

The Sports Council Trust Company

Company number 2517615

Charity number 803779

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2008-2009

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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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TRUSTEES' REPORT

The trustees' present their Report on the affairs of the Charity together with the financial statements and auditor's report for the year ended 31 March 2009. 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 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 makes all nominations to the board for the appointment of chairman, directors and company secretary.

Trustee induction and training

New trustees receive financial and legal information in relation to the charity in the form of memorandum and articles of association, annual report and management accounts. Most trustees have previously served as directors/trustees on either the main board of The English Sports Council or one of its subsidiaries and therefore have a good knowledge of the responsibilities that come with the role.

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; The English Sports Council carries out its administration.

A chairman is appointed by The English Sports Council to manage the day-to-day operations of the charity. To facilitate effective operations, the chairman delegates authority for operational matters 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 Sports Council Trust Company.

Related parties

The English Sports Council is the principal related party with the charity (see note 3). The charity acquires tangible assets which The English Sports Council operates/uses as the charity's agent and has entered into formal agreements with The English Sports Council relating to their use, management and maintenance.

Risk management

The board have identified and reviewed the major risks that the charity may face in relation to its assets and operating activities and are satisfied that they have taken all reasonable steps to mitigate those risks.

Grants policy

The charity awards a number of grants 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. As explained in the Review of Activities the company was unable to make awards this year.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

Investments policy

The policy relating to the charity's portfolio of equity investments is to generate a level of income towards operating expenditure and then to maximise capital gains. 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 investments generated income of £10,777 (2008: £10,538). The market value of the investments has dropped by £171,352 from £611,495 at 31 March 2008 to £440,143 at 31 March 2009. This fall has arisen from the downturn in the investment markets. The investment strategy was reviewed by the trustees during the year to maximise income.

Reserves policy

The charity's reserves can be divided between:

Those which can not be readily 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; and those acquired from the charity's own resources.

Those which are free to be used (the investments and cash holdings) are part of the unrestricted funds. At 31 March 2009, these free reserves amounted to £1,729,405 (2008 £2,040,927) and are held to meet the charity's operating costs, to enable it to make grant awards and to provide a contingency against unforeseen expenditure.

PRINCIPAL ACTIVITIES OF THE SPORTS COUNCIL TRUST LIMITED

The objectives of the charity are:

- 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.

These objectives are achieved by:

- Providing and maintaining world-class training facilities at the national sports centres.
- Providing grants to various sports organisations.
- Increasing public awareness of the importance of regular physical activity through campaigns such as "Everyday Sport".

REVIEW OF ACTIVITIES

The national centres owned or leased by the Trust during the year were Bisham Abbey, Lilleshall, Holme Pierrepont, Plas Y Brenin and Harrison's Rocks. These facilities are operated on behalf of the Trust through agency agreements with The English Sports Council. The lease on Holme Pierrepont was surrendered on 31 March 2009, with the facility reverting back to Nottinghamshire County Council. In the opinion of the trustees the transfer represented good value for money and secured long term sporting outcomes for the facility and the local community. The early surrender included a payment of £2m, representing dilapidation costs, paid for by The English Sports Council and included within the Gift in kind amount of £3,149,767 (see note 4) .

The Sports Council Trust Company did not make any awards during the year due to the downturn in investment income.

The "Everyday Sport" campaign continued, which is a campaign aimed at encouraging people to build physical activity and sport into their everyday lives. The focus of the campaign has been to provide leadership from The English Sports Council to support County Sports Partnership's (CSP) and County Sports Networks (CSN) wanting to campaign to promote sport at the local level, through the development of a "Promoting Sport Toolkit". This is a collection of tools designed to give CSPs – and other partners such as National Governing Bodies and CSNs - the tools to campaign at the local level. It includes factsheets, templates, photography, marketing material and training. During the year £30,479 (2008:£78,906) has been spent on this programme.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

PUBLIC BENEFIT

The public benefit at the National Centres is achieved through providing sporting opportunities for the local community and clubs and by protecting access to sporting facilities for the public. Community usage has increased at all centres during 2008/09.

As a part of its continuing policy of increasing Community usage, The Sports Council Trust Company has worked with its managing agents to market and operate the facilities. Examples of the success of this policy are given below.

RESULTS FOR THE YEAR

Bisham Abbey

Sports facilities include tennis courts, rowing, hockey pitches, football pitches, a multi-sports facility and a sports science medicine facility. Examples of increased Community usage include a 13% increase in football to 138,753 visits in 2008/09 compared with 120,558 visits in 2007/08. There has also been a 10% increase in gym members and a 77% increase in the number of gym members attending fitness classes (up from an average of 732 per month in 2007/08 to 1,297 per month in 2008/09) as a result of enhancements to the timetable.

Bisham Abbey hosts a comprehensive tennis programme by providing an introduction to tennis with a full mini tennis programme, then linking with schools and a community tennis club, thus providing a pathway through to junior and senior tennis academies.

Lilleshall

Sports facilities include a gymnastics hall, squash courts, an outdoor archery range and football pitches. Examples of increased Community usage include a 4% increase in football to 88,948 visits compared with 85,390 in 2007/08. Over 80 community clubs use the facilities including gymnastics, bowls, archery, indoor hockey, cricket, netball, squash, table tennis, badminton and ballroom dancing. The on site community squash club has doubled its membership in the last 12 months and is now the largest squash club in Shropshire.

Holme Pierrepont

Sports facilities include extensive watersports facilities for sailing, rowing, kayaking, canoeing and water skiing. There is also an indoor training hall which is used for football, badminton and other sports. Examples of increased Community usage include an 11% increase in football to 51,845 visits compared with 45,821 in 2007/08. There has also been increased use of the slalom course and white water rafting despite the course being closed for some months whilst the facility was upgraded. During the period a gym was opened which has achieved a growing membership of up to 800 visits per month.

Plas Y Brenin

Sports facilities include climbing, mountaineering, rafting and canoeing. The centre has achieved an increased usage of 15% over the period.

Harrisons Rocks

Harrisons Rocks is a crop of sandstone rocks used widely by the mountaineering and rock climbing community. The rocks were originally purchased by the British Mountaineering Council (BMC) in the 1950s but were passed to the Central Council for Physical Recreation and then to the company as the BMC did not have a vehicle to own assets. BMC have subsequently set up a trust vehicle and have requested that the rocks are gifted to them. This has been approved by the company board and Charity Commission permission is being sought to progress this.

OLYMPIC SUCCESSES

There were a number of Olympic successes in rowing, gymnastics and archery by athletes based at the Company's National Centres. These included:

Bisham – 2 gold medals in Men's Four Rowing and Men's Lightweight Double Sculls); 2 silver medals in

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

Men's Eight Rowing and Women's Quad Scull; and 2 bronze medals in Men's Double Scull and Women's Double Scull.

Holme Pierrepont - 1 gold medal in 1000m K1, 1 silver in Slalom C1 and 1 bronze medal in Sprint 500.

Lilleshall - Two 4th places and 1 bronze medal in Gymnastics and Archery.

OTHER ACHIEVEMENTS

The National Centres undertook Quest evaluation during the year. Quest is the UK Quality Scheme primarily for the management of leisure facilities and leisure development. It is designed to assess continuous improvement. It defines industry standards and good practice and encourages their ongoing development and delivery within a customer focused management framework. Bisham Abbey, Holme Pierrepont and Lilleshall were accredited with an excellent rating and Plas Y Brenin was highly commended.

Bisham Abbey and Win Tennis were awarded International High Performance Tennis Centre status, one of only two centres in the country.

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 £4,909,940. Of this sum £4,779,565 has been gifted from The English Sports Council and £130,375 from The Lawn Tennis Association for Bisham Abbey.

Bisham Abbey National Sports Centre

An improved and increased strength and condition facility has been developed at Bisham Abbey National Sports Centre. This will provide the optimum blend of facilities required for elite athletes not just for training, but also for recovery and rehabilitation. The improved and increased size of facilities will allow for the increased number of athletes who will be training in preparation for 2012. The investment of £2.1m will provide heavy weights platforms, rowing and canoe machines; plus dedicated areas for strength and conditioning, agility and speed training, stretching, Pilates and treatment and rehabilitation.

Lilleshall

A new archery range at Lilleshall. Indoor range refurbishments with new permanent technical (video analysis) area, fixed speed cameras and improved access for Paralympics archers. The outdoor range will be relocated adjacent to the indoor range with a new covered technical area. The outdoor range will also be realigned to face north to mirror the conditions archers will face at the Olympics. The English Sports Council is also developing 2 new floodlit artificial pitches at Lilleshall one for hockey and one for multi purpose. The hockey pitch will replicate the surface of the London 2012 venue. England Hockey intends to use Lilleshall for talent development of gifted young players through junior camps.

Plas Y Brenin

Capital investment in Bryn Engan to increase the accommodation available, particularly for use by groups of young people: £350,000.

FINANCIAL REVIEW

The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 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 £4,779,565 by way of a gift from The English Sports Council in the year to 31 March 2009 (see the more detailed breakdown of this expenditure below).

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

The surplus of the charity for the year to 31 March 2009 was £2,311,676 before losses from revaluation (2008: deficit of £1,096,903). The trustees propose that this is taken to reserves, together with the loss on revaluation of properties and investments of £2,087,209 (2008 gain £3,840,591).

Certain additions to the tangible fixed assets were funded by means of a gift from The English Sports Council. The total value of these additions within the financial statements of the charity was £4,779,565.

Assets gifted by The English Sports Council include:

	£
Bisham Abbey	
Mezzanine floor	2,271,848
Accommodation	330,044
Tennis Courts and lighting	265,653
Total	2,867,545
Lilleshall	
Pitches	735,508
Archery Hall	671,848
Oil Tanks	113,868
Other	115,943
Total	1,637,167
Plas Y Brenin	
Bryn Engan Accommodation Block	274,853
Grand total	<u>4,779,565</u>

LIKELY FUTURE DEVELOPMENTS and POST BALANCE SHEET EVENTS

Through the continued provision and maintenance of world class training facilities at the national centres, the charity is looking forward to helping and encouraging the nation to be more active on a regular basis. The charity sees this as a main part of its primary objective of preserving and safeguarding the physical and mental health of the community through physical recreation (including sports) and education in relation thereto.

TRUSTEES

The trustees who served during the year are shown below:-

- Tim Marshall MBE (Chairman)
- Dame Mary Glen Haig CBE
- Brian Hyde
- David Oxley CBE
- David Knight
- Bernard Spittle OBE
- Andy Worthington MBE (resigned 14 January 2009)

The Company Secretary who served during the year was Sharon Coles.

The Charity, other than its trustees, has no employees; The English Sports Council carries out the administration of the Charity.

REGISTERED OFFICE

3rd Floor
Victoria House
Bloomsbury Square
London WC1B 4SE

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

BANKERS

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

SOLICITORS

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

INVESTMENT MANAGERS

Barclays Wealth Management
1 Churchill Place
London E14 5HP

AUDITORS

The Comptroller and Auditor General
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

The Comptroller and Auditor General was appointed as Statutory Auditor to the Company during the year replacing Baker Tilly and Co. following the passing of The Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009.

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 1985. 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: 3 July 2009

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

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 2009 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. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the trustees and auditor

The trustees are responsible for preparing 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. These responsibilities 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 with 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 1985. I report to you whether, in my opinion, the information given in the Trustees' Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income 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 Sports Council Trust Company 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 other transactions is not disclosed.

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

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 expenditure and income 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 2009

Opinions

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 the charitable company's affairs as at 31 March 2009 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 1985; 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 expenditure and income 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
151 Buckingham Palace Road
Victoria
London
SW1W 9SS
Date 10 July 2009

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

		2009 Restricted	2009 Unrestricted	2009 Total	2008 Restated Total
	Note	£	£	£	£
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income:					
Grants and donations	4	7,986,532	73,175	8,059,707	1,298,998
<i>Activities for generating funds:</i>					
Commercial trading operations	5	-	2,966,946	2,966,946	2,553,146
<i>Financial asset income</i>	6	-	11,706	11,706	15,028
Total incoming resources		<u>7,986,532</u>	<u>3,051,827</u>	<u>11,038,359</u>	<u>3,867,172</u>
Resources expended					
<i>Charitable activities</i>					
Community programmes	7	-	123,691	123,691	112,299
Provision of facilities	8	5,342,211	3,245,064	8,587,275	4,836,173
<i>Governance costs</i>	8	-	15,717	15,717	15,603
Total resources expended		<u>5,342,211</u>	<u>3,384,472</u>	<u>8,726,683</u>	<u>4,964,075</u>
Net incoming/(outgoing) resources = Net income/(expenditure)		2,644,321	(332,645)	2,311,676	(1,096,903)
Revaluation (losses) / gains		(2,108,332)	21,123	(2,087,209)	3,840,591
Net movement of funds in year		<u>535,989</u>	<u>(311,522)</u>	<u>224,467</u>	<u>2,743,688</u>
<i>Reconciliation of funds</i>					
Total funds brought forward		57,197,932	2,040,927	59,238,859	56,495,171
Total funds carried forward		<u>57,733,921</u>	<u>1,729,405</u>	<u>59,463,326</u>	<u>59,238,859</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 12 TO 21 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

BALANCE SHEET

As at 31 March 2009

	Note	2009 £	2008 £ Restated
<u>Fixed assets</u>			
Tangible assets	10	58,780,091	58,307,709
Financial assets	11	440,143	611,495
		<u>59,220,234</u>	<u>58,919,204</u>
<u>Current assets</u>			
Contingent asset	24	69,468	-
Debtors	12	1,199,325	1,901,169
Cash at bank		98,820	78,406
		<u>1,367,613</u>	<u>1,979,575</u>
<u>Current Liabilities</u>			
Creditors falling due within one year	13	1,055,053	1,659,920
Provisions	24	69,468	-
		<u>243,092</u>	<u>319,655</u>
<u>Net Current assets</u>		<u>243,092</u>	<u>319,655</u>
<u>Net assets</u>		<u>59,463,326</u>	<u>59,238,859</u>
<u>The funds of the charity</u>			
Restricted Revaluation Reserve	14	11,644,459	12,818,198
Unrestricted Revaluation Reserve	14	161,084	287,501
Restricted funds – The English Sports Council Assets	15	36,816,025	34,948,520
Restricted funds – Sport England Lottery Funded Assets	16	9,125,369	9,413,521
Unrestricted funds – revenue	17	-	21,094
Restricted funds – other	18	17,693	17,693
Restricted funds – capital	19	130,375	-
Unrestricted funds	20	1,568,321	1,732,332
		<u>59,463,326</u>	<u>59,238,859</u>
Total charity funds		<u>59,463,326</u>	<u>59,238,859</u>
Reconciliation of Restricted and Unrestricted reserves:			
Total restricted		57,733,921	57,197,932
Total unrestricted		1,729,405	2,040,927
Total		<u>59,463,326</u>	<u>59,238,859</u>

The financial statements on pages 9 to 21 were approved by the Board of Directors and were signed on its behalf by:

Tim Marshall MBE
Chairman

DATE: 3 July 2009

THE NOTES ON PAGES 12 TO 21 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

CASH FLOW STATEMENT
For the Year ended 31 March 2009

	Note	2009 £	2008 £
<u>Net cash inflow/(outflow) from operating activities</u>	21.1	<u>139,083</u>	<u>(729,418)</u>
Returns on financial assets and servicing of finance			
Interest and dividends received		<u>11,706</u>	<u>15,028</u>
<u>Net cash flow from financial assets and servicing of finance</u>		<u>11,706</u>	<u>15,028</u>
<u>Financial asset activities:</u>			
Purchase of assets		(130,375)	-
Purchase of quoted securities		<u>-</u>	<u>(14,782)</u>
<u>Net cash flow from financial asset activities</u>		<u>(130,375)</u>	<u>(14,782)</u>
<u>Net cash inflow / (outflow)</u>		<u>20,414</u>	<u>(729,172)</u>
Changes in cash balances during the year :			
Balance as at 1 April	21.2	78,406	807,578
Net cash inflow/(outflow)	21.2	<u>20,414</u>	<u>(729,172)</u>
Balance as at 31 March	21.2	<u>98,820</u>	<u>78,406</u>

THE NOTES ON PAGES 12 TO 21 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared 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, applicable UK Accounting Standards and the Companies Act 1985. 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 commercial and trading operations includes income in relation to the leases held by the charity on behalf of The English Sports Council.

Financial asset income is recognised on a receivable basis.

1.3 Resources expended

Support costs are allocated directly or on the basis of location, usage or transactions. See note 9.

Expenditure is recognised when a liability is incurred. Grant payments are recognised when paid or when a constructive obligation arises that results in the payment being unavoidable.

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

1.4 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.

1.5 Dividends

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

1.6 Tangible Fixed Assets

Freehold land and buildings are shown at a valuation at 31 March 2009, modified under Modified Historic Cost Accounting. The Department for Culture, Media and Sport have specified 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.

1.7 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.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

1.8 Financial Assets

Financial Assets are shown at valuation at the end of the year and are classified as available for sale.

1.9 Funds

Details of all restricted and unrestricted funds are provided in notes 14 to 20.

2 PRIOR YEAR RESTATEMENT

Following a review of the accounting treatment of the revaluations of land and buildings, depreciation calculations, the releases to and from reserve accounts, and the inclusion of voluntary gifts in kind it has been necessary to restate the following amounts included in the balance sheet and statement of financial activities as at 31 March 2008.

	Previously Reported	Restated
<u>Balance sheet</u>	£	£
Tangible assets	60,906,071	58,307,709
Net assets	61,837,221	59,238,859
Restricted Revaluation Reserve	36,044,027	12,818,198
Unrestricted Revaluation Reserve	511,269	287,501
Restricted funds – The English Sports Council Assets	13,550,286	34,948,520
Restricted funds – Sport England Lottery Assets	9,813,791	9,413,521
Unrestricted funds	1,879,061	1,732,332
Total charity funds	61,837,221	59,238,859
<u>Statement of financial activities</u>		
Grants and donations	1,224,958	1,298,998
Operation of trust	4,498,880	4,836,173
Deficit for the year	831,837	1,096,903
Revaluation gains	4,688,222	3,840,591

3 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.

	Income included in the financial statements 2009	Amount owed / (owing) at 31 March 2009	Income included in the financial statements 2008	Amount owed / (owing) at 31 March 2008
	£	£	£	£
The English Sports Council	2,531,871	513,288	2,305,036	934,021

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

4 GRANTS AND DONATIONS

	2009 £	2008 £
Everyday Sport Grant	-	100,000
Gifts of fixed assets (from ESC)	4,779,565	1,124,958
Gifts in kind other (from ESC)	3,149,767	74,040
Lawn Tennis Association Grant	130,375	-
	8,059,707	1,298,998
Gifts in kind other (from ESC) comprise :-		
Unrestricted		
Administration costs	73,175	74,040
Total Unrestricted	73,175	74,040
Restricted		
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)	3,149,767	74,040

5 COMMERCIAL AND TRADING OPERATIONS

	2009 £	2008 £
Freehold / Leasehold income	2,966,946	2,553,146
	2,966,946	2,553,146

6 FINANCIAL ASSET INCOME

Income accrued from the following financial assets:

	2009 £	2008 £
Interest – overnight & short-term investment of bank balances	929	4,490
Dividends – quoted stocks and securities	10,777	10,538
Total dividends and interest received	11,706	15,028
Total financial asset income	11,706	15,028

7 COMMUNITY PROGRAMMES

	2009 £	2008 £
Everyday Sport campaign	30,479	78,906
Grant repayable - Everyday Sport campaign	93,212	-
Grants Awarded	-	33,393
	123,691	112,299

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

8 PROVISION OF FACILITIES

The trust allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

		Provision of Facilities £	Governance £	2009 Total £	2008 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	73,175	-	73,175	74,040
Travel & expenses	Direct	-	1,717	1,717	1,813
Audit fees	Direct	-	14,000	14,000	13,790
Support costs allocated to activities					
Property costs	Location	2,887,728	-	2,887,728	2,563,164
Gift in kind - restricted	Location	3,002,308	-	3,002,308	-
Repairs	Location	74,285	-	74,285	-
Impairments	Location	5,727	-	5,727	-
Legal and professional	Usage	-	-	-	7,120
Depreciation – restricted	Usage	2,259,891	-	2,259,891	2,099,832
Depreciation – unrestricted	Usage	46,720	-	46,720	43,557
Loss on disposal of assets – restricted	Usage	-	-	-	20,474
Impairment of financial assets – unrestricted	Direct	209,361	-	209,361	-
Bank charges	Transactions	80	-	80	(14)
Total resources expended		8,587,275	15,717	8,602,992	4,851,776

Restricted items included above are:

	2009 £	2008 £
Gift in kind	3,002,308	-
Depreciation on restricted assets	2,259,891	2,099,832
Loss on disposal of restricted assets	-	20,474
Repairs	74,285	-
Revaluation below cost	5,727	-
	5,342,211	2,120,306

9 STAFF COSTS

The only staff employed by the Company during the year were the 7 trustees (2007/08: 7).

None of the trustees of The Sports Council Trust Company received any remuneration from the Company in the year to 31 March 2009. Four Directors received reimbursement of travel expenses amounting to £1,717 in the year (2007/08 four Directors £1,813).

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

10 TANGIBLE FIXED ASSETS

	Land	Buildings	Assets Under Construction	Equip & Vehicles	IT Equip	Total
	£	£	£	£	£	£
Cost/valuation at 1 April 2008 restated	6,117,818	65,087,177	-	2,405,690	29,796	73,640,481
Assets funded by LTA grant	-	130,375	-	-	-	130,375
Assets gifted by ESC	-	2,993,541	1,710,599	75,425	-	4,779,565
Disposals	-	(8,441,291)	-	(964,837)	(29,796)	(9,435,924)
Revaluation	(95,591)	(881,213)	-	-	-	(976,804)
Cost/valuation at 31 March 2009	6,022,227	58,888,589	1,710,599	1,516,278	-	68,137,693
Acc depreciation at 1 April 2008 restated	-	13,758,310	-	1,544,666	29,796	15,332,772
Charge for year	-	2,100,450	-	206,161	-	2,306,611
Disposals	-	(6,933,866)	-	(956,132)	(29,796)	(7,919,794)
Revaluation	-	(361,987)	-	-	-	(361,987)
Acc depreciation at 31 March 2009	-	8,562,907	-	794,695	-	9,357,602
Net Book Value as at 31 March 2009	6,022,227	50,325,682	1,710,599	721,583	-	58,780,091
Net Book Value as at 31 March 2008 restated	6,117,818	51,328,867	-	861,024	-	58,307,709

The net book value of land and buildings comprises:

	2009	2008
	£	£
Freehold	54,607,446	53,746,616
Leasehold improvements	1,740,463	3,700,069
	56,347,909	57,446,685

The historical cost of Land and Buildings at 31 March 2009 was £58,056,223 (£54,698,364 at 31 March 2008).

Art Collection

There is a collection of art works and historic artefacts at Bisham Abbey with pieces dating from the 16th Century and the historical significance classifies the collection as heritage assets. The collection was valued for insurance purposes by Sotheby's at £1,053,780 as at 11 July 2002. These assets have not been recognised within The Sports Council Trust Company balance sheet due to there being no active market to measure the value and that these assets could not be physically reconstructed or replaced if lost or destroyed.

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

11 FINANCIAL ASSETS

Listed stocks and securities

	2009 £	2008 £
Cost at 1 April	509,516	494,734
Adjustment of balance at 1 April 2008	139,988	-
Additions including reinvested profits	-	14,782
Cost at 31 March	<u>649,504</u>	<u>509,516</u>
Revaluation at 1 April	101,979	179,458
Revaluation movement	(101,979)	(77,479)
Revaluation at 31 March	<u>-</u>	<u>101,979</u>
Market value at 1 April	611,495	674,192
Revaluation movement	(101,979)	(77,479)
Adjustment of balance at 1 April 2008	139,988	-
Additions including reinvested profits	-	14,782
Impairments	(209,361)	-
Market value at 31 March	<u>440,143</u>	<u>611,495</u>

The Sports Council Trust Company adopts investment policies appropriate to the nature of the funds for which the financial assets are held. The primary investment aim is to provide a high degree of security through appropriate diversification and liquidity and to maximise returns whilst adopting a conservative approach.

12 DEBTORS

	2009 £	2008 £
Trade debtors	2,750	205,185
Sundry debtors	13,650	-
The English Sports Council	109,313	934,021
Caversham Lakes Trust Ltd	5,223	-
Prepayments	764,485	761,963
Accrued income	303,904	-
	<u>1,199,325</u>	<u>1,901,169</u>

13 CREDITORS

Amounts falling due within one year

	2009 £	2008 £
Trade creditors	61,051	843,980
The English Sports Council	622,601	-
The English Sports Council – Lottery Fund	93,212	-
Deferred income	13,939	730,692
Accruals	264,250	85,248
	<u>1,055,053</u>	<u>1,659,920</u>

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

14 REVALUATION RESERVE

	2009 £	2008 £ Restated
<u>Restricted</u>		
<u>Revaluation Reserve Land and Buildings</u>		
Balance brought forward at 1 April	12,818,198	9,310,572
Amortisation of revaluation reserve to restricted fund	(384,091)	(256,627)
Revaluation of fixed assets	(592,204)	3,764,253
Revaluation on asset disposals	(197,444)	-
Balance at 31 March	11,644,459	12,818,198
<u>Unrestricted</u>		
<u>Unrealised Profit on Financial Assets</u>		
Balance brought forward at 1 April	101,976	179,455
Revaluation of Financial Assets	(101,976)	(77,479)
Balance at 31 March	-	101,976
<u>Unrestricted</u>		
<u>Revaluation Reserve Land and Buildings</u>		
Balance brought forward at 1 April	185,525	113,579
Amortisation of revaluation reserve to unrestricted fund	(7,555)	(4,392)
Revaluation of fixed assets	(16,886)	76,338
Balance at 31 March	161,084	185,525
Total Unrestricted Revaluation Reserve at 31 March	161,084	287,501
Total Revaluation Reserve	11,805,543	13,105,699

15 RESTRICTED FUNDS – THE ENGLISH SPORTS COUNCIL ASSETS

	2009 £	2008 £ Restated
Balance brought forward at 1 April	34,948,520	35,307,839
Gifts of tangible fixed assets from The English Sports Council	4,779,565	1,216,209
Disposal of fixed assets	(1,318,685)	(20,474)
Impairments	(5,727)	-
Depreciation for year	(1,924,587)	(1,787,231)
Amortisation of property revaluation reserve	336,939	232,177
	36,816,025	34,948,520

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

	2009 £	2008 £ Restated
Balance brought forward at 1 April	9,413,521	9,701,673
Depreciation for year	(335,304)	(312,601)
Amortisation of property revaluation reserve	47,152	24,449
	9,125,369	9,413,521

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

17 RESTRICTED FUNDS – REVENUE

	2009 £	2008 £
Balance brought forward at 1 April	21,094	-
Transferred to Unrestricted Fund	(21,094)	-
Everyday Sport	-	100,000
Physical recreation facilities	-	(78,906)
	-	21,094

18 RESTRICTED FUNDS – OTHER

	2009 £	2008 £
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
	17,693	17,693

These restricted funds are remaining balances left over from specifically funded projects.

19 RESTRICTED FUNDS – CAPITAL

	2009 £	2008 £
Balance brought forward at 1 April	-	-
Received from the Lawn Tennis Association	130,375	-
	130,375	-

20 UNRESTRICTED FUNDS

	2009 £	2008 £ Restated
Balance brought forward at 1 April	1,732,332	1,829,495
Depreciation for year	(46,720)	(43,557)
Community programmes	(123,691)	-
Other operating activity	(162,234)	(57,998)
Net expenditure per SOFA	(332,645)	(101,555)
Amortisation of property revaluation reserve	7,555	4,392
Adjustment to net cost of financial assets	139,985	-
Transfer from restricted funds revenue	21,094	-
	1,568,321	1,732,332

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

21 CASH FLOW STATEMENT

21.1 Net cash flow from operating activities

	2009 £	2008 £
		Restated
Net surplus/(deficit) for the year	2,311,676	(1,096,903)
Less gift of fixed assets	(4,779,565)	(1,124,958)
Loss on disposal of fixed assets	-	20,474
Impairments	5,727	-
Less financial asset income	(11,706)	(15,028)
Depreciation and write down of assets	2,306,611	2,143,389
Decrease/(increase) in debtors	701,844	(990,467)
(Decrease)/increase in creditors	(604,867)	334,075
Impairments	209,363	-
Total	139,083	(729,418)

21.2 Analysis of changes in cash and cash equivalents

	2009 £	2008 £
Opening balance	78,406	807,578
Closing balance	98,820	78,406
Net cash inflow/(outflow)	20,414	(729,172)

22 FINANCIAL COMMITMENTS

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

	Land and Buildings 2009 £	Land and Buildings 2008 £
Expiring within one year	89,800	59,842
Expiring between two and five years inclusive	200,788	329,961
Expiring in over five years	1,405,802	1,266,615
	1,696,390	1,656,418

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.

23 ULTIMATE PARENT BODY

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

The largest Company in which the results of The Sports Council Trust Company are consolidated is that headed by The English Sports Council. The financial statements of The English Sports Council Group are available from the Information Centre at The English Sports Council, 3rd Floor, Victoria House, London WC1B 4SE

The Sports Council Trust Company
Financial Statements for the year ended 31 March 2009

24 PROVISIONS, CONTINGENT LIABILITIES and CONTINGENT ASSETS

Provisions	2009 £
Balance brought forward at 1 April 2008	-
Provided in year	69,468
Utilised in year	-
Balance carried forward at 31 March 2009	<u>69,468</u>

The above provision relates to a provision for dilapidation works arising out of a claim following the termination of a lease in April 2008. It is anticipated that the claim will be settled by 31 March 2010.

As mentioned below expenditure on lease expenditure arising from such expenditure will be match-funded by The English Sports Council. Therefore a contingent asset equivalent to the amount provided above exists.

Contingent Liabilities

Grants made by The English Sports Council (and formerly the Sports Council) and Sport England Lottery to the Company 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.

The Company 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 Company 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 Rateable Value of Bisham Abbey was increased as a result of the capital improvements made on the property which were funded from a capital lottery grant. The English Sports Council, acting on behalf of The Sports Council Trust Company, contested the increase to the local Valuation Tribunal. The local Valuation Tribunal agreed to a reduction in the Rateable Value.

The Valuation Office has appealed that decision to the Lands Tribunal and the hearing is set for June. The English Sports Council Officers, working on behalf of The Sports Council Trust Company, responded to the Valuation Office appeal and cross appealed and unusually, but demonstrable of the public interest nature of this case, the Valuation Office agreed that both parties would be liable for their own cost regardless of the outcome. Normally costs follow the event, making a lost case financially onerous. If The Sports Council Trust Company lost the case entirely the assessment, pre the local Valuation Tribunal, could be reinstated but there is no power to increase the assessment beyond that. If The Sports Council Trust Company is successful then the assessment could come down still further with resultant rates being reduced back to 2004. Any additional costs arising will be recharged to tenants.

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

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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