

The Sports Council Trust Company

Company number 2517615

Charity number 803779

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2009-2010

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Presented to Parliament pursuant to Article 6(2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit making Companies) Order 2009 (SI 2009/476).

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The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

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| TRUSTEES' REPORT |
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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 2010. The directors of the charitable company are its trustees, and for the purposes of charity law throughout this report are collectively referred to as trustees.

STRUCTURE, GOVERNANCE and MANAGEMENT

Governing document

The Sports Council Trust Company (the "Charity") is a company limited by guarantee governed by its memorandum and articles of association. It is a registered charity with the Charities Commission. The guarantors (members) are:

The English Sports Council

Mr. Tim Marshall

Mr. Marshall is a former board member of The English Sports Council and his membership of the Charity is held in Trust on behalf of The English Sports Council.

Appointment of trustees

The English Sports Council, as member, makes all appointments to the Charity for the position of chairman, directors and company secretary. Appointments occur upon receiving recommendations from the Charity, and are ratified at a general meeting.

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, Articles of Association and other governing documents, annual report, management accounts, Charity Commission guidance, the Seven Principles of Public Life and various policies and forms.

Organisation

The board of trustees administers the Charity. The board meets approx 4 to 5 times per year. The Charity has no employees other than its trustees.

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 Agreement 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). A Parent Subsidiary Agreement has been drafted which provides the framework governing financial and other matters between the English Sports Council (the Parent) and the Charity.

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 these assets.

Risk management

The board of trustees identifies and reviews the major risks that the Charity faces in relation to activities and are satisfied that they have taken all reasonable steps to mitigate those risks. Risk consideration has been noted in the Charity's minutes and a formal risk register is being finalised in 2010-2011.

OBJECTIVES AND ACTIVITIES

The objects of the charity as set out in its governing document 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.

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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 for 2009-10 were:

- Provision and maintenance of world-class training facilities at the National Sports Centres.
- Provision of grants to various sports organisations.
- Increased public awareness of the importance of regular physical activity through various campaigns.

The strategies to achieve these objectives included:

- Effectively manage the operator contracts for each of the National Sports Centres, ensuring alignment with the charitable objects
- Assessment of grant applications received in light of funding availability
- Successfully complete the Everyday Sport campaign

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 NSCs owned or leased by the Charity during the year were Bisham Abbey, Lilleshall, Plas Y Brenin and Harrison's Rocks. These facilities are managed on behalf of the Charity through agency agreements with The English Sports Council.

The freehold land interest and title to Harrison's Rocks was transferred to the British Mountaineering Council Land and Property Trust (BMCLPT) on 3 September 2009, to be held in trust by the BMCLPT with future use subject to their charitable objects. The Charity views this transfer as the best outcome for the future use of the asset as it allows BMCLPT to continue to provide management services in relation to the land, whilst facilitating future development plans to increase participation levels across the whole Birchden Wood site in partnership with the site owners, The Forestry Commission. A management agreement remains in place between BMCLPT and the Charity in relation to the operation of the Car Park and Campsite at Harrison's Rocks.

The NSCs continue to be managed by various operators, with the relationship between The English Sports Council (acting as the Charity's agent) and the operators governed by contract. Bisham Abbey and Lilleshall are operated by Leisure Connection, with Plas Y Brenin managed by Mountain Training Trust, and Harrison's Rocks by the British Mountaineering Council. With the exception of Harrison's Rocks, these management contracts were initially extended for one year to 31 March 2010, however due to the NSC procurement exercise, these contracts have been further extended to March 2011, with flexibility built in subject to the end of the procurement process. The contract with British Mountaineering Council is in place until November 2014.

The Charity did not make any grants during the year due to the limitations of its investment income. The grant criteria under which the Charity makes its grants will be reviewed in next year; this will occur in conjunction with a review of the investment and reserve policies of the Charity.

The "Everyday Sport" campaign came to a close in 2009, which saw the successful development of a "Promoting Sport Toolkit" which was utilised by County Sports Partnership's (CSP) and County Sports Networks (CSN) in the promotion of sport at the local level. This toolkit included factsheets, templates, photography, marketing material and training. The total amount spent on the programme, which commenced in 2006, was £3,061,611.

PUBLIC BENEFIT

The public benefit provided by the Charity is the provision of facilities, the NSCs, for physical recreation (including sport) and which are available for use by members of the public. The NSCs 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.

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The trustees confirm that they have referred to the guidance contained in the Charity Commissions 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 2009, the Charity sees the following results and achievements as significant activities towards enhancing the level of community use at its NSCs.

RESULTS FOR THE YEAR

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 EIS strength and conditioning area and sports science medical centre. It also includes a gym and fitness centre, and has on site accommodation.

Community use of the facilities has decreased by 7% in 2009/10 to 127,950 visits, compared to 138,753 visits in 2008/09. This is attributable to a loss of available facility space while the Mezzanine floor works were being undertaken. Footfall figures from the last quarter of 2010 show a positive return in community use due to increased gym memberships and fitness classes. Community use of the squash courts increased by 15% in 2010 compared with last year.

2009 saw Bisham Abbey host a comprehensive community tennis programme providing participants with an introduction to tennis, including a full mini tennis programme. This programme established links with schools and community tennis clubs, thus providing a pathway through to junior and senior tennis academies.

Lilleshall

Sports facilities include an International standard gymnastics hall, squash courts, a new International Archery performance centre, a hockey pitch, a multipurpose Astroturf 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 has decreased by 3% in 2009/10 to 86,482 visits, compared to 88,948 visits in 2009. This reduction in community use is attributable to the conversion of the Queens Hall studio into an EIS gym. Footfall figures from the last quarter of 2010 show a positive return in community use due to increased Astroturf and gymnastics hall usage.

The Learning Skills Council launched a programme at Lilleshall in 2009 called 'Personal Best', to encourage attainment of Level 1 coaching qualifications, particularly to those out of work. This dovetailed with the sports centre's own initiative with Sport England to mark the '1000 days to go' to encourage volunteers to support the Olympics. Lilleshall has been included in the pre-games Training camp guide for the London 2012 Olympic and Paralympic Games.

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.

Over the summer period Plas y Brenin ran a series of residential outdoor skills courses for young people. This is a progressive sporting pathway opportunity to young people already participating in climbing, kayaking and mountain biking and is a key proponent in the enhancement of the physical and mental health of the community.

Mountain Training Trust also established a number of regional partnerships throughout the year, including a partnership with a major regional indoor climbing Centre in North West England to enable the transfer of skills to the outdoor environment for climbing on cliffs and mountain crags.

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Harrison's Rocks

Harrison's Rocks is an outcrop of sandstone rocks used widely by the mountaineering and rock climbing community. As mentioned previously, the land freehold interest and title to Harrison's Rocks was transferred to the British Mountaineering Council Land and Property Trust (BMCLPT) on 3 September 2009. The Charity has continued to oversee the operation of the car park and campsite at Harrison's Rocks.

OTHER ACHIEVEMENTS

Bisham Abbey achieved over 70% in its Hospitality Assured accreditation, an excellent result for a first time score. This accreditation standard ensures that the best service is delivered to all those training or competing in sport – both residential and day to day. Lilleshall achieved 72 % in its Hospitality Assured accreditation, the only standard that focuses exclusively on customer service.

Bisham Abbey Golf Club was awarded Clubmark status in December, while Plas Y Brenin has gained approval as an Academy Provider for the National Skills Academy for the outdoors and will continue to be the main delivery mechanism for leadership and coaching awards in the outdoor adventure sector.

Various international sporting teams have continued to utilise the pitch facilities at both Bisham Abbey and Lilleshall, including Barcelona FA, Estonian FA, Germany and USA FA teams, Belgium Hockey, Dublin Hurling, Romanian Artistic Gymnastics and New York Red Bulls.

CAPITAL INVESTMENT

There has been significant capital investment into the National Centres over the past year to enhance the facilities provided for the public benefit. Investment has taken place at Bisham Abbey, Lilleshall and Plas Y Brenin. The total investment amounts to £3,545,228 Of this sum £3,526,603 has been gifted from The English Sports Council and £18,625 from The Lawn Tennis Association for Bisham Abbey.

Bisham Abbey National Sports Centre

A hydrotherapy capital project commenced during the year and provides state of the art hydrotherapy and ice bath facilities, forming an essential part of the rehabilitation programmes of athletes. This project arose as a direct result of the British Olympic Medical Institute relocating its intense rehabilitation facility to Bisham. Funds were also invested into the refurbishment of accommodation refurbishment and is utilised by elite athletes on rehabilitation programmes.

Following completion of the strength and conditioning capital project in 2008/09, England Hockey have relocated their head office to Bisham, now occupying offices on the mezzanine floor that has been built above. In addition EIS, British Rowing, Sports Coach UK, British Canoe Union, England Netball, Win Tennis, British Athletes Commission and the British Olympic Federation have all taken offices in the centre. Whilst EIS have a lease for the ground floor strength and conditioning area, through negotiation between Sport England and EIS, the multi purpose area, used by elite athletes during the day, is available for community access at evenings and weekends and is used for fitness classes; a great example of cross organisation partnerships at work.

Lilleshall

The New Astroturf hockey and multisport all-weather floodlit pitches opened throughout the year and received positive feedback from users including England Hockey. The site is now focused on increasing its usage from both elite athletes and the public. The surface chosen is identical to that in use at Beijing and is the first in Europe, providing England and GB Hockey with facilities for talented and elite athletes as well as for community hockey clubs. The second pitch which is also an international grade surface will be used for both hockey and other sports.

The newly completed archery range at Lilleshall provides both indoor and outdoor facilities. This meets international training standards and provides improved facilities with particular focus on the needs of GB Archery's disabled athletes.

Works to upgrade the Lecture Theatre at Lilleshall were completed and provide cutting edge conferencing facilities for use by corporate clients, National Governing Bodies (NGBs) and the community. These facilities include seating for 175 people, interactive computer facilities, new décor, and upgraded lighting and heating.

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Plas Y Brenin

In addition to the agreed capital programme within the management contract with Mountain Training Trust, the conversion of Bryn Engan Farmhouse Building was completed in August 2009. This has provided an additional 13 single occupancy bedrooms and increased overall capacity to 80 beds. 25 en-suite units in the main house have also been refurbished throughout the year.

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 activity 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 £3,526,603 by way of a gift from The English Sports Council in the year to 31 March 2010 (see the more detailed breakdown of this expenditure below).

The net incoming resources of the charity for the year to 31 March 2010 are £100,905 (2009: net incoming resources £2,521,037). The significant reduction is principally explained by less gifts in kind of tangible fixed assets from The English Sports Council of £1,252,962 and losses on revaluation of £1,152,252 which are required to be charged to the Statement of Financial Activities.

In addition to the net incoming resources, the Charity's funds have had net reductions in the year of £6,087,885 (2009: loss £2,296,570) comprising the following items: revaluation of fixed assets – loss £7,202,163 (2009: loss £2,087,209), revaluation of financial assets gain £159,397 (2009: loss £209,361) capitalisation of art works and antiques into tangible fixed assets, see further details below, of £959,700 (2009: £nil) and the repayment of a restricted fund of £4,818 (2009: £nil). The reason for the large loss on revaluation is the reduction by approximately 15% in the index recommended by The Department for Culture Media and Sport used for the valuation of land and buildings. This has no effect on the financial viability of the charity and the trustees would expect the index to increase in value during the year to 31 March 2011. An external valuation of the National Centres will be carried out as at 31 March 2011.

Tangible fixed assets now include the company's Art Works and Antiques, carried at external valuation at £959,700, following the decision to include Art Works and Antiques as tangible fixed assets rather than the previous disclosure as a note only. This revised treatment is in line with best practice for Charity accounting.

| | |
|---|-------------------------|
| Assets gifted by The English Sports Council include: | 2010 |
| | £ |
| Bisham Abbey | |
| Mezzanine floor | 238,995 |
| Hydrotherapy pool | 252,677 |
| Other | 102,137 |
| Total | <u>593,809</u> |
| Lilleshall | |
| Pitches and courts | 1,389,630 |
| Archery facilities | 786,989 |
| Lecture theatre | 197,005 |
| Pavilion | 102,483 |
| Other | 116,067 |
| Total | <u>2,592,174</u> |

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| | |
|---|------------------|
| Assets gifted by The English Sports Council include (continued): | 2010 |
| | £ |
| Plas Y Brenin | |
| Bryn Engan Accommodation | <u>225,232</u> |
| The English Sports Council Offices | |
| Victoria House reception | 105,583 |
| Loughborough office | <u>9,805</u> |
| | <u>115,388</u> |
| Grand Total | <u>3,526,603</u> |

Grants policy

The Charity has a grants policy which enables awards to be granted to suitable applicants. The current 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 Sports Council's priority disadvantaged groups.

Investment policy

The charity confirmed in February 2010 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 maximise capital gains.

The charity's investment funds are held with Barclays Wealth. The objective of the fund is to achieve capital growth over the long term from a portfolio of predominantly equities. The investment manager takes instruction from the trustees regarding the mix of investments within the portfolio and reports quarterly to the Company Secretary on investment performance.

The investment climate over the past 12 months indicated to the Board that the high growth nature of the current portfolio meant that they should consider the opportunity to switch investment mandates to the objective of increasing income levels whilst also allowing the portfolio opportunity to grow in capital value. Advice is being sought from the investment manager on the options available to achieve this objective in 2010-11. The target income return has been set by the trustees at 4%.

The investments generated income of £7,502 in 2010 (2009: £10,777). The market value of the investments has increased by £159,397 from £440,143 at 31 March 2009 to £599,540 at 31 March 2010.

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 2010 amounted to £1,661,405 (2009 £1,729,405). This amount includes reserves for financial assets of £599,540 and net current assets £213,109 to provide working capital of £812,649. 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.

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PLANS FOR FUTURE PERIODS and POST BALANCE SHEET EVENTS

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The English Sports Council, as the sole member of the Charity and the major provider of funds, undertook a strategic review of all National Sports Centres (NSCs) in 2010. The Charity was party to this strategic review, the outcome of which will inform the next phase of operation of the NSCs. The review confirmed a strategic need for the NSCs and the development of four key strategic objectives for the NSCs. It is these strategic objectives which have consequently informed the NSC management contract procurement exercise, which is planned for completion in 2010.

TRUSTEES

The trustees of the charity are:-

- Tim Marshall MBE (Chairman)
- David Oxley CBE
- David Knight
- Bernard Spittle OBE
- Dame Mary Glen Haig CBE (resigned 22 July 2009)
- Brian Hyde (resigned 24 November 2009)
- Sonia Howe (appointed 25 May 2010)
- Keith Nicholls (appointed 25 May 2010)
- Mike Green (appointed 25 May 2010)
- Geoff Lawton (appointed 25 May 2010)

The Company Secretaries who served during the year were:

- Sharon Coles (resigned 21 July 2009)
- Allison Savich (appointed 22 July 2009)

REGISTERED OFFICE

3rd Floor Victoria House
Bloomsbury Square
London WC1B 4SE

BANKER

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

SOLICITOR

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

INVESTMENT MANAGERS

Barclays Wealth Management
1 Churchill Place
London E14 5HP

AUDITOR

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

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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

Tim Marshall MBE

Chairman

Date: 25 May 2010

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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 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Financial Activities (including the 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

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions are set out in the Statement of Trustees' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. I report to you whether, in my opinion, the information given in the Trustees' Report is consistent with those financial statements. I also report whether in all material respects the incoming resources and resources expended have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if, in my opinion, the charity has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

I read the Trustees' Report and consider the implications for my certificate if I become aware of any apparent misstatements within it.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

Opinion

In my opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

Opinion on Regularity

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

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 11 June 2010

The Sports Council Trust Company
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STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

| | Note | 2010 Restricted £ | 2010 Unrestricted £ | 2010 Total £ | 2009 Total £ Restated |
|---|------|-------------------------|---------------------------|---------------------------|--------------------------------|
| Incoming Resources | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | |
| Voluntary income: | | | | | |
| Grants and donations | 3 | 3,545,228 | 100,380 | 3,645,608 | 8,059,707 |
| <i>Activities for generating funds:</i> | | | | | |
| Property income | 4 | - | 3,358,697 | 3,358,697 | 2,966,946 |
| <i>Financial asset income</i> | 5 | - | 7,678 | 7,678 | 11,706 |
| Total incoming resources | | <u>3,545,228</u> | <u>3,466,755</u> | <u>7,011,983</u> | <u>11,038,359</u> |
| Resources expended | | | | | |
| <i>Charitable activities</i> | | | | | |
| Community programmes | 6 | - | 3,780 | 3,780 | 123,691 |
| Provision of facilities | 7 | 3,355,974 | 3,528,197 | 6,884,171 | 8,377,914 |
| <i>Governance costs</i> | 7 | - | 23,127 | 23,127 | 15,717 |
| Total resources expended | | <u>3,355,974</u> | <u>3,555,104</u> | <u>6,911,078</u> | <u>8,517,322</u> |
| Net incoming/(outgoing) resources | | 189,254 | (88,349) | 100,905 | 2,521,037 |
| Revaluation of fixed assets | 13 | (7,056,276) | (145,887) | (7,202,163) | (2,087,209) |
| Revaluation of financial assets | 10 | - | 159,397 | 159,397 | (209,361) |
| Art Works and Antiques | 9 | 959,700 | - | 959,700 | - |
| Transfer between funds | 17 | (6,839) | 6,839 | - | - |
| Repayment of funds | 17 | (4,819) | - | (4,819) | - |
| Net movement of funds in year | | <u>(5,918,980)</u> | <u>(68,000)</u> | <u>(5,986,980)</u> | <u>224,467</u> |
| <i>Reconciliation of funds</i> | | | | | |
| Total funds brought forward | | 57,733,921 | 1,729,405 | 59,463,326 | 59,238,859 |
| Total funds carried forward | | <u>51,814,941</u> | <u>1,661,405</u> | <u>53,476,346</u> | <u>59,463,326</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. Restated items for 2009 are explained in note 7.

THE NOTES ON PAGES 14 TO 24 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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Company no. 2517615

BALANCE SHEET
As at 31 March 2010

| | Note | 2010 £ | 2009 £ |
|--|------|-------------------|-------------------|
| <u>Fixed assets</u> | | | |
| Tangible assets | 9 | 52,663,697 | 58,780,091 |
| Financial assets | 10 | <u>599,540</u> | <u>440,143</u> |
| | | <u>53,263,237</u> | <u>59,220,234</u> |
| <u>Current assets</u> | | | |
| Contingent asset | 23 | - | 69,468 |
| Debtors | 11 | 631,842 | 1,199,325 |
| Cash at bank | | <u>59,017</u> | <u>98,820</u> |
| | | <u>690,859</u> | <u>1,367,613</u> |
| <u>Current Liabilities</u> | | | |
| Creditors falling due within one year | 12 | <u>477,750</u> | 1,055,053 |
| Provisions | 23 | - | 69,468 |
| <u>Net Current assets</u> | | <u>213,109</u> | <u>243,092</u> |
| <u>Net assets</u> | | <u>53,476,346</u> | <u>59,463,326</u> |
| <u>The funds of the Charity</u> | | | |
| Restricted Revaluation Reserve | 13 | 4,265,357 | 11,644,459 |
| Unrestricted Revaluation Reserve | 13 | 5,942 | 161,084 |
| Restricted funds – The English Sports Council Funded Assets | 14 | 38,853,723 | 36,816,025 |
| Restricted funds – Sport England Lottery Funded Assets | 15 | 8,568,188 | 9,125,369 |
| Unrestricted funds – revenue | 16 | - | - |
| Restricted funds – other | 17 | 6,036 | 17,693 |
| Restricted funds – capital | 18 | 121,637 | 130,375 |
| Unrestricted funds | 19 | 1,655,463 | 1,568,321 |
| Total Charity funds | | <u>53,476,346</u> | <u>59,463,326</u> |
| Reconciliation of Restricted and Unrestricted reserves: | | | |
| Total restricted | | 51,814,941 | 57,733,921 |
| Total unrestricted | | <u>1,661,405</u> | <u>1,729,405</u> |
| Total | | <u>53,476,346</u> | <u>59,463,326</u> |

The financial statements on pages 11 to 24 were approved by the Board of Directors and were signed on its behalf by:

Tim Marshall MBE
Chairman

DATE: 25 May 2010

THE NOTES ON PAGES 14 TO 24 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

CASH FLOW STATEMENT

| | Note | 2010 £ | 2009 £ |
|---|------|----------------------------|--------------------------|
| <u>Net cash (outflow)/inflow from operating activities</u> | 20.1 | <u>(28,856)</u> | <u>139,083</u> |
| Returns on financial assets and servicing of finance | | | |
| Interest and dividends received | | <u>7,678</u> | <u>11,706</u> |
| <u>Net cash flow from financial assets and servicing of finance</u> | | <u>7,678</u> | <u>11,706</u> |
| <u>Financial asset activities:</u> | | | |
| Purchase of assets | | <u>(18,625)</u> | <u>(130,375)</u> |
| <u>Net cash flow from financial asset activities</u> | | <u>(18,625)</u> | <u>(130,375)</u> |
| <u>Net cash (outflow)/inflow</u> | | <u><u>(39,803)</u></u> | <u><u>20,414</u></u> |
| Changes in cash balances during the year : | | | |
| Balance as at 1 April | 20.2 | 98,820 | 78,406 |
| Net cash (outflow)/inflow | 20.2 | <u>(39,803)</u> | <u>20,414</u> |
| Balance as at 31 March | 20.2 | <u><u>59,017</u></u> | <u><u>98,820</u></u> |

THE NOTES ON PAGES 14 TO 24 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

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 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

Freehold land and buildings are shown at a valuation at 31 March 2010, modified 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 2006 by the Valuation Office Agency. The basis of valuation for land and other freehold properties is open market value for existing use. Other tangible assets are shown at cost less accumulated depreciation.

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.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

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 1 – 90 years

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 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 13 to 19.

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. Please also 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 2010 £ | Amount owed to ESC at 31 March 2010 £ | Income included in the financial statements 2009 £ | Amount owed to ESC at 31 March 2009 £ |
|----------------------------|---|--|---|--|
| The English Sports Council | 3,288,220 | 20,961 | 2,909,110 | 513,288 |

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

3 GRANTS AND DONATIONS

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Restricted | | |
| Gifts of fixed assets (from ESC) | 3,526,603 | 4,779,565 |
| Gifts in kind other (from ESC) | - | 3,076,592 |
| Lawn Tennis Association Grant | 18,625 | 130,375 |
| | 3,545,228 | 7,986,532 |
| Unrestricted | | |
| Everyday Sport campaign | 3,780 | - |
| Gifts in kind (from ESC) | 96,600 | 73,175 |
| | 100,380 | 73,175 |
| | | |
| Total grants and donations | 3,645,608 | 8,059,707 |
| | | |
| Gifts in kind other (from ESC) comprise : | | |
| <u>Unrestricted</u> | | |
| Administration costs | 96,600 | 73,175 |
| Total Unrestricted | 96,600 | 73,175 |
| | | |
| <u>Restricted</u> | | |
| Operational costs Holme Pierrepont | | |
| Dilapidation costs | - | 2,000,000 |
| Capital works | - | 915,457 |
| Repairs | - | 74,284 |
| Legal and professional fees | - | 86,851 |
| Total Restricted | - | 3,076,592 |
| | | |
| Total Gifts in kind other (from ESC) | 96,600 | 3,149,767 |

4 PROPERTY INCOME

| | 2010 £ | 2009 £ |
|-----------------------------|-----------|-----------|
| Freehold / Leasehold income | 3,358,697 | 2,966,946 |

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:

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Interest – overnight & short-term investment of bank balances | 176 | 929 |
| Dividends – quoted stocks and securities | 7,502 | 10,777 |
| Total financial asset income | 7,678 | 11,706 |

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

6 COMMUNITY PROGRAMMES

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Everyday Sport campaign | 3,780 | 30,479 |
| Grant repayable - Everyday Sport campaign | - | 93,212 |
| | 3,780 | 123,691 |

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 | 2010 Total | 2009 Total Restated |
|--|----------|----------------------------|------------|------------|------------------------|
| | | £ | £ | £ | £ |
| Costs directly related to activities | | | | | |
| The English Sports Council administrative charge | Direct | 28,000 | - | 28,000 | 28,000 |
| Gift in kind - Staff Costs | Direct | 96,600 | - | 96,600 | 73,175 |
| Travel & expenses | Direct | - | 2,127 | 2,127 | 1,717 |
| Audit fees (see below) | Direct | - | 21,000 | 21,000 | 14,000 |
| Support costs allocated to activities | | | | | |
| Property costs | Location | 2,975,184 | - | 2,975,184 | 2,887,728 |
| Gift in kind - restricted | Location | - | - | - | 3,002,308 |
| Repairs | Location | 180,711 | - | 180,711 | 74,285 |
| Legal and professional | Location | 185,442 | - | 185,442 | - |
| Depreciation – restricted | Usage | 2,195,302 | - | 2,195,302 | 2,259,891 |
| Depreciation-unrestricted | Usage | 45,990 | - | 45,990 | 46,720 |
| Loss on revaluation of fixed assets -restricted | Usage | 1,136,157 | - | 1,136,157 | 5,727 |
| Loss on disposal of fixed assets -restricted | Usage | 24,515 | - | 24,515 | - |
| Loss on revaluation of fixed assets-unrestricted | Usage | 16,095 | - | 16,095 | - |
| Bank charges | Location | 175 | - | 175 | 80 |
| Total resources expended | | 6,884,171 | 23,127 | 6,907,298 | 8,393,631 |

Restricted items included above are:

| | 2010 £ | 2009 £ |
|-------------------------------------|-----------|-----------|
| Gift in kind | - | 3,002,308 |
| Depreciation on restricted assets | 2,195,302 | 2,259,891 |
| Loss on revaluation of fixed assets | 1,136,157 | 5,727 |
| Loss on disposal of fixed assets | 24,515 | - |
| Repairs | - | 74,285 |
| | 3,355,974 | 5,342,211 |

Audit fees for 2009-10 comprise £15,000 for the 2009-10 financial statements plus additional fees for 2008-09.

The 2009 total has been restated at £8,393,631 from £8,602,992. This relates to the revaluation of financial assets which is now disclosed separately in the Statement of Financial Activities.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

8 STAFF COSTS

The Charity employed no staff directly in 2010 (2009: 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 2010. (2009: £Nil) Four trustees received reimbursement of travel expenses amounting to £2,127 in the year (2009 four trustees £1,717).

9 TANGIBLE FIXED ASSETS

| | Land | Buildings | Assets Under Construction | Equip & Vehicles | Art Works and Antiques | Total |
|------------------------------------|-----------|-------------|---------------------------|------------------|------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost/valuation at 1 April 2009 | 6,022,227 | 58,888,589 | 1,710,599 | 1,516,278 | - | 68,137,693 |
| Assets funded by LTA | - | 18,625 | - | - | - | 18,625 |
| Assets gifted by ESC | - | 3,029,125 | 256,417 | 241,061 | - | 3,526,603 |
| Art Works and Antiques | - | - | - | - | 959,700 | 959,700 |
| Disposals | (28,636) | (37,334) | - | (189,701) | - | (255,671) |
| Revaluation | (919,652) | (9,027,238) | - | - | - | (9,946,890) |
| Transfers | - | 1,617,985 | (1,710,599) | 92,614 | - | - |
| Cost/valuation at 31 March 2010 | 5,073,939 | 54,489,752 | 256,417 | 1,660,252 | 959,700 | 62,440,060 |
| Acc depreciation at 1 April 2009 | - | (8,562,907) | - | (794,695) | - | (9,357,602) |
| Charge for year | - | (2,035,695) | - | (205,598) | - | (2,241,293) |
| Disposals | - | 28,867 | - | 185,504 | - | 214,371 |
| Revaluation | - | 1,608,161 | - | - | - | 1,608,161 |
| Acc depreciation at 31 March 2010 | - | (8,961,574) | - | (814,789) | - | (9,776,363) |
| Net Book Value as at 31 March 2010 | 5,073,939 | 45,528,178 | 256,417 | 845,463 | 959,700 | 52,663,697 |
| Net Book Value as at 31 March 2009 | 6,022,227 | 50,325,682 | 1,710,599 | 721,583 | - | 58,780,091 |

The net book value of land and buildings comprises:

| | 2010 | 2009 |
|------------------------|-------------------|------------|
| | £ | £ |
| Freehold | 49,967,397 | 54,607,446 |
| Leasehold improvements | 634,720 | 1,740,463 |
| | 50,602,117 | 56,347,909 |

The historical cost of Land and Buildings at 31 March 2010 was £61,066,639 (£58,056,223 at 31 March 2009).

Art Works and Antiques

There is a collection of art works furniture and fittings at Bisham Abbey dating from the 16th Century and the historical significance classifies the collection as Art Works and Antiques. 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. These assets are being included in the balance sheet for the first time, previously they have been mentioned only as a note to the financial statements.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

10 FINANCIAL ASSETS

Listed stocks and securities

| | 2010 £ | 2009 £ |
|--|----------------|----------------|
| Cost at 1 April | 649,504 | 649,504 |
| Additions including reinvested profits | - | - |
| Cost at 31 March | <u>649,504</u> | <u>649,504</u> |
| Revaluation at 1 April | - | 101,979 |
| Revaluation movement | - | (101,979) |
| Revaluation at 31 March | <u>-</u> | <u>-</u> |
| Market value at 1 April | 440,143 | 751,483 |
| Revaluation movement | - | (101,979) |
| Impairments | - | (209,361) |
| Write up to market value | <u>159,397</u> | <u>-</u> |
| Market value at 31 March | <u>599,540</u> | <u>440,143</u> |

11 DEBTORS

| | 2010 £ | 2009 £ |
|----------------------------|----------------|------------------|
| Trade debtors | - | 2,750 |
| Sundry debtors | - | 13,650 |
| The English Sports Council | 16,732 | 109,313 |
| Caversham Lakes Trust Ltd | - | 5,223 |
| Prepayments | 273,915 | 764,485 |
| Accrued income | 341,195 | 303,904 |
| | <u>631,842</u> | <u>1,199,325</u> |

12 CREDITORS

Amounts falling due within one year

| | 2010 £ | 2009 £ |
|---|----------------|------------------|
| Trade creditors | 17,388 | 61,051 |
| The English Sports Council | 37,695 | 622,601 |
| The English Sports Council – Lottery Fund | - | 93,212 |
| Deferred income | 14,703 | 13,939 |
| Accruals | 407,964 | 264,250 |
| | <u>477,750</u> | <u>1,055,053</u> |

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

13 REVALUATION RESERVE

| | 2010 £ | 2009 £ |
|--|-------------|------------|
| <u>Restricted</u> | | |
| <u>Revaluation Reserve Land and Buildings</u> | | |
| Balance brought forward at 1 April | 11,644,459 | 12,818,198 |
| Amortisation of revaluation reserve to restricted fund | (322,826) | (384,091) |
| Revaluation of fixed assets | (7,047,640) | (592,204) |
| Revaluation on asset disposals | (8,636) | (197,444) |
| Balance at 31 March | 4,265,357 | 11,644,459 |
| <u>Unrestricted</u> | | |
| <u>Unrealised Profit on Financial Assets</u> | | |
| Balance brought forward at 1 April | - | 101,976 |
| Revaluation of Financial Assets | - | (101,976) |
| Balance at 31 March | - | - |
| <u>Unrestricted</u> | | |
| <u>Revaluation Reserve Land and Buildings</u> | | |
| Balance brought forward at 1 April | 161,084 | 185,525 |
| Amortisation of revaluation reserve to unrestricted fund | (9,255) | (7,555) |
| Revaluation of fixed assets | (145,887) | (16,886) |
| Balance at 31 March | 5,942 | 161,084 |
| Total Unrestricted Revaluation Reserve at 31 March | 5,942 | 161,084 |
| Total Revaluation Reserve | 4,271,299 | 11,805,543 |

14 RESTRICTED FUNDS – THE ENGLISH SPORTS COUNCIL ASSETS

| | 2010 £ | 2009 £ |
|--|-------------|-------------|
| Balance brought forward at 1 April | 36,816,025 | 34,948,520 |
| Gifts of tangible fixed assets from ESC | 3,526,603 | 4,779,565 |
| Art Works and Antiques (Note 9) | 959,700 | - |
| Disposal of fixed assets | - | (1,318,685) |
| Loss on revaluation of fixed assets | (872,972) | (5,727) |
| Depreciation for year | (1,856,546) | (1,924,587) |
| Amortisation of property revaluation reserve | 280,913 | 336,939 |
| Balance at 31 March | 38,853,723 | 36,816,025 |

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

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

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

| | 2010 £ | 2009 £ |
|--|-----------|-----------|
| Balance brought forward at 1 April | 9,125,369 | 9,413,521 |
| Depreciation for year | (330,065) | (335,304) |
| Loss on revaluation of fixed assets | (269,029) | - |
| Amortisation of property revaluation reserve | 41,913 | 47,152 |
| Balance at 31 March | 8,568,188 | 9,125,369 |

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

16 RESTRICTED FUNDS – REVENUE

| | 2010 £ | 2009 £ |
|------------------------------------|-----------|-----------|
| Balance brought forward at 1 April | - | 21,094 |
| Transferred to Unrestricted Fund | - | (21,094) |
| Everyday Sport | - | - |
| Physical recreation facilities | - | - |
| Balance at 31 March | - | - |

There were no restricted revenue funds at 31 March 2010 and 2009.

17 RESTRICTED FUNDS – OTHER

| | 2010 £ | 2009 £ |
|------------------------------------|-----------|-----------|
| At 1 April | | |
| Reg Ranger Memorial Fund | 3,662 | 3,662 |
| Donald Scammell Fund | 4,818 | 4,818 |
| National Anglers Council | 6,036 | 6,036 |
| Bisham Abbey Appeal Fund | 3,177 | 3,177 |
| Balances brought forward | 17,693 | 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 | | |
| Reg Ranger Memorial Fund | - | 3,662 |
| Donald Scammell Fund | - | 4,818 |
| National Anglers Council | 6,036 | 6,036 |
| Bisham Abbey Appeal Fund | - | 3,177 |
| Balance at 31 March | 6,036 | 17,693- |

The Reg Ranger Memorial Fund and the Bisham Abbey Appeal Fund were both released to the unrestricted reserve fund during the year 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 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.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

18 RESTRICTED FUNDS – CAPITAL

| | 2010 £ | 2009 £ |
|---|----------------|----------------|
| Balance brought forward at 1 April | 130,375 | - |
| Depreciation for year | (8,692) | - |
| Loss on revaluation of fixed assets | (18,671) | - |
| Received from the Lawn Tennis Association | 18,625 | 130,375 |
| Balance at 31 March | <u>121,637</u> | <u>130,375</u> |

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

19 UNRESTRICTED FUNDS

| | 2010 £ | 2009 £ |
|--|------------------|-----------------------|
| Balance brought forward at 1 April | 1,568,321 | Restated 1,732,332 |
| Depreciation for year | (45,990) | (46,720) |
| Community programmes | 3,780 | (123,691) |
| Other operating activity | (28,944) | 47,127 |
| Loss on fixed assets revaluation | (17,195) | - |
| Net expenditure per SOFA | (88,349) | (123,284) |
| Revaluation of financial assets | 159,397 | (209,361) |
| Amortisation of property revaluation reserve | 9,255 | 7,555 |
| Adjustment to net cost of financial assets | - | 139,985 |
| Transfer from restricted funds other | 6,839 | 21,094 |
| Balance at 31 March | <u>1,655,463</u> | <u>1,568,321</u> |

2009 figures have been restated as the revaluation of financial assets is now separately disclosed.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible Assets £ | Financial Assets £ | Net Current Assets £ | 2010 Total £ | 2009 Total £ |
|----------------------------|-------------------------|--------------------------|----------------------------|-------------------|-------------------|
| Restricted Funds | | | | | |
| Revaluation reserve | 4,265,357 | - | - | 4,265,357 | 11,644,459 |
| The English Sports Council | 38,853,723 | - | - | 38,853,723 | 36,816,025 |
| Sport England Lottery Fund | 8,568,188 | - | - | 8,568,188 | 9,125,369 |
| Capital – LTA | 121,637 | - | - | 121,637 | 130,375 |
| Other restricted funds | - | - | 6,036 | 6,036 | 17,693 |
| Total Restricted Funds | <u>51,808,905</u> | - | <u>6,036</u> | <u>51,814,941</u> | <u>57,733,921</u> |
| Unrestricted Funds | | | | | |
| Revaluation reserve | 5,942 | - | - | 5,942 | 161,084 |
| Other unrestricted fund | 848,850 | 599,540 | 207,073 | 1,655,463 | 1,568,321 |
| Total Unrestricted Funds | <u>854,792</u> | <u>599,540</u> | <u>207,073</u> | <u>1,661,405</u> | <u>1,729,405</u> |
| Total Funds | <u>52,663,697</u> | <u>599,540</u> | <u>213,109</u> | <u>53,476,346</u> | <u>59,463,326</u> |

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

20 CASH FLOW STATEMENT

20.1 Net cash flow from operating activities

| | 2010 £ | 2009 £ |
|---------------------------------------|-----------------|----------------|
| | | Restated |
| Net surplus for the year | 100,905 | 2,521,037 |
| Less gift of fixed assets | (3,526,603) | (4,779,565) |
| Loss on fixed assets revaluation | 1,153,352 | 5,727 |
| Loss on disposal of fixed assets | 24,515 | - |
| Repayment of restricted funds | (4,818) | - |
| Less financial asset income | (7,678) | (11,706) |
| Depreciation and write down of assets | 2,241,293 | 2,306,613 |
| Decrease in debtors | 567,481 | 701,844 |
| (Decrease) in creditors | (577,303) | (604,867) |
| Total | (28,856) | 139,083 |

2009 net surplus has been restated from £2,311,676 to reflect that the revaluation of financial assets of £209,361 is not included in the surplus for the year.

20.2 Analysis of changes in cash and cash equivalents

| | 2010 £ | 2009 £ |
|---------------------------|-----------------|-----------|
| Opening balance | 98,820 | 78,406 |
| Closing balance | 59,017 | 98,820 |
| Net cash inflow/(outflow) | (39,803) | 20,414 |

21 FINANCIAL COMMITMENTS

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

| | Land and Buildings 2010 £ | Land and Buildings 2009 £ |
|---|------------------------------------|------------------------------------|
| Expiring within one year | 27,766 | 89,800 |
| Expiring between two and five years inclusive | 145,620 | 200,788 |
| Expiring in over five years | 1,350,681 | 1,405,802 |
| | 1,524,067 | 1,696,390 |

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.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2010

23 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

| Provisions | 2010 | 2009 |
|-------------------------------------|-----------------|---------------|
| | £ | £ |
| Balance brought forward at 1 April | 69,468 | - |
| Provided in year | - | 69,468 |
| Utilised in year | (69,468) | |
| Balance carried forward at 31 March | - | 69,468 |

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.

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 PARENT BODY RIGHTS OVER ASSETS

Grants made by The English Sports Council (and formerly the Sports Council) and Sport England 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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