4, there were no other contingent liabilities at 31 March 2019 and 31 March 2020 requiring disclosure.

**15. CONTINGENT ASSETS**

Government has a profit-sharing agreement with the Greater London Authority (GLA). The agreement entitles DCMS to up to £675m - the amount contributed from the National Lottery Distribution Fund towards the cost of hosting the London 2012 Games. Money received as part of this profit-sharing agreement will be returned to Lottery Distributing Bodies. Repayment of this money is dependent on land sales and how proceeds will be apportioned as set out in the 2012 agreement with the GLA.

**16 FINANCIAL INSTRUMENTS**

International Financial Reporting Standard 7: Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks Sport Wales's Lottery function faces in undertaking its role.

**LIQUIDITY RISKS**

In 2019/20, £16,133,000 or 98.2% of income derived from the National Lottery (2018/19 £14,463,000 or 94.7%). Of the remaining income, £77,000 or 0.5%, derived from investment returns from the balance held with the National Lottery Distribution Fund, (2018/19 £74,000 or 0.5%), and £213,000 or 1.3% from sundry income (2018/19 £731,000 or 4.8%). Sport Wales does not consider that its Lottery fund is exposed to any significant liquidity risk, and are satisfied that the balance within the NLDF and projected future Lottery proceeds are sufficient to meet its hard commitments.

**INTEREST RATE RISKS**

The financial assets of the Lottery are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Sport Wales has no control over the investment of Funds in the National Lottery Distribution Fund. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 0.50% (2018/19 0.50%) in the year. The cash balance at the year-end was £450,000 (2018/19 £198,000). Sport Wales considers that its Lottery function is not exposed to significant interest rate risks.

**FOREIGN CURRENCY RISK**

The Lottery function of Sport Wales is not exposed to any foreign exchange risks.

**17. RELATED PARTY TRANSACTIONS****PUBLIC BODIES**

The Lottery operations of Sport Wales are funded from the National Lottery Fund through the Department for Digital, Culture, Media and Sport. The Department is regarded as a related party.

**INDIVIDUALS**

Lottery paid grants during the year to a number of organisations in which members and senior staff declared an interest and which are considered material are shown below. 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	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
<b>S Powell</b> CEO	Welsh Hockey Union	249	Member	-
<b>J Sheppard</b> Council Member	Welsh Netball	275	Mother -Employee Welsh Netball Association	-
<b>J Sheppard</b> Council Member	Badminton Wales	149	Sister - Chair Badminton Wales	-
<b>J Sheppard</b> Council Member	Welsh Rugby Union	172	Father - Match Official Welsh Rugby Union	-
<b>J Sheppard</b> Council Member	Golf Union of Wales	245	Sister – Board Member	-
<b>R Parks</b> Council Member	Snowsport Cymru Wales	45	Ambassador	-
<b>G Williams</b> Corporate Director	Welsh Netball	275	Children - Members	-
<b>B Davies</b> Corporate Director/ Acting CEO	Welsh Gymnastics Commonwealth Games Council for Wales	673 195	Spouse Coach Sport Wales Representative on CGW Board	- -
<b>I Bancroft</b> Council Member	Flintshire County Council	18	Former Employee	-
<b>I Bancroft</b> Council Member	Wrexham County Borough Council	23	CEO	3
<b>S Morgan</b> Manager, Plas Menai	URDD	286	Daughter is member	-
<b>M Veale</b> Council Member	Pembrokeshire County Council	19	Lay member of Audit Committee	22
<b>M Veale</b> Council Member	Merthyr Tydfil County Borough Council	72	Lay member of Standards Committee	-
<b>P Britton</b> Council Member	Disability Sport Wales	904	Former Chair	2

Member's Panel	Body	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
<b>P Britton</b> Council Member	Welsh Orienteering Association	3	Brother is Committee Member	-
<b>P Tilley</b> Council Member	Welsh Triathlon Association	193	Member	-
<b>P Tilley</b> Council Member	Monmouthshire County Council	2	Member of Community Chest Panel	-
<b>R Begum</b> Council Member	Wales Council for Voluntary Action	78	Employee	-

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 Reports on pages 74 to 79.

**18. PENSIONS**

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

Pension data contained within this disclosure have been provided by the 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 per note 1.5. For 2019/20 this is Lottery Accounts 25% and Sports Council for Wales Consolidated Accounts 75%.

Sport Wales made a total pension contribution in 2019/20 of £2,000,000 (2018/19 £1,920,000) which is analysed as follows:

- Employers Pension contributions £1,059,000 representing 24.2% of pensionable pay (2018/19 £1,006,000 24.2%)
- There were no advanced contributions in respect of early retirement cost during 2019/20 (2018/19 nil)
- Lump Sum Contribution of £941,000 (25% of which was met by Lottery), (2018/19 £914,000 of which 24% was met by Lottery)

The rate of employer's pension contributions from 2020/21 will be 32.8%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2019. 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 £2,110,000 to the fund in 2020/21, which includes a contribution towards the pension deficit of £636,000. In addition to this "strain on fund" contributions may be required as well.

The full pension cost to Sports Council of Wales is £290,000 of which £218,000 (2018/19 £258,000)

is allocated to the consolidated accounts, with the remainder of £73,000 (2018/19 £82,000) allocated to Lottery.

The full actuarial loss on pension to Sports Council of Wales is £1,030,000 of which £773,000 (2018/19 gain of £441,000) is allocated to the consolidated accounts, with the remainder of £258,000 (2018/19 gain of £139,000) allocated to Lottery.

The full pension liability to Sports Council of Wales is £14,030,000, of which £10,754,000 (2018/19 £9,891,000) is allocated to the consolidated accounts, with the remainder of £3,277,000 (2018/19 £2,989,000) allocated to Lottery. The Lottery pension liability is adjusted by £231,000 to accommodate the net impact of historic changes in apportionment of staff costs to the Lottery account with the offset £231,000 allocated to the pension liability in the Sports Council for Wales consolidated accounts.

The Coronavirus (COVID-19) pandemic has impacted global financial and property markets. As a result of the volatility in market conditions, the year-end valuation reports provided to Cardiff and Vale of Glamorgan Pension Fund include a statement that there is a material valuation uncertainty in respect of pooled property investments managed on behalf of the pension fund as at 31 March 2020.

The total value of these affected investments as at 31st March 2020 is £106.746m of which, £2.348m (2.2%) is attributable to the Sports Council for Wales. Of the £2.348m, £1.761m is attributable to the consolidated accounts, with the remainder of £0.587m attributable to Lottery.

#### MAIN FINANCIAL ASSUMPTIONS

	31 March 2020 %	31 March 2019 %	31 March 2018 %
Discount Rate	2.3	2.4	2.6
Inflation - CPI	1.9	2.2	2.1
Rate of increase to pensions in payment	1.9	2.2	2.1
Rate of increase to deferred pensions	1.9	2.2	2.1
Rate of general increase in salaries	2.9	3.2	3.1
Mortality Assumptions:	Years	Years	Years
Future lifetime from age 65 (aged 65 at accounting date)			
- Male	22.2	22.4	23.1
- Female	24.6	24.8	25.8
Future lifetime from age 65 (aged 45 at accounting date)			
- Male	23.2	23	24.2
- Female	26	25.9	27.2

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market

principles. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2020.

#### ANALYSIS OF MOVEMENTS IN SURPLUS (DEFICIT) DURING THE YEAR

	31 March 2020 £m	31 March 2019 £m
Fair value of fund assets	44.37	47.09
Present value of liabilities	(58.40)	(59.97)
(Deficit) in scheme at end of year	(14.03)	(12.88)

#### ANALYSIS OF AMOUNT CHARGED TO OPERATING COSTS

	31 March 2020 £m	31 March 2019 £m
Current service cost	1.57	1.39
Past service cost	0.26	0.00
Interest cost	0.29	0.34
Expense recognised	2.12	1.73

#### REMEASUREMENT OF AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE EXPENDITURE

	31 March 2020 £m	31 March 2019 £m
Return on plan assets in excess of that recognised in net interest	5.10	(1.88)
Actuarial losses due to change in financial assumptions	(2.52)	3.63
Actuarial losses due to change in demographic assumptions	(0.79)	(2.42)
Actuarial losses due to liability experience	(0.76)	0.09
Total amount recognised in Other Comprehensive Expenditure	1.03	(0.58)
Total amount recognised	3.15	1.15

#### CHANGES TO THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION DURING THE ACCOUNTING PERIOD

	31 March 2020 £m	31 March 2019 £m
Opening defined benefit obligation	59.97	56.52
Current service cost	1.57	1.39
Interest expense on defined pension obligation	1.43	1.46
Contributions by participants	0.31	0.3
Actuarial losses on liabilities- financial assumptions	(2.52)	3.63
Actuarial losses/(gains) on liabilities - demographic assumptions	(0.79)	(2.42)
Actuarial losses on liabilities - experience	(0.76)	0.09
Net benefits paid out	(1.07)	(1.00)
Past service cost (including curtailments)	0.26	0.00
Closing defined benefit obligation	58.40	59.97

#### CHANGES TO THE FAIR VALUE OF ASSETS DURING THE YEAR

	31 March 2020 £m	31 March 2019 £m
Opening fair value of assets	47.09	42.87
Interest income on assets	1.14	1.12
Remeasurement gain on assets	(5.10)	1.88
Contributions by the employer	2.00	1.92
Contributions by participants	0.31	0.3
Net benefits paid out	(1.07)	(1.00)
Closing fair value of assets	44.37	47.09

**ACTUAL RETURN ON ASSETS**

	31 March 2020 £m	31 March 2019 £m
Expected return on assets	1.14	1.12
Actuarial gain on assets	(5.10)	1.88
Actual return on assets	(3.96)	3.00

**HISTORY OF ASSET VALUES, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AND DEFICIT**

	31 March 2020 £m	31 March 2019 £m	31 March 2018 £m	31 March 2017 £m	31 March 2016 £m	31 March 2015 £m
Fair value of assets	44.37	47.09	42.87	40.34	31.35	30.40
Present value of defined benefit obligation	(58.40)	(59.97)	(56.52)	(53.03)	(41.36)	(42.57)
(Deficit)	(14.03)	(12.88)	(13.65)	(12.69)	(10.01)	(12.17)

**19. EVENTS AFTER THE REPORTING PERIOD**

The global Covid-19 pandemic and subsequent movement restrictions introduced at the end of reporting period, have since been extended and continue to present Sport Wales and the wider sector with significant financial challenges. Whilst Sport Wales is extremely grateful to Welsh Government for an increased budget for 2020/21, the increased financial cost of meeting pension deficit payments, coupled with the loss of income from the closure of our two National Centres during these restrictions continues to present a huge challenge in delivering Sport Wales' objectives.

In response to the risk to the wider sporting sector during 2020/21, through a combination of Welsh Government & National Lottery funding, Sport Wales has developed an £8.5m Sport Resilience Fund to help protect the sport sector in Wales from the consequences of the restrictions put in place. A further £550,000 has been set aside for the Emergency Relief Fund targeted at clubs facing significant challenges and in need of immediate financial support.

This has not impacted Sport Wales' ability to operate as a going concern and no adjustments to the statement of accounts have been made.

The accounts were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General.

