

The Sports Council Trust Company

Company number 2517615

Charity number 803779

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2010-2011

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The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

TRUSTEES' REPORT

The trustees' present their Report on the affairs of the Company together with the financial statements and auditor's report for the year ended 31 March 2011.

STRUCTURE, GOVERNANCE and MANAGEMENT

Governing document

The Sports Council Trust Company ("the Charity") is a company limited by guarantee which is governed by its Memorandum and Articles of Association. It is a registered charity with the Charities Commission. The members as at 1 April 2010 were The English Sports Council (also known as Sport England) and Tim Marshall, a former board member of The English Sports Council. Tim Marshall, whose membership of the Charity was held in Trust on behalf of The English Sports Council, resigned as the Chairman of the Charity in October 2010 and renounced his membership of the Charity. He remains as a trustee of the Charity. The English Sports Council thereafter became, and continues to be the sole member of the Charity

Appointment of trustees

The directors of the Company are its trustees, and for the purposes of charity law throughout this report are collectively referred to as trustees. All appointments to the Charity for the position of Chairman, trustees and Company Secretary are made by The English Sports Council and are in accordance with:

- the Parent/Subsidiary Memorandum
- the Company's Memorandum and Articles of Association, and
- The English Sports Council's Recruitment and Selection Guidelines: Subsidiary Boards.

Trustee induction and training

Upon appointment, new trustees receive corporate governance, financial and legal information in relation to the Charity in the form of the Memorandum and Articles of Association and other governing and policy documents, annual report, management accounts, Charity Commission guidance and the Seven Principles of Public Life.

Organisation

The board of trustees administers the Charity. During the year the board met six times. The Charity has no employees.

A chairman is appointed by The English Sports Council, who has accountability for the management of the operations of the Charity. To facilitate effective operations, the Chairman delegates authority for day to day administration to officers of The English Sports Council (see related parties below) as set out in the Service Level and Agency Agreements between The English Sports Council and the Charity.

Related parties

The English Sports Council is the principal related party with the Charity (see note 2). The Parent/Subsidiary Memorandum entered into on 26 July 2010, effective from 1 April 2010, between The English Sports Council and the Charity provides the operating and governance framework between The English Sports Council (the Parent) and the Charity (the Subsidiary).

The Charity acquires tangible assets and through formal agency agreements, The English Sports Council operates as the Charity's agent in relation to the use, management and maintenance of those assets.

Risk management

The board of trustees identifies and reviews the major risks that the Charity faces in relation to activities and is satisfied that it has taken all reasonable steps to mitigate those risks. Risk consideration is a standing agenda item at board meetings and the Charity has adopted a formal risk register.

The following risks are considered by trustees to be the most significant risks facing the Charity. Additional risks not presently known to the Charity, or that it currently deems immaterial, may also

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impact on the Charity's operations:

- Changes to regulatory environment may increase regulatory burdens and taxes, rates and other costs
- Reduction of funding and support provided by The English Sports Council
- The contractors engaged to operate the National Sports Centres may under perform and fail to meet targets
- Investments made by the Charity do not reap satisfactory profits and/or are insufficient to meet its charitable objects.

OBJECTIVES AND ACTIVITIES

The objects of the Charity as set out in its governing documents are summarised as:

- The preservation and safeguarding of the physical and mental health of the community through physical recreation (including sports) and education in relation thereto; and
- The provision of facilities for physical recreation (including sports), which shall be available to members of the public.

The Charity aims to meet these charitable objects by providing opportunities for increased participation in a wide range of sporting activities and access to community facilities.

The main objectives of the Charity are the:

- Provision and maintenance of world-class training facilities at the National Sports Centres.
- Provision of grants to various sports organisations.

The strategies to achieve these objectives included:

- New management contracts procured for each of the National Sports Centres, to include performance metrics aligned to strategic and charitable objectives.
- Review of grants policy and available funding.

Further explanation on the significant activities that contributed to the achievement of the Charity's objectives is detailed in the following sections of the trustee's report.

REVIEW OF ACTIVITIES

The National Sports Centres owned or leased by the Charity during the year were Bisham Abbey, Lilleshall and Plas y Brenin. These facilities are managed on behalf of the Charity through agency agreements with The English Sports Council. A management agreement remains in place between British Mountaineering Council Land and Property Trust and the Charity in relation to the operation of the car park and ancillary facilities at Harrison's Rocks.

The procurement of contractors to operate the National Sports Centres continued during the year and after a robust and rigorous evaluation the process was concluded in March 2011. The 15 year contracts are the culmination of a strategic review and competitive dialogue procurement process which has delivered contracts focused on National Governing Bodies and sports development to create a world-leading community sport environment. The contract for the management of Plas y Brenin was awarded to Mountain Training Limited (MTL), the parent company of the incumbent operator, Mountain Training Trust (MTT). MTT will however continue to undertake the day to day management of Plas y Brenin under a service contract with its parent company MTL. The contract for the management of Bisham Abbey and Lilleshall was awarded to Serco Leisure Operating Limited. The Charity will, through a lottery award, invest in Lilleshall and Bisham Abbey providing improved sports facilities and accommodation to provide an environment which can accommodate community, club and elite activity and drive effective talent development at each level but will also help to ensure that the facilities are more cost effective in their operation. The new management contracts contain performance reporting mechanisms to include sports and National Governing Body development and participation targets driving sporting outcomes clearly linked to The English Sports Council's aims and objectives including that of wider community engagement.

During the year 2009-10 the Charity in consultation with the National Audit Office (NAO) undertook an

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in-depth review of its governance arrangements. It was felt that a clearer definition of roles and responsibilities was needed between the Charity and The English Sports Council together with a more formal arrangement for the provision of services by The English Sports Council. Further to that review in July 2010 the Charity entered into the following agreements:

- a Parent/Subsidiary Memorandum which provides a framework governing financial and other matters between the Charity and The English Sports Council
- a Service Level Agreement which defines the responsibilities of The English Sports Council as the provider of administrative and other services to the Charity.
- An Agency Agreement which sets out when and how The English Sports Council may act as agent for the Charity.

The Charity adopted a new Memorandum and Articles of Association following the final implementation of the Companies Act 2006.

The Trustees recognised the need to strengthen the Board and during the year welcomed Sonia Howe, Mike Green, Geoff Lawton and Keith Nicholls all of whom bring valuable experience across a range of disciplines to the Board. Tim Marshall resigned as Chairman after more than 20 years of sterling service.. He is replaced as Chairman by David Knight who has served as a trustee on the Board since 2005.

For the second consecutive year the Charity did not make any grants due to the limitations of its investment income. The Charity reviewed its grants policy and established new grant criteria. The Trustees appointed Barings Asset Management Limited to replace Barclays Wealth Management as Investment Manager in October 2010.

PUBLIC BENEFIT

The public benefit provided by the Charity is the provision of facilities, the National Sports Centres, for physical recreation (including sport) which are available for use by members of the public. The National Sports Centres are managed and operated for the benefit of the community, with the aim of enhancing physical and mental health via the provision of sporting opportunities and by protecting access to sporting facilities for the public.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims, objectives and achievements and in planning future activities.

In pursuit of their charitable objectives throughout the year ended 31 March 2011, the Charity sees the following results and achievements as significant towards enhancing the level of community use at its National Sports Centres.

Bisham Abbey

Sports facilities include tennis courts, rowing, hockey pitches, football pitches, a multipurpose grass pitch, 9 hole short golf course, squash courts and a multi sports facility including an English Institute of Sport (EIS) strength and conditioning area and sports science medical centre. It also includes a gym and fitness centre and has on site accommodation.

In 2010-11 community use of the facilities decreased by 12%. This is due largely to the five month closure of the international artificial hockey pitch for relaying of a new Olympic pitch carpet in preparation for the England Hockey senior team 2012 training.

The English Sport Council's investment to provide new squash court flooring at Bisham Abbey has been rewarded with growth in the Club usage throughout the year. 40 members are now competing in eight leagues and the team finished third in the winter Berkshire League. The tennis academy continues to develop at Bisham by offering opportunities for the whole talent pathway from mini tennis and working with schools to introduce players to the sport through to developing the Bisham Tennis Club by means of coaching and identifying talent and running a successful residential programme for elite players.

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Win Tennis has seen in excess of 1,000 children across the mini-tennis, development, schools programmes and camps this year at Bisham. 95 players, of which 28 are world and European-ranked, continue to train at Bisham.

2010 saw Bisham Abbey host a junior development programme at its 9 hole golf course with an average of 24 attendees per week.

Lilleshall

Sports facilities include an international standard gymnastics hall, squash courts, an international archery performance centre, a hockey pitch, a multipurpose astro turf pitch, football pitches, rugby pitch, multipurpose indoor sports halls and an EIS strength and conditioning area and sports science medical centre.

Community use of the facilities increased in 2010-11 to 130,673 visits, compared to 114,757 visits in 2010. This increased usage is attributable to the completion of two new all weather pitches.

Lilleshall attracted new clubs to the centre which included a squash club, hockey club and LLH who are the first indoor tennis club who will be using Wenlock Hall on a weekly basis for indoor league matches. The European Institute of Fitness has relocating its operation from Spain to Lilleshall and will be a key user utilising 5,000 bed nights and a dedicated fitness facility for over 40 weeks a year.

A new gymnastics club, Airborne, was launched by former British gymnast Jason Tucker at Lilleshall at the start of the year. Consisting of 60 members, the club is open to both male and female gymnasts between the ages of 4 and 18. The group includes four boys who have already been selected for National Squad Training.

Walsall Council's Integrated Young People's Support Service made use of the facilities at Lilleshall for a weekend football training course as part of a scheme designed to provide more intensive support for young people who have serious social problems and gives them an opportunity to engage in sporting activities. Over 50 mixed participants attended the weekend.

The English Sports Council, in conjunction with Royal British Legion (RBL), is currently working on a joint venture to provide a Battle Back Challenge Centre. This will provide wounded service men and women with sporting opportunities and outdoor activities as part of a holistic rehabilitation. The Battle Back Centre to be established at Lilleshall will provide for up to 40 residents and will focus on rebuilding the individuals' confidence and motivation to enable them to either return to service or adapt to civilian life. The RBL wish to relocate staff in June 2011, be partially operational in September 2011 (to coincide with RBL's 90th anniversary) and fully operational in April 2012.

Plas y Brenin

Onsite sports facilities include 2 wall climbing areas, an abseil tower, a canoe training pool and a dry ski slope. The centre runs a year round programme of mountain sports courses including rock climbing, mountaineering, scrambling, hill walking and orienteering, mountain biking, skiing, kayaking and canoeing. There is also a large day visitor programme of activities taking place throughout the year.

An Equity Symposium residential weekend for 45 participants was hosted in conjunction with the British Mountaineering Council (BMC). The event investigated barriers to participation in hill walking and climbing and explored means of removing these barriers and promoting community action and participation. Participants were predominantly ethnic minorities and Asian women from North West England. Safety and good practice were also introduced.

MTT won a contract to deliver Intermediate Labour market work placements funded by the WCVA, with two placements based at Plas y Brenin. The project encourages employment in the outdoor adventure sport sector. Other outdoor centres in North West Wales are also participating in this project.

Plas y Brenin hosted the first North West Wales Outdoor Partnership Activity Festival during which 110 participants took part in adventure activities. The first Welsh woman to summit Everest gave an illustrated lecture of her success and this was the first visit to Plas y Brenin by Guto Bebb MP, the new

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Conservative Member of Parliament for Conwy who launched the new Outdoor Award (awarded to adventure clubs reaching 'club mark' status).

Canoe England designated Plas y Brenin as their sole delivery centre for UK Coaching Certificate Level 3 courses in recreational coaching in order to ensure quality verification.

Harrison's Rocks

Harrison's Rocks is an outcrop of sandstone rocks used widely by the mountaineering and rock climbing community. The Charity has continued to oversee the operation of the car park and campsite at Harrison's Rocks.

OTHER ACHIEVEMENTS

The National Sports Centres continue to support and enhance the delivery of talent development at the centres from community to world class performance by the NGB's, through the provision of a mix of high quality sports facilities co-located with supporting provision in a unique inspirational sporting environment.

Investment in The English Institute of Sport's Strength and Conditioning Gym and Performance Centre continues to provide athletes with the facilities which contribute to their performance and the following recent successes included athletes who have trained or recovered at Bisham.

GB Rowing and Adaptive Rowing: in the July final the teams won the overall world cup series 2010 and received medals in all Olympics classes.

Flat Water Canoeing: The recent European and World Championships were the most successful ever for the teams, winning 6 gold medals in the European and 4 gold medals and a bronze in the World Championships.

Hockey: Recent performance has been the most successful in 20 years. In September the Great Britain women's team won a bronze in the World Cup and the men took silver.

Synchronised swimming: Performance in the August European Championships in Budapest was the best to date, with the team taking 10th place and the duet taking 6th place (which compared with 3 years ago when the teams were not in the top 30)..The team finished 8th and the duet 6th place in the China World Championships.

Lilleshall hosted a number of National Governing Bodies of Sport during this period including regular users such as England Hockey, British Gymnastics, England Squash, Rugby Football Union, English Table Tennis, Archery GB but new visitors such as England Shotokan who hosted their first annual conference at Lilleshall with over 100 delegates.

Following a visit from Hugh Robertson in September, Jeremy Hunt MP, the Secretary of State for the DCMS, visited Lilleshall and remarked on the wonderful facilities available at Archery GB's Performance Unit at Lilleshall which The English Sports Council had invested in the previous year.

Great British archer Naomi Folkard regularly trains at Lilleshall and took the top prize at the World Archery Festival Indoor Shoot in Las Vegas in February.

A four day mountain medicine conference was hosted at Plas y Brenin with 80 attendees and the organisers will repeat the booking for 2011.

CAPITAL INVESTMENT

There has been capital investment into the National Centres over the past year to enhance the facilities provided for the public benefit. Investment has principally taken place at Bisham Abbey and Lilleshall.

The total investment amounts to £1,991,538 (2010: £3,526,603) gifted from The English Sports Council.

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Bisham Abbey

In addition to revenue funds spent on maintenance The English Sports Council continues to invest capital monies to provide facilities of an excellent standard that will encourage people to continue playing sport and will also provide the best facilities for our elite athletes. Capital spend at Bisham during 2010-11 includes completion of the state of the art hydrotherapy pool used by the British Olympic Association in partnership with The English Institute of Sport and available for community use through the Abbey Clinic and a new hockey pitch which will be the same surface as used in London 2012.

Lilleshall

Capital invested at Lilleshall in 2010-11 includes the completion of the two artificial grass pitches and completion of the archery facility providing indoor and outdoor facilities for archers. Investments planned in the coming months include improved floodlighting on the grass pitches, spectator seating for the hockey pitches, facilities to allow shooting and resurfacing of the main drive.

Plas y Brenin

There has been no capital investment in Plas y Brenin during the year 2010-2011.

FINANCIAL REVIEW

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, as updated in May 2008, in preparing the annual report and financial statements of the Charity.

The Charity's main activities in pursuance of its charitable objectives has been the acquisition and maintenance of tangible fixed assets and facilities for physical recreation operated by The English Sports Council, as the Charity's agent, for use by the public.

The Charity received net assets amounting to £1,991,538 by way of a gift from The English Sports Council in the year to 31 March 2011 (2010 £3,526,603) (see the more detailed breakdown of this expenditure below).

The net outgoings of the Charity for the year to 31 March 2011 as set out in the Statement of Financial Activities are £4,646,538 (2010: net incoming resources £100,905).

There was a small operational deficit for the year of £20,336 (refer note 18) after allowing for the asset valuation and the excess of depreciation charges over the income gifted by The English Sports Council. The operational deficit refers to the day to day activities of the Charity which excludes the non-cash items of property valuation, depreciation, asset gifting and movement in the market value of financial assets. To address the operational loss, the investment asset has been reviewed and rental income from property is being reviewed.

The quinquennial external valuation of the Charity's National Centres undertaken by the Valuation Office Agency yielded a net surplus of £1,643,884. In accordance with UK Accounting Standards assets should be valued separately and not as a portfolio. Any valuation decrease, to the extent it is not offset by a previous valuation surplus, is charged to net outgoing / (incoming) resources. The total amount of these valuation decreases, principally relating to Bisham Abbey, amounted to £4,385,505 (2010 £1,152,252) is credited to a revaluation reserve. Revaluation surpluses credited to reserves in the year amount to £6,029,389 (2010 £7,193,527).

There has been an increase in the net assets of the Charity of £1,388,075 between 1 April 2010 and 31 March 2011. An analysis of assets and how they have been funded is set out in note 19. The increase in net assets can be summarised as follows:

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	£
Net assets 1 April 2010	53,476,346
Add net property revaluation	1,643,884
Add assets gifted from The English Sports Council	1,991,538
Add increase in value of financial assets	5,224
Less depreciation charge for the year	(2,232,235)
Less operational deficit for the year	(20,336)
Net assets 31 March 2011	54,864,421
Assets gifted by The English Sports Council include:	2011 £
Bisham Abbey	
Artificial hockey pitches	449,039
EIS Performance Centre	158,000
Grounds equipment	350,000
Other	57,305
Total	1,014,344
Lilleshall	
General site works, roads & paths	323,365
New all weather pitches	199,106
Upgrading communication technology	137,621
King George VI & Princess Royal Hall	96,180
Improvements to hall	82,052
Outdoor archery area	58,202
Cricket pavilion	21,229
Other	31,679
Total	949,434
Other Properties	
Loughborough office	27,760
Total	27,760
Grand Total	1,991,538

Grants policy

The Charity has a small grants policy which enables awards to be granted to suitable applicants. During the year the Charity revised its grant criteria and its policy is to accept applications from not for profit organisations supporting the sporting activities of disadvantaged people including, though not restricted to, young people, people with disabilities, and people from ethnic minority groups. Applications must relate to participation in sporting events, the subsidy of sporting events or the provision of facilities or equipment for people within the English Sport Council's priority disadvantaged groups as specified in the Charity's grant award criteria.

Investment policy

The Charity confirmed that the investment policy relating to the portfolio of equity investments is to firstly generate a level of income that will contribute to both operating expenditure and grant making activities and secondly to preserve capital and generate reasonable returns.

During the year the Trustees appointed Barings Asset Management Limited as Investment Fund Managers in place of Barclays Wealth. In October 2010 the then fund value of £599,540 held with Barclays was sold and an equivalent sum invested in the Barings Targeted Income Fund with the objective of generating more income without adding to investment risk. The investment manager

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maintains a balanced portfolio with less volatility than a pure equity investment and reports quarterly on investment performance. During 2011-12 the investment manager will present at a meeting of the Board.

The investments generated income of £7,742 in 2011 (2010: £7,502). The market value of the investments has increased by £5,224 from £599,540 at 31 March 2010 to £604,764 at 31 March 2011.

Reserves policy

The Charity's reserves policy defines reserves as restricted or unrestricted.

Restricted reserves include those which cannot readily be realised and used for an alternative purpose; principally the fixed assets gifted from The English Sports Council, its predecessor The Sports Council, the former Sports Council Trust, or funded through The English Sports Council National Lottery Distribution Fund.

The trustees aim to maintain a level of unrestricted reserves equating to three months expenditure. The trustees consider that this level will provide sufficient funds to meet the Charity's operational expenditure, to enable it to grant awards and to provide a contingency against unforeseen expenditure.

Unrestricted reserves at 31 March 2011 amounted to £1,732,189 (2010 £1,661,405). This amount includes reserves for financial assets of £604,764 and net current assets £186,738 to provide working capital. Working capital for liquidity purposes includes financial assets although these assets are not intended for resale. This equates to three months on resource expenditure excluding non-cash items such as depreciation and revaluations.

PLANS FOR FUTURE PERIODS and POST BALANCE SHEET EVENTS

The Charity plans continuing the activities outlined above in the forthcoming years. After making enquiries, the trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements

TRUSTEES

The trustees of the Charity are:-

- David Knight (Chairman from October 2010)
- Mike Green (appointed 25 May 2010)
- Sonia Howe (appointed 25 May 2010)
- Geoff Lawton (appointed 25 May 2010)
- Tim Marshall MBE (Chairman to October 2010 – Resigned 20 May 2011)
- Keith Nicholls (appointed 25 May 2010)
- David Oxley CBE (resigned 20 May 2011)
- Bernard Spittle OBE

The Company Secretaries who served during the year were:

- Allison Savich (resigned 29 October 2010)
- Scott Pugh (appointed 29 October 2010)

REGISTERED OFFICE

3rd Floor Victoria House
Bloomsbury Square
London WC1B 4SE

BANKER

Barclays Bank Plc
London Corporate Banking
1 Churchill Place
London E14 5HP

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SOLICITOR

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

INVESTMENT MANAGERS

Barings Asset Management Limited - From October 2010
155 Bishopsgate
London EC2M 3XY

Barclays Wealth Management – Up to October 2010
1 Churchill Place
London E14 5HP

AUDITOR

The Comptroller and Auditor General
157 - 197 Buckingham Palace Road
Victoria
London SW1W 9SP

TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company at the year end and of the results of the company for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees has confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

By Order of the Board

David Knight
Chairman

Date: 24 May 2011

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THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE SPORTS COUNCIL TRUST COMPANY

I certify that I have audited the financial statements of the Sports Council Trust Company for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sports Council Trust Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects, the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion the financial statements

- give a true and fair view of the Sports Council Trust Company's state of affairs as at 31 March 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006.

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Opinion on other matter prescribed by the Companies Act 2006

In my opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
Date 16 June 2011

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STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

	Note	2011 Restricted £	2011 Unrestricted £	2011 Total £	2010 Total £
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income:					
Grants and donations	3	1,991,538	94,156	2,085,694	3,645,608
<i>Activities for generating funds:</i>					
Property income	4	-	2,846,960	2,846,960	3,358,697
<i>Financial asset income</i>	5	-	7,742	7,742	7,678
Total incoming resources		<u>1,991,538</u>	<u>2,948,858</u>	<u>4,940,396</u>	<u>7,011,983</u>
Resources expended					
<i>Charitable activities</i>					
Community programmes	6	-	-	-	3,780
Provision of facilities	7	6,569,570	2,997,622	9,567,192	6,884,171
<i>Governance costs</i>	7	-	19,742	19,742	23,127
Total resources expended		<u>6,569,570</u>	<u>3,017,364</u>	<u>9,586,934</u>	<u>6,911,078</u>
Net (outgoing) /incoming resources		(4,578,032)	(68,506)	(4,646,538)	100,905
Revaluation of fixed assets	13	5,895,323	134,066	6,029,389	(7,202,163)
Revaluation of financial assets	10	-	5,224	5,224	159,397
Art Works and Antiques	9	-	-	-	959,700
Transfer between funds	16	-	-	-	-
Repayment of funds	16	-	-	-	(4,819)
Net movement of funds in year		<u>1,317,291</u>	<u>70,784</u>	<u>1,388,075</u>	<u>(5,986,980)</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		51,814,941	1,661,405	53,476,346	59,463,326
Total funds carried forward		<u>53,132,232</u>	<u>1,732,189</u>	<u>54,864,421</u>	<u>53,476,346</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

THE NOTES ON PAGES 15 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

Company no. 2517615

BALANCE SHEET
As at 31 March 2011

	Note	2011 £	2010 £
<u>Fixed assets</u>			
Tangible assets	9	54,066,884	52,663,697
Financial assets	10	604,764	599,540
		<u>54,671,648</u>	<u>53,263,237</u>
<u>Current assets</u>			
Debtors	11	1,026,160	631,842
Cash at bank		33,005	59,017
		<u>1,059,165</u>	<u>690,859</u>
<u>Current Liabilities</u>			
Creditors falling due within one year	12	866,392	477,750
Provisions	23	-	-
<u>Net Current assets</u>		<u>192,773</u>	<u>213,109</u>
<u>Net assets</u>		<u>54,864,421</u>	<u>53,476,346</u>
<u>The funds of the Charity</u>			
Restricted Revaluation Reserve	13	10,149,566	4,265,357
Unrestricted Revaluation Reserve	13	140,293	5,942
Restricted funds – The English Sports Council Funded Assets	14	36,422,863	38,853,723
Restricted funds – The English Sports Council Lottery Funded Assets	15	6,462,438	8,568,188
Restricted funds – other	16	6,036	6,036
Restricted funds – capital	17	91,329	121,637
Unrestricted funds	18	1,591,896	1,655,463
Total Charity funds		<u>54,864,421</u>	<u>53,476,346</u>
Reconciliation of Restricted and Unrestricted reserves:			
Total restricted		53,132,232	51,814,941
Total unrestricted		1,732,189	1,661,405
Total		<u>54,864,421</u>	<u>53,476,346</u>

The financial statements on pages 12 to 25 were approved by the Board of Directors and were signed on its behalf by:

David Knight
Chairman

DATE: 24 May 2011

THE NOTES ON PAGES 15 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

CASH FLOW STATEMENT

	Note	2011 £	2010
<u>Net cash (outflow) from operating activities</u>	20.1	<u>(33,754)</u>	<u>(28,856)</u>
Returns on financial assets and servicing of finance			
Interest and dividends received		<u>7,742</u>	<u>678</u>
<u>Net cash flow from financial assets and servicing of finance</u>		<u>7,742</u>	<u>7,678</u>
<u>Financial asset activities:</u>			
Purchase of assets		-	(18,625)
Purchase of financial assets		(599,540)	-
Sale of financial assets		<u>599,540</u>	-
<u>Net cash flow from financial asset activities</u>		<u>-</u>	<u>(18,625)</u>
 <u>Net cash (outflow)</u>		 <u>(26,012)</u>	 <u>(39,803)</u>
 Changes in cash balances during the year :			
Balance as at 1 April	20.2	59,017	98,820
Net cash (outflow)	20.2	<u>(26,012)</u>	<u>39,803</u>
Balance as at 31 March	20.2	<u>33,005</u>	<u>59,017</u>

THE NOTES ON PAGES 15 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared on a going concern basis under the historical cost convention (modified by the revaluation of certain assets) with the exception of financial assets which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005 as revised in May 2008, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Incoming resources

Voluntary income including gifted assets, gifts in kind and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income from property income is recognised on a receivable basis. Financial asset income is recognised on a receipts basis.

1.3 Provision of Facilities : Allocation of Costs

The majority of the Charity's expenditure is spent on the provision of facilities as set out in note 7. Expenditure is recognised when a liability is incurred.

Support costs are allocated to activities directly or on the basis of location or usage. Location relates to the costs in connection with freehold and leasehold property occupied by The English Sports Council and another sport charity.

Usage costs relate to depreciation and gains and losses on revaluation on tangible fixed assets.

1.4 Governance costs

Governance costs include those costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and financial requirements.

1.5 Costs directly related to activities

These costs relate to the general administration costs of the Charity.

1.6 Grants

Grants are recognised in the period in which the grant is approved by the trustees and there are no conditions attached to the award that have not been complied with by the awardees.

1.7 Dividends

The Charity is prohibited by its Articles of Association from declaring a dividend.

1.8 Tangible Fixed Assets

Land and buildings are shown at a valuation at 31 March 2011, adjusted under Modified Historic Cost Accounting. The Department for Culture, Media and Sport have recommended the appropriate indices to be used which are based on Depreciated Replacement Cost (DRC), in the case of properties at Bisham, Lilleshall, and Plas y Brenin. The DRC basis requires an open market valuation of the land for its existing use and an estimate of the gross current replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition and obsolescence. The latest full valuation, based on existing use value, was carried out on 31 March 2011 by the Valuation Office Agency, an executive agency of HM Revenue & Customs providing property valuation services. The basis of valuation for land and buildings are open market value for existing use. Land and buildings comprise a combination of specialised and non-specialised assets for valuation purposes. Other tangible assets, including building leases, are shown at cost less accumulated depreciation.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

Art Works and Antiques are carried at external valuation dated 17 January 2008. The valuers value these assets for the purposes of insurance based on their opinion of the actual purchase price or probable cost of replacing the items in the condition in which they saw them with comparable items in similar condition by purchase in the normal retail market at the valuation.

1.9 Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost and/or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Buildings	Unexpired useful life
Building leases	Date of expected termination of lease
Equipment and Vehicles	5 – 10 years

Freehold buildings are depreciated over their specific expected useful lives as identified by the Valuation Office Agency. Improvements to leasehold buildings are written off over the unexpired term of the specific leases. Impairment reviews have been conducted in accordance with Financial Reporting Standard 11. No depreciation is charged in the year of acquisition. A full year's depreciation is charged in the year of disposal.

No depreciation is charged on Art Works and Antiques as these assets have indefinite lives.

1.10 Financial Assets

Financial Assets are shown at open market valuation at the end of the year and are classified as fixed assets as there is no planned intention to sell these assets.

1.11 Funds

Details of all restricted and unrestricted funds are provided in notes 14 to 18.

Restricted funds: These funds are earmarked by the donor for specific purposes.

Unrestricted funds: These funds comprise general funds that are expendable at the discretion of the trustees in furtherance of the objects of the Charity and that have not been designated for other purposes.

1.12 Gifts In Kind: The English Sports Council

The amount at which gifts in kind are included for administration costs is based on a reasonable estimate of their gross value to the Charity. For tangible fixed assets and operational costs the value is based on or the amount actually expended by the donor.

1.13 Taxation

No taxation is chargeable on the company's activities as the company's activities are outside the scope of corporation tax as the activities are of a charitable nature.

2 RELATED PARTY TRANSACTIONS

The Charity has a close working relationship with its parent body The English Sports Council (ESC). The English Sports Council is the Charity's main provider of funds enabling the Charity to carry out its charitable objectives. It also provides a financial and administrative service to the Charity for which a charge of £28,000 is made (refer to note 3 for more details on gifts in kind).

Included within note 4 on property income are recharges to The English Sports Council for property costs, repairs and legal and professional costs in respect of properties occupied by The English Sports Council.

	Income included in the financial statements 2011 £	Amount owed to ESC at 31 March 2011 £	Income included in the financial statements 2010 £	Amount owed to ESC at 31 March 2010 £
The English Sports Council	2,628,731	640,373	3,288,220	20,961

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

3 GRANTS AND DONATIONS

	2011 £	2010 £
Restricted		
Gifts of fixed assets (from ESC)	1,991,538	3,526,603
Lawn Tennis Association Grant	-	18,625
	1,991,538	3,545,228
Unrestricted		
Everyday Sport campaign	-	3,780
Gifts in kind (from ESC) – Administration costs	94,156	96,600
	94,156	100,380
Total grants and donations	2,085,694	3,645,608

4 PROPERTY INCOME

	2011 £	2010 £
Freehold / Leasehold income	2,846,960	3,358,697

Property income is the income from freehold and leasehold property occupied by The English Sports Council, (see also note 2), and the income from a property occupied by another sport related Charity.

5 FINANCIAL ASSET INCOME

Income accrued from the following financial assets:

	2011 £	2010 £
Interest – overnight & short-term investment of bank balances	151	176
Dividends – quoted stocks and securities	7,591	7,502
Total financial asset income	7,742	7,678

6 COMMUNITY PROGRAMMES

	2011 £	2010 £
Everyday Sport campaign	-	3,780
	-	3,780

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

7 PROVISION OF FACILITIES

The trust allocates its support costs as shown in the table below. Support costs are allocated as set out in the accounting policies in note 1.

		Provision of Facilities	Governance	2011 Total	2010 Total
		£	£	£	£
Costs directly related to activities					
The English Sports Council administrative charge	Direct	28,000	-	28,000	28,000
Gift in kind - Staff Costs	Direct	94,156	-	94,156	96,600
Travel & expenses	Direct	-	4,142	4,142	2,127
Audit fees (see below)	Direct	-	15,600	15,600	21,000
Support costs allocated to activities					
Property costs	Location	2,726,826	-	2,726,826	2,975,184
Repairs	Location	-	-	-	180,711
Legal and professional	Location	98,525	-	98,525	185,442
Depreciation – restricted	Usage	2,193,615	-	2,193,615	2,195,302
Depreciation-unrestricted	Usage	38,620	-	38,620	45,990
Loss on revaluation of fixed assets -restricted	Usage	4,375,955	-	4,375,955	1,136,157
Loss on disposal of fixed assets -restricted	Usage	-	-	-	24,515
Loss on revaluation of fixed assets-unrestricted	Usage	9,550	-	9,550	16,095
Other expenses	Location	1,820	-	1,820	-
Bank charges	Location	125	-	125	175
Total resources expended		9,567,192	19,742	9,586,934	6,907,298

Restricted items included above are:

	2011 £	2010 £
Depreciation on restricted assets	2,193,615	2,195,302
Loss on revaluation of fixed assets	4,375,955	1,136,157
Loss on disposal of fixed assets	-	24,515
	6,569,570	3,355,974

Audit fees for 2010 comprise £15,000 for the 2010 financial statements plus additional fees for 2009.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

8 STAFF COSTS

The Charity employed no staff in 2011 (2010: Nil).

The English Sports Council provides a financial and administrative service to the Charity, under the terms of a service level agreement, for which a charge is made.

None of the trustees of Charity received any remuneration from the Charity in the year to 31 March 2011. (2010: £Nil).

Eight trustees received reimbursement of travel expenses amounting to £4,142 in the year (2010 four trustees £2,127).

9 TANGIBLE FIXED ASSETS

	Land	Buildings	Assets Under Construction	Equip & Vehicles	Art Works and Antiques	Total
	£	£	£	£	£	£
Cost/valuation at 1 April 2010	5,073,939	54,489,752	256,417	1,660,252	959,700	62,440,060
Assets gifted by ESC	-	1,492,265	-	499,273	-	1,991,538
Disposals	-	-	-	(1,795)	-	(1,795)
Revaluation	2,674,061	(1,030,177)	-	-	-	1,643,884
Transfers	-	256,417	(256,417)	-	-	-
Cost/valuation at 31 March 2011	7,748,000	55,208,257	-	2,157,730	959,700	66,073,687
Acc depreciation at 1 April 2010	-	(8,961,574)	-	(814,789)	-	(9,776,363)
Charge for year	-	(1,990,941)	-	(241,294)	-	(2,232,235)
Disposals	-	-	-	1,795	-	1,795
Acc depreciation at 31 March 2011	-	(10,952,515)	-	(1,054,288)	-	(12,006,803)
Net Book Value as at 31 March 2011	7,748,000	44,255,742	-	1,103,442	959,700	54,066,884
Net Book Value as at 31 March 2010	5,073,939	45,528,178	256,417	845,463	959,700	52,663,697

The net book value of land and buildings comprises:

	2011 £	2010 £
Freehold	51,065,431	49,525,230
Leasehold improvements	938,311	1,076,887
	52,003,742	50,602,117

The historical cost of Land and Buildings at 31 March 2011 was £60,952,643 (£58,962,900 at 31 March 2010).

Art Works and Antiques

There is a collection of art works furniture and fittings at Bisham Abbey dating from the 16th Century. The collection was valued for insurance purposes by Sotheby's at £959,700 as at 17 January 2008. The insurance valuation valued the art works at £909,700 and the furniture and fittings at £50,000. The trustees are of the opinion that there are no circumstances that have occurred since that date that affect the accuracy of this valuation and that the basis for valuation is appropriate for inclusion in the financial statements.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

10 FINANCIAL ASSETS

Listed stocks and securities

	2011 £	2010 £
Cost at 1 April	649,504	649,504
Disposals	(649,504)	-
Additions	599,540	-
Cost at 31 March	599,540	649,504
Market value at 1 April	599,540	440,143
Write up to market value	5,224	159,397
Market value at 31 March	604,764	599,540

11 DEBTORS

	2011 £	2010 £
The English Sports Council	-	16,732
Prepayments	826,849	273,915
Accrued income	199,311	341,195
	1,026,160	631,842

12 CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Trade creditors	-	17,388
The English Sports Council	640,373	37,695
Deferred income	12,565	14,703
Accruals	213,454	407,964
	866,392	477,750

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

13 REVALUATION RESERVE

	2011 £	2010 £
<u>Restricted</u>		
<u>Revaluation Reserve Land and Buildings</u>		
Balance brought forward at 1 April	4,265,357	11,644,459
Amortisation of revaluation reserve to restricted fund	(11,114)	(322,826)
Revaluation of fixed assets	5,895,323	(7,047,640)
Revaluation on asset disposals	-	(8,636)
Balance at 31 March	10,149,566	4,265,357
<u>Unrestricted</u>		
<u>Revaluation Reserve Land and Buildings</u>		
Balance brought forward at 1 April	5,942	161,084
Amortisation of revaluation reserve to unrestricted fund	285	(9,255)
Revaluation of fixed assets	134,066	(145,887)
Balance at 31 March	140,293	5,942
Total Revaluation Reserve	10,289,859	4,271,299

14 RESTRICTED FUNDS – THE ENGLISH SPORTS COUNCIL ASSETS

	2011 £	2010 £
Balance brought forward at 1 April	38,853,723	36,816,025
Gifts of tangible fixed assets from ESC	1,991,538	3,526,603
Art Works and Antiques	-	959,700
Loss on revaluation of fixed assets	(2,537,985)	(872,972)
Depreciation for year	(1,905,595)	(1,856,546)
Amortisation of property revaluation reserve	21,182	280,913
Balance at 31 March	36,422,863	38,853,723

The purpose of this fund is the initial acquisition and the subsequent funding of tangible fixed asset additions at The National Sports Centres.

15 RESTRICTED FUNDS – THE ENGLISH SPORTS COUNCIL NATIONAL LOTTERY DISTRIBUTION FUND

	2011 £	2010 £
Balance brought forward at 1 April	8,568,188	9,125,369
Depreciation for year	(279,420)	(330,065)
Loss on revaluation of fixed assets	(1,817,598)	(269,029)
Amortisation of property revaluation reserve	(8,732)	41,913
Balance at 31 March	6,462,438	8,568,188

The purpose of this fund is the funding of tangible fixed assets at The National Sports Centre.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

16 RESTRICTED FUNDS – OTHER

	2011 £	2010 £
At 1 April		
Reg Ranger Memorial Fund	-	3,662
Donald Scammell Fund	-	4,818
National Anglers Council	6,036	6,036
Bisham Abbey Appeal Fund	-	3,177
Balances brought forward	6,036	17,693
Less transfers to restricted funds		
Reg Ranger Memorial Fund	-	(3,662)
Bisham Abbey Appeal Fund	-	(3,177)
Transfers	-	(6,839)
Less repayments in year		
Donald Scammell Fund	-	(4,818)
Balances carried forward		
National Anglers Council	6,036	6,036
Balance at 31 March	6,036	6,036

The Reg Ranger Memorial Fund and the Bisham Abbey Appeal Fund were both released to the unrestricted reserve fund in 2010 by the trustees following a lengthy period of inactivity. The Reg Ranger Memorial Fund was intended to improve sport club facilities in Essex and the Bisham Abbey Appeal Fund to improve assets of historical significance at Bisham Abbey. The Donald Scammell Fund was cleared in 2010 by payment to Plas y Brenin to fund bursaries linked to mountaineering. The balance remaining on the National Anglers Fund represents funds that were handed to the Charity for safe keeping upon the winding up of the Anglers Association. The trustees are discussing with angling associations the most suitable application of these funds.

17 RESTRICTED FUNDS – CAPITAL

	2011 £	2010 £
Balance brought forward at 1 April	121,637	130,375
Depreciation for year	(8,600)	(8,692)
Loss on revaluation of fixed assets	(20,374)	(18,671)
Received from the Lawn Tennis Association	-	18,625
Amortisation of property revaluation reserve	(1,334)	-
Balance at 31 March	91,329	121,637

The purpose of this fund is improvements to facilities at The National Sport Centres. The above fund has all been donated by The Lawn Tennis Association

18 UNRESTRICTED FUNDS

	2011 £	2010 £
Balance brought forward at 1 April	1,655,463	1,568,321
Depreciation for year	(38,620)	(45,990)
Community programmes	-	3,780
Other operating activity	(20,336)	(28,944)
Loss on fixed assets revaluation	(9,550)	(17,195)
Net expenditure included in Statement of Financial Activity	(68,506)	(88,349)
Revaluation of financial assets	5,224	159,397
Amortisation of property revaluation reserve	(285)	9,255
Transfer from restricted funds other	-	6,839
Balance at 31 March	1,591,896	1,655,463

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Assets £	Financial Assets £	Net Current Assets £	2011 Total £	2010 Total £
Restricted Funds					
Revaluation reserve	10,149,566	-	-	10,149,566	4,265,357
The English Sports Council	36,422,863	-	-	36,422,863	38,853,723
The English Sports Council Lottery Fund	6,462,438	-	-	6,462,438	8,568,188
Capital – LTA	91,329	-	-	91,329	121,637
Other restricted funds	-	-	6,036	6,036	6,036
Total Restricted Funds	53,126,196	-	6,036	53,132,232	51,814,941
Unrestricted Funds					
Revaluation reserve	140,293	-	-	140,293	5,942
Other unrestricted fund	800,395	604,764	186,737	1,591,896	1,655,463
Total Unrestricted Funds	940,688	604,764	186,737	1,732,189	1,661,405
Total Funds	54,066,884	604,764	192,773	54,864,421	53,476,346

20 CASH FLOW STATEMENT

20.1 Net cash flow from operating activities

	2011 £	2010 £
Net (deficit)/surplus for the year	(4,646,538)	100,905
Less gift of fixed assets	(1,991,538)	(3,526,603)
Loss on fixed assets revaluation	4,385,506	1,153,352
Loss on disposal of fixed assets	-	24,515
Repayment of restricted funds	-	(4,818)
Less financial asset income	(7,742)	(7,678)
Depreciation and write down of assets	2,232,235	2,241,293
(Increase)/decrease in debtors	(394,318)	567,481
Increase/(decrease) in creditors	388,641	(577,303)
Total	(33,754)	(28,856)

20.2 Analysis of changes in cash and cash equivalents

	2011 £	2010 £
Opening balance	59,017	98,820
Closing balance	33,005	59,017
Net cash (outflow)	(26,012)	(39,803)

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

21 FINANCIAL COMMITMENTS

The Company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2011 £	Land and Buildings 2010 £
Expiring within one year	-	27,766
Expiring between two and five years inclusive	96,510	145,620
Expiring in over five years	1,668,699	1,350,681
	1,765,209	1,524,067

The annual commitments relating to the land and buildings operating leases allocated to The English Sports Council (and for which it meets the out-goings) are treated as those of The English Sports Council by both parties.

22 ULTIMATE PARENT BODY

The Company remains a wholly owned subsidiary of The English Sports Council, a body incorporated by Royal Charter in 1996.

The results of The Sports Council Trust Company are consolidated in the accounts of The English Sports Council. The financial statements of The English Sports Council Group are available from its registered office at 3rd Floor, Victoria House, London WC1B 4SE.

23 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions	2011 £	2010 £
Balance brought forward at 1 April	-	69,468
Provided in year	-	-
Utilised in year	-	(69,468)
Balance carried forward at 31 March	-	-

The balance brought forward relates to a provision for dilapidation works arising out of a claim following the termination of a lease in April 2008. The claim was settled in 2010 and the provision released.

Contingent Liabilities

The Charity owns the head lease for premises at various locations across England. Common to the leases is the requirement to hand-back the premises at the end of the lease period in a good condition. In substance, this may obligate the Charity to incur future expenditure on returning the premises to their pre-occupation condition. Currently, no provision has been made in the accounts for these costs due to the uncertainty in the timing and value of the expenditure. A full provision will be made in the year in which it is decided not to renew the lease.

Any obligation for future expenditure arising from returning the premises to their pre-occupation condition will be match-funded by the English Sports Council. This gives rise to an equal contingent asset. As the contingent liability is uncertain, no provision has been made for the contingent asset. A contingent asset provision equal to the contingent liability provision will be made in the year in which it is decided not to renew the lease.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2011

24 VALUE ADDED TAX

The Charity is in a group VAT registration scheme with the English Sports Council and is jointly and severally liable for all group VAT liabilities.

25 ASSET LEASING

The charity leases assets to its parent company and two other organisations. Assets held for leasing by the charity contained within note 9 amount to a net book value of £4,778,000 as at 31 March 2011. The depreciation charge for the year on these assets was £291,000. Annual aggregate rentals receivable amount to £1,995,000.

26 PARENT BODY RIGHTS OVER ASSETS

Grants made by the English Sports Council (and formerly the Sports Council) and English Sports Council Lottery to the Charity since June 1990 were made on the basis that any tangible fixed assets acquired by such grants should be available for clawback (return of sale proceeds to the Exchequer and Lottery) in the event of disposal or change of use.

On 5 October 1994, the Charity Commission granted an Order under the Charities Act 1993 by which The Sports Council Trust Company repays to the English Sports Council the whole proceeds of sales of fixed assets, or such part as represents public funds, sold on or after the 1st April 1989, which were originally purchased in whole or in part with funds provided by the Exchequer.



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