

Sports Council for Wales Lottery Distribution Account 2018-19

HC 2519

£10.00

Sports Council for Wales Lottery Distribution Account 2018-19

Presented to Parliament pursuant to Section 26(1) and Section 26(3) of the National Lottery etc.
Act 1993 (as amended by the National Lottery Act 1998)

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Annual Report and Accounts

History and statutory background

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

Management

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

Registered office

Sophia Gardens
Cardiff
Wales
CF11 9SW

Annual Report

Chair's Overview

From the medal podiums to the school playgrounds, people will be at the heart of our work.

As I reflect on the last year of sport in Wales, my mind goes back to a small moment I observed when cycling on Cardiff's Taff Trail in the summer. It was heartening to see how encouraging volunteers were to someone who was just about to complete her first ever 5k, having not been able to run at all just a month ago. It showed to me how important our volunteers are in helping us all become more active.

It has also been a fantastically successful year for Wales on the international sporting stage.

First and foremost, Team Wales made a nation proud with their excellent achievements at the Commonwealth Games. Congratulations to all involved in the record success and to the many people supporting the Welsh team along their hugely impressive journey.

Other sporting highlights include Geraint Thomas' unforgettable Tour de France victory, the Welsh rugby team's string of wins culminating in an unbelievable Grand Slam, our women's football team in their valiant display at the World Cup qualifiers and Menna and Jen continuing to dominate the world stage in the Para-Alpine ski races.

All of these are so important for Wales' profile internationally, but more than that, they continue to provide motivation for all of us, underlining the value of sport in our lives, and the life of the Nation.

July saw the successful launch of the Vision for Sport in Wales, by Ministers Vaughan Gething and Lord Dafydd Elis-Thomas.

This Vision was shaped by the very important messages we received during the 'My Welsh Sport – The Conversation' engagement events.

It forms a collective voice on sport for the people of Wales. Fundamentally, it is a long-term view on the way in which sport should develop and flourish.

For this to happen, collaboration is key.

The Healthy and Active Fund was announced alongside the Vision. We at Sport Wales, along with Public Health Wales and Natural Resources Wales, can all work together for the future health of the country.

Over the past year, we also saw the release of the School Sport Survey, showing very good results and improvements. Nevertheless, the results point to a continuing problem which is that so many of our children lead fundamentally inactive lives. This was highlighted in a recent report from the Assembly's Children's Committee. Changing this must be a key strategic objective for us and our partners going forward, with particular emphasis on sport being inclusive.

From the medal podiums to the school playgrounds, people will be at the heart of our work.

Lawrence Conway, Chair

Performance Overview

Teamwork enables sport in Wales to thrive and the past year has been no exception.

We asked people what the challenges and opportunities are for sport in Wales. The message we heard was loud and clear: for Welsh sport, at all levels, to achieve even greater results in the future, it will be through teamwork and perseverance.

This was exemplified at the Commonwealth Games in the Gold Coast, where the passion and performance of hundreds of individual athletes came together for Team Wales.

Non Stanford's 'never give up' attitude in the very first competition of the Games inspired her teammates as a true role model. When Alys Thomas won her Gold in the 200m Butterfly race, not only did she help Team Wales surpass their gold medal total from the previous Commonwealth Games, but her humility and emotion at the end of the race shone out to the people of Wales. Team Wales - a modest, proud and united group of athletes, supporting each other and helping to inspire the next generation to take up, and fall in love with, sport.

Supporters turned out in their thousands to line the streets of Cardiff to welcome home Geraint Thomas and his yellow jersey – including dozens of children from Welsh cycling clubs following on their bikes, demonstrating the importance of the connection between our brilliant role models and those who look up to them. Our sporting stars have visited schools and community clubs up and down the country to tell their own stories and encourage children in their own sporting endeavours.

When people work together, results happen.

From the 120,000 Welsh children who responded to the last School Sport Survey, to the public bodies producing the National Survey for Wales, we now have a clearer picture on grassroots sport in the country and how we can build on it.

Our focus has now moved from the Vision for Sport in Wales to developing our new long-term strategy that will demonstrate our contribution to making the vision a reality. Sport Wales is evolving and the new strategy will set out a clear intent and direction to play a leading role in supporting people and organisations to thrive.

With transformational developments to the way in which sport is delivered, such as Sport North Wales progressing, a new Healthy and Active fund and the announcement of capital funding for facilities, it has been a year of growth through partnership.

It is vital for us to continue this collective approach if we are going to increase activity levels for the benefit of future generations and deliver a Sport Wales strategy that works for all.

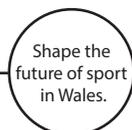
Sarah Powell

The Vision

An active nation where everyone can have a lifelong enjoyment of sport.

The new Vision for Sport in Wales was launched in July 2018, following an extensive consultation roadshow across the country.

MY WELSH SPORT
_THE CONVERSATION
CHWARAEON A FI
_Y SGWRS



My Welsh Sport - The Conversation ran from November 2017 to February 2018 and reached people from communities across Wales resulting in 600 conversations.

At the core of the Vision is a focus on encouraging an active lifestyle and a lifelong participation in sport through a wider range of enjoyable and accessible experiences.

Active Nation

The Vision is to create an active nation. We want as many people as possible to be inspired to be active through sport.

Everyone

The Vision is for everyone. From people who don't see themselves as sporty to people who win medals.

Lifelong

The Vision is for life, it responds to the needs of people at different stages of their life.

Enjoyment

The Vision focuses on creating a wide range of positive experiences so everyone can enjoy sport.

- Work, invest, learn and succeed together
- Create experiences that are welcoming, fun and safe
- Develop opportunities that are local, visible and inspiring
- Ensure sport is accessible, inclusive and affordable, leaving no one behind
- This Vision for Sport belongs to and needs the support of everyone in Wales to ensure its success.

#WeCanWales

By coming together, people of all ages and all communities can unleash the benefits of sport for everyone.

In line with the Equality Act, the Vision accelerates action to remove all forms of inequality and ensures that sport is accessible, leaving no one behind.

There is more than one way to be part of the Vision

Participate

Being a participant

Anyone who takes part, at whatever level

Support

Being a fan or a parent

Anyone who helps by being there, contributing time, energy and effort

Deliver

Being a volunteer or coach

Anyone who helps by creating opportunities for others

Succeed

Being the best you can be

Anyone who achieves personal success

Healthy and Active Fund

Partnership is key in delivering the Vision for Sport in Wales.

Alongside the Vision launch, a new £5million Healthy and Active Fund was launched in partnership with Welsh Government and Public Health Wales, to:

- Sustainably increase physical activity in those who are currently sedentary or have very low levels of activity
- Improve levels of mental well-being by promoting social interactions and increase access to green, yellow or blue spaces.

We received over 100 Expressions of Interest, from a wide variety of applicants, for projects that would create opportunities for the least active of the population to improve their physical and mental wellbeing through physical activity. In January 2019, a shortlist of 43 applicants were invited to submit a Final Application.

Value of Sport

We published the first ever Social Return On Investment (SROI) report, detailing the impact of sport on Welsh society.

The review conducted by Sheffield Hallam University provides a holistic measure of the value of sport in Wales including its impact on a series of portfolios such as health, education, crime and the economic contribution of sport.

#ValueOfSport on health

The report found that a cost saving of £295million was made to health budgets from adults in Wales participating in sport and exercise at moderate intensity. The research also found that regular participation in physical activity led to a reduced risk of major illness by up to 30%.

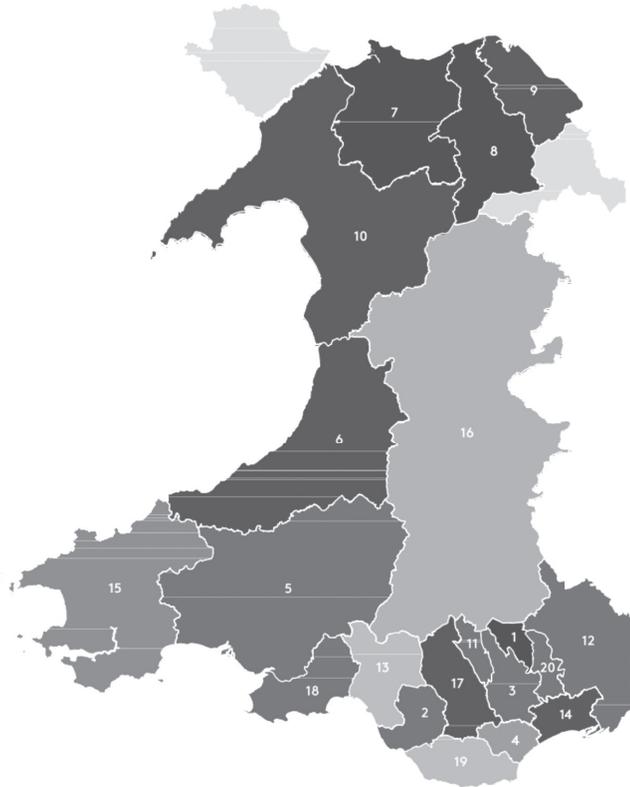
Wider impact of sport

For every £1 spent on sport in Wales, £2.88 worth of social impacts are generated

Sporting Spotlight

#ValueofSport on Crime

Llanrumney Phoenix Boxing Club is based in the East of Cardiff – an area of high deprivation and crime. The club received just under £18k in a Development Grant to enable them to move to a bigger facility. They have over 120 people a night putting their gloves on, with the biggest classes being the 10-16 year old age groups. They are now working alongside South Wales Police, using peer support, to bring youths in from the street and into the boxing club.



1330 clubs
received the Community Chest Award
during 2018/19

239
of these awards (£294,773)
have been invested into projects
that are specifically
tackling inequality

64
Development Grants
were awarded in 2018/19, totalling
£642,209



Map	Local Authority	Total Award Value
1	Blaenau Gwent	1 £1,730
2	Bridgend	2 £17,465
3	Caerphilly	2 £29,998
4	Cardiff	11 £81,314
5	Carmarthenshire	2 £9,500
6	Ceredigion	3 £30,583
7	Conwy	1 £15,000
8	Denbighshire	1 £2,882
9	Flintshire	3 £23,768
10	Gwynedd	3 £32,340
11	Merthyr Tydfil	2 £29,080
12	Monmouthshire	2 £12,465
13	Neath Port Talbot	4 £41,352

14	Newport	3	£37,326
15	Pembrokeshire	5	£55,445
16	Powys	4	£43,324
17	Rhondda Cynon Taff	3	£44,000
18	Swansea	2	£4,616
19	The Vale of Glamorgan	4	£50,021
20	Torfaen	2	£24,665
	National	4	£55,335
	Total	64	£642,209

Sport North Wales

Following 4 engagement events across Wales and input from 250 people, there were:

- 3 expressions of interest to lead Sport North Wales
- 13 expressions of interest to be a Key Partner

Sport Wales has appointed the North Wales Sport Collaborative Partnership (NWSCP) to develop Sport North Wales.

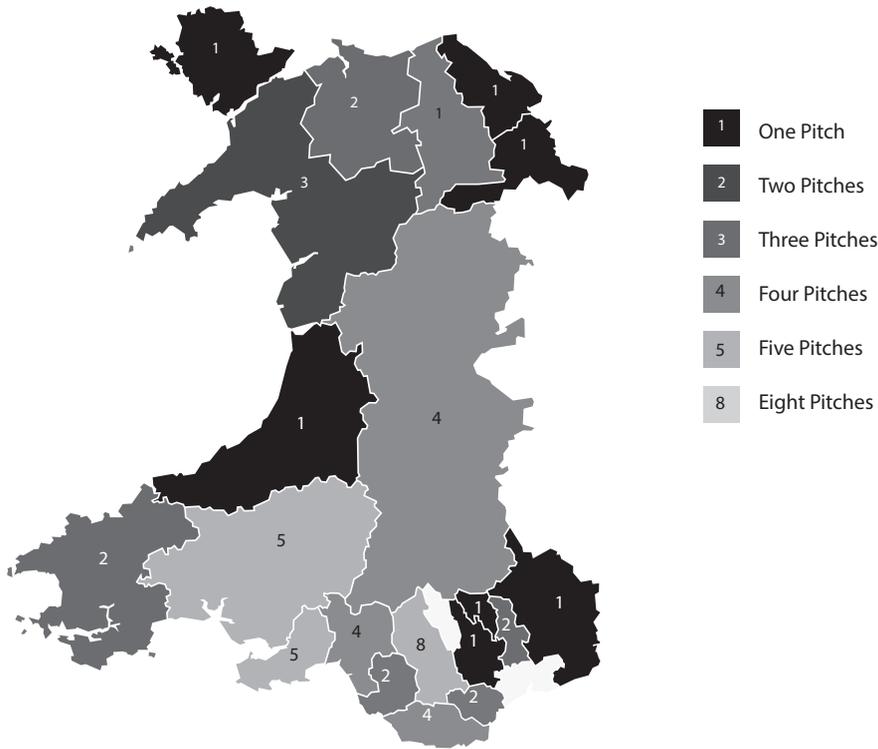
The newly formed partnership will be the first in Wales and will bring together a variety of different sectors to drive forward an innovative approach to ensuring North Wales is active, healthy and happy.

The next steps of the Community Sport and Activity Programme (CSAP) will see other parts of Wales consulted on a roll-out of the programme.

Place for Sport

At the end of 2018, the Welsh Government announced that Sport Wales has been allocated an additional £5m to support the delivery of a range of sporting facilities across Wales.

Approval was given by the Board in March for the first capital projects. The application process for the remaining £4million was finalised at the end of March.



County	Number of 3G pitches
Anglesey	1
Blaenau Gwent	1
Bridgend	2
Caerphilly	1
Cardiff	2
Carmarthenshire	5
Ceredigion	1
Conwy	2
Flintshire	1
Gwynedd	3
Monmouthshire	1
Neath Port Talbot	4
Pembrokeshire	2
Powys	4
Rhondda Cynon Taf	8
Swansea	5
Torfaen	2
Vale of Glamorgan	4
Wrexham	1

Sporting Spotlight

3G and ATP Pitches

Artificial pitches in Wales make a key contribution to getting people active all year round, and their use across a variety of sports means that a collaborative approach to providing them is prudent.

Sport Wales formed the 'Collaborative Sports Facilities Group' in 2014, along with the Football Association of Wales, Hockey Wales and the Welsh Rugby Union. The group has a nationally agreed vision and model for increasing participation and developing clubs through appropriately located and fit for purpose artificial playing surfaces.

51 artificial pitches funded through the Collaborative Sports Facilities Group:

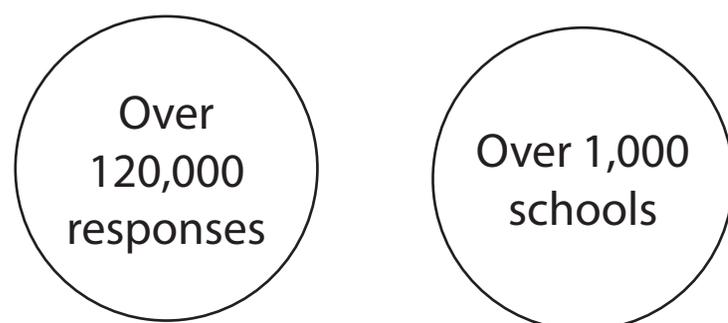
- £3,825,000 provided through duration of the scheme
- 11* projects funded in 2018-19

*Combination of funding from the Collaborative Sports Facilities Group and the Place for Sport fund

School Sport Survey

The 2018 School Sport Survey was the biggest since its launch almost a decade ago.

The findings showed an encouraging trend in participation rates of those from traditionally under-represented groups, but also highlighted the challenges faced in tackling the impacts of deprivation.



- In 2018, 46% of girls are taking part in sport 3 or more times a week in comparison to 50% of boys (in addition to timetabled PE lessons).
- 45% of children with a disability or impairment are now taking part in sport 3 or more times a week (in addition to timetabled PE lessons).
- The lowest participating ethnic minority group, Asian British, has increased regular participants from 36% to 40% bringing them closer to the national average.
- Meanwhile there looks to be a more stubborn gap between the most and least deprived, with 42% of children from the most deprived households taking part 3 or more times a week (in addition to timetabled PE lessons), down from 43% in 2015.
- School Sport Survey 2018 showed that 48% of school pupils took part in sport three or more times a week.

Sporting Spotlight

Mini Dragons

Mini Dragons is a club in Abergavenny, where children run up mountains, learn a variety of skills and enjoy the great outdoors. It was started to cater for parents of the Mynydd Du fell running club.

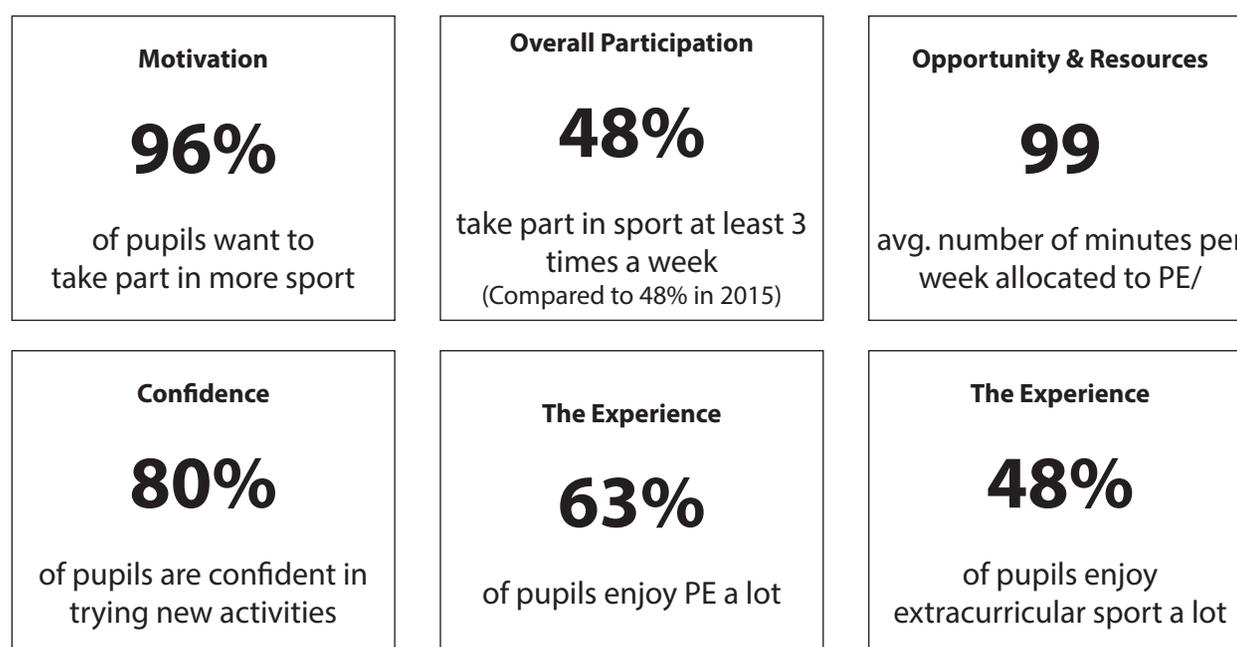
Community Chest funding has helped purchase head torches and high vis jackets. Some mountain races have also been organised for the children alongside adult races.

The FE Sport and Active Lifestyles Survey

In collaboration with Colleges Wales, the FE Sport and Active Lifestyles Surveys in colleges across Wales was published.

Completed by 3,858 students from 13 colleges, the survey follows the inaugural FE Sport Survey in 2015.

School Sport Survey 2018 National Headlines



Sporting Spotlight

Coleg Cambria

"The Active Body and Mind sessions have developed students' understanding of the importance of being active and eating healthily. The students are given opportunities to get active during activities such as yoga and football. They also have the opportunity to attend the gym. Many students have made lifestyle changes as a direct result of the sessions. For example, they drink more water, they have reduced their sugar intake, and spend more time participating in physical activity."

Donna Welsh
Active Cambria Officer

Coleg Sir Gar

"Health and Social Care Level 2 students approached 5x30 staff about taking part in the Llanelli 5K Race for Life. Weekly training sessions built up to the event. It helped get students fitter and healthier, improved the awareness around cancer, gave them confidence and self-worth, as well as raising £640. The event was a success and we are now looking forward to making it an annual event."

5 x 30 Officer Natalie Allen

National Survey for Wales

- 32% play sports three or more times a week

Sport & Active Lifestyles, part of the National Survey for Wales, was released by Welsh Government.

The survey involves interviews with more than 11,000 randomly- selected adults aged 16 and over.

Frequent participation in sport has increased since 2016-17, with 32% of adults taking part in sport three times a week, up from 29%.

The increase can be seen in male and females, in both urban and rural areas across every region of Wales.

- Females 27% (up from 24%)

- Males 37% (up from 34%)

The most common activities that adults participated in (in the last four weeks)

- 33% Walking over 2 miles
- 16% Gym or fitness classes
- 15% Swimming (indoor/ outdoor)
- 11% Jogging.

Sporting Spotlight

Fusion Network

Plas Menai, the National Outdoor Centre for Wales, works with the Gwynedd Fusion Network and provide a free weekend of activities for families from areas of deprivation in North Gwynedd. The activities help with communication, confidence building, and team work as well as challenging individuals to learn new skills.

Disability

- In 2018-19 68 Community Chest Grants, totalling £86,979
- 7 Development Grants (£66,476) focussed on disability.

Women and Girls

■ 196 Community Chest Grant Awards supported Women and Girls projects in 2018-19

To mark a year of Our Squad – Sport Wales’ women and girls initiative – a month of celebration around female sport took place in August.

1st birthday

shared all of the inspiring and motivational stories from oursquad.cymru

Our Squad Day

celebration of physical activity opportunities for females in Wales on social media and a competition with prizes from several businesses

Podcast

fronted by Lowri Morgan discussing some of the barriers to female participation in sport and how to overcome them

Our Squad in the Park

A range of activities for families including football, fitness, running, korfbal, netball, softball cricket and golf at Bute Park, Cardiff.

Sport Wales supported the Women in Sport in North Wales Conference in June, organised by Network She and Our Squad presented the opening keynote speech of the conference.

Sport Wales supported the Chwarae Teg Womenspire Awards, by sponsoring the Sport Award (won by Mica Moore).

BME

20 Community Chest Awards

Sport Wales supports BME projects as part of larger grants, however, £25,394 of grants paid, were focused primarily on BME in 2018-19.

2018-19 saw the continuation of the BME Sport Cymru project in the areas where significant emphasis had been placed on developing strong collaborative working. The central element, administered by WCVA, has focused on expanding the profile of BME sport through increasing the delivery of the “BME Inclusion in Sport” training course to NGBs and LAs.



Sporting Spotlight

Inspport: Disability Sport Wales

Inspport NGB is now well established across the Welsh sport sector as a recognised quality mark for inclusive sport and sports development, and the inspport brand itself is gaining momentum and profile amongst the disabled communities of Wales and the disability sport organisations within the Home Countries. A total of 554 clubs from across Wales are currently working towards an inspport Club standard.

Maesteg Canoe Club became the most recent club to achieve the Gold award. They have developed strong links with the local authority within a variety of initiatives and programmes, with disability being a core focus.

The Welsh Rugby Union has successfully achieved both the Ribbon and Bronze inspport NGB standards during 2018-19. In delivering their Disability Rugby Strategy the WRU developed and delivered a Disability Rugby CPD workshop, alongside Disability Sport Wales, to more than 100 delivery staff.

The Urdd successfully achieved the inspport 3rd Sector Ribbon award in November 2018, one of the first national organisations to achieve the standard.

Welsh Language

Sport Wales complies with the Welsh Language (Wales) Measure 2011.

We are committed to ensuring we meet the duties placed upon us and recognise the role that sport can play in supporting the development of Welsh in the community.

To coincide with the 2018 National Eisteddfod, 14 clubs from across Wales got in touch with Club Solutions (Sport Wales' resource) to showcase how their use of the Welsh language benefitted their club – following a campaign promoting the Welsh language module on Club Solutions' website.

www.clubsolutions.wales/welsh-give-it-a-go-using-the-welsh-language-in-sport/

- 6 Community Chest Grant Awards focussed on the Welsh Language totalling £7,969.00
- 33 members of staff at Sport Wales have indicated that they are Welsh speakers

Sporting Spotlight

Welsh in Sport

A session organised by Sport Wales, on Effective Use of the Welsh Language in Marketing saw over nine sports and several Local Authority representatives attend. It highlighted the importance of utilising the Welsh Language as a tool to help develop sport. The Welsh Language Commissioner's team showcased best practice and offered guidance and support for the sector.

Play in Welsh – The Urdd

The Urdd identified a desire for English medium schools in Merthyr to hear more of the Welsh Language spoken on the school yard. 'Play in Welsh' project was introduced in partnership with the Afon Taf and Pen-y-Dre secondary schools. Children from each of the cluster's primary schools were identified to participate in an Urdd workshop.

During the workshop Young Leaders were introduced to flashcards that will enable them to deliver the sessions and guide other children in playground activity.

Person first then athlete then champion

The Sport Wales Institute has restated its intent to 'sustainable success for Wales on the world stage through an ethical and holistic approach to athlete development.'

System building

- Collaboration (multisport approach)
- Non-early specialisation (holistic approach)

'I found boxing via football, and in a way those experiences on the pitch laid the foundation for me to excel in the ring, resulting in me winning gold at the Gold Coast'

Lauren Price

Sporting Spotlight

Holistic approach to athlete development

Mental health has been a consistent theme of work for Sport Wales Institute over the past six months to help promote positive cultures in Welsh elite sport. The performance advisor team have been working with performance leads in various sports to create environments that enable people to thrive.

Workshops promoting positive mental health have been undertaken across 15 different sports involving over 70 performance leads, coaches and support staff. In addition, eight sports (120 attendees) have either already undertaken or are scheduled to undertake mental health first aid training through a partnership with Cardiff Met University.

Physical Activity

Sport Wales' work on Physical Literacy has focused on supporting the development of the Health and Wellbeing Area of Learning and Experience within Curriculum reform and supporting partners' physical literacy informed delivery within community settings.

Sport Wales also hosted the first International Physical Literacy Association Annual Conference in Wales in June.

Young Ambassadors

200 Young Ambassadors took part in a report about their experiences of volunteering in the Youth Sport Trust programme.

- 93% said that the programme had helped them to meet new people.
- 96% said it improved their confidence
- 91% felt they had helped to improve the health and wellbeing of other young people.
- 108 respondents joined to develop their skills which would help increase their employability such as communications and leadership skills.

The survey coincided with the 9th National Gold Young Ambassadors Conference.

Sporting Spotlight

Active Young People Programmes

Sport Wales commissioned UKRCS Ltd to undertake an independent review of the Active Young People Programmes (AYPP), and asked them to assess the effectiveness, impact and the ongoing potential of the programmes. The report praised the long-standing contribution that the programmes have made on extracurricular sport and physical activity for young people in Wales. The AYPP are valued by young people, schools and local authorities alike, and have progressed from a national approach of separate programmes to a more flexible partnership model, which enables local authorities to use resources from across projects to best respond to local requirements. The report was presented to the Sport Wales Board in November and its recommendations approved – these will now help to shape the development of the Sport Wales Strategy.

Older People

Tonteg Community Centre received two Community Chest grants for their Indoor Bowls club and support from Rhondda Cynon Taf Council. They hold two-hour sessions each Tuesday morning, with the majority of participants being older people, some in their late 80s. The session was set up to combat social isolation and loneliness.

We Are Red

We Are Red was a national support campaign on March 23 2018 for Team Wales ahead of the Commonwealth Games. It included a primary and comprehensive school competition, workplace and business engagement and high-profile support.

We respect. We believe. We inspire. We Are Red

Wales Sport Awards

Wales Sport Awards 2018 celebrated the very best of elite and grassroots sport in Wales, with a glitzy and inspirational ceremony at the Celtic Manor Resort.

The event, run jointly with BBC Wales, saw cyclist Geraint Thomas finish a golden year being crowned BBC Wales Sports Personality of the Year 2018.

Community winners represented the diverse mix of volunteers, clubs and organisations helping sport and physical activity thrive across the country.

www.walesportawards.co.uk

Sporting Spotlight

The Outdoor Partnership

The Outdoor Partnership was announced as Organisation of the Year at the Wales Sport Awards 2018. They help thousands of people use outdoor activity to improve their lives. The Partnership was recognised for their work in driving inclusivity in the outdoor sector, including with their This Girl's Adventure programme. In the past year, the team has inspired over 16,000 people, by working closely with its 45-member clubs, partners and local employers. The Organisation of the Year Award helps recognise success in encouraging people in Wales to participate in sport and physical activity.

Sporting Spotlight

Sport and Research

The Welsh Institute of Performance Science (WIPS) is a partnership that works to enhance performance in Welsh sport and increase links between sport, academia and business. Examples of WIPS supported projects include the biochemical effect of vitamin D in elite athletes and biometric competition coping skills for coaches. A project on 'use of warm baths for heat acclimation' was utilised by race walker Bethan Davies who went on to win Bronze in the Commonwealth Games.

Sport Performance

Commonwealth Games Gold Coast

Unprecedented overseas success placed Team Wales 7th on the overall medal table.

The 36-medal haul equalled the record number of medals won in Glasgow in 2014, while the 10 gold medals surpassed Glasgow's five and equalled the Welsh record from Auckland in 1990. For the third Commonwealth Games in a row the Welsh women outshone the men on the medal front, accounting for 54% of medals.

Geraint Thomas

Team Sky rider Geraint became only the third Britain to win the Tour de France, and the first Welshman.

He won two stages of the Tour, including stage 12, which included the famous Alpe d'Huez climb, and wore the Yellow Jersey for the final 11 stages. He was given a rapturous homecoming reception in Cardiff and finished 2018 winning both the Wales and UK Sports Personality of the Year awards.

Menna and Jen

Menna Fitzpatrick and her guide Jen Kehoe became Great Britain and Northern Ireland's most decorated Winter Paralympians at their Games debut at PyeongChang 2018.

The pair recovered from a fall in the downhill competition on day one to win an incredible two silvers and a bronze, while the elusive gold medal was won on their final race of the Games in the slalom. The winning streak continued into 2019 and the Para Alpine World Championships where they won bronze in the visually impaired giant slalom, silver in the slalom and gold in the women's visually impaired downhill.

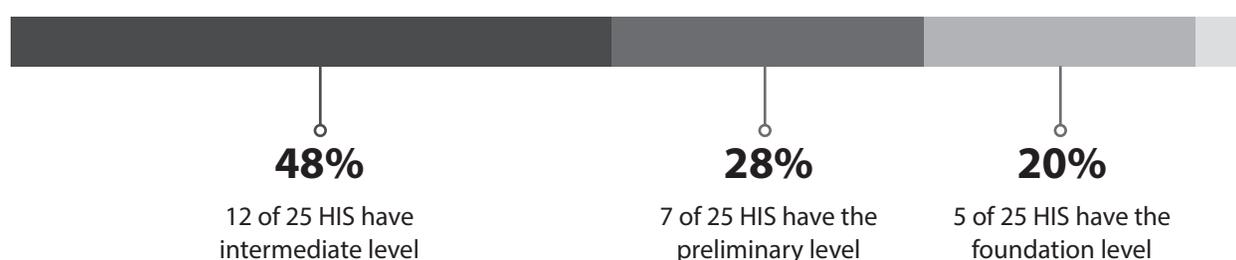
	2006			2008			2010		
	Gold	Silver	Bronze	Gold	Silver	Bronze	Gold	Silver	Bronze
Commonwealth Games	2	7	10				2	5	12
Olympic Games				2	0	0			
Paralympic Games				10	3	1			
	2012			2014					
	Gold	Silver	Bronze	Gold	Silver	Bronze			
Commonwealth Games				5	11	20			
Olympic Games	3	3	1						
Paralympic Games	3	3	8						
	2016			2018					
	Gold	Silver	Bronze	Gold	Silver	Bronze			
Commonwealth Games				10	12	14			
Olympic Games	4	6	0						
Paralympic Games	5	4	0						

Our Duties

Safeguarding standards

- 60% (15 of 25) of HIS* have level 3
- 40% (10 of 25) of HIS have Level 2
- No HIS have not achieved a level
- 21% (4 of 19) have achieved the new level 1

Equality Standard



All HIS have achieved an equality standard level.

- Consultants have provided ongoing equality support to 25 Higher Funded NGBs.
- 10 have started the Advanced Equality Standard journey, with 5 targeted to achieve by March 2020.
- These will be the first Welsh NGBs to achieve the Advanced Standard.
- During 2018-19 there have been several Equality Lead Officer training events.
- Introduction to Trans in Sport with 25 individuals attending from 16 NGBs.
- Equality Impact Assessments with 20 individuals attending from 13 NGBs.
- Strategic Leadership and Equality with 20 individuals attending from 12 NGBs.

*High Investment Sports

Sporting Spotlight

Safeguarding

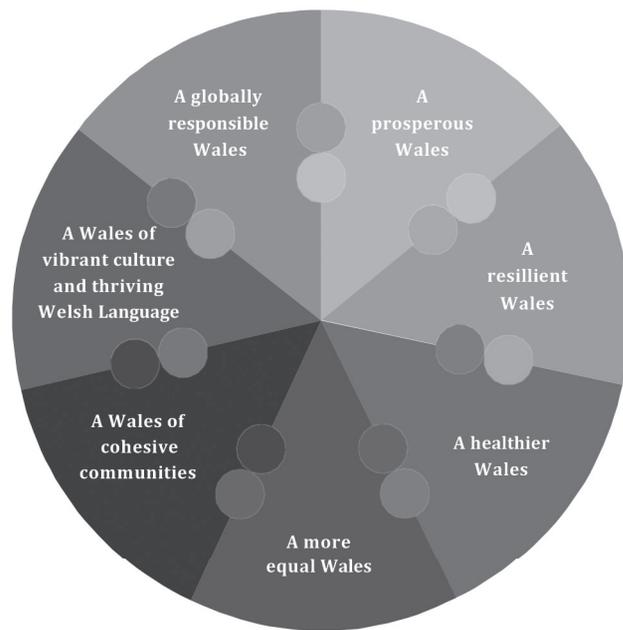
As part of the Safeguarding Standards support package, the Child Protection in Sport Unit (CPSU) has provided ongoing support to 25 Higher Funded and 17 Lower Funded NGBs during the year as well as investigating the needs of others in the sector, beyond governing bodies of sport. There has been significant progress with many more of the Lower Funded NGBs engaging in the standards process and attending lead officer training events which is helping to raise the profile of this critical area of work.

Well-being of Future Generations

The Well-being of Future Generations (Wales) Act 2015 provides the framework for understanding the wider impact of our investments beyond increasing physical activity rates.

The Vision for Sport in Wales outlined how it can contribute to the Well-being of Future Generations (Wales) Act. More examples at:

www.visionforsport.wales



Working with the Wales Audit Office and Commissioners, we have adapted approaches for continuous improvement. As a pilot organisation we worked with the Wales Audit Office to shape future auditing of the Future Generations Act. Our approach to community sport has been reviewed to better promote sustainable development and in partnership with other National Bodies we have undertaken self-reflection of our progress. Board training was delivered in partnership with Future Generations Office (FGO) colleagues, which informed a national scrutiny framework.

A prosperous Wales

e.g. Promote Wales to the world through the performance of Wales's elite athletes.

A resilient Wales

e.g. Socially, ethically, environmentally responsible employers in the sport sector.

A healthier Wales

e.g. Provision of sport and recreation opportunities for all ages, throughout life.

A more equal Wales

The real lived experiences and current needs of all citizens are understood.

A Wales of cohesive communities

e.g. Community involvement and ownership meets local need.

A Wales of vibrant culture and thriving Welsh Language

e.g. Bilingualism is promoted through sport.

A globally responsible Wales

e.g. Facilities are sustainable and responsible.

Progress against our Objectives

Objective 1:

People in Wales live physically active and therefore healthier lives

Strategic Partnership with Public Health Wales (PHW) and Natural Resources Wales (NRW). Sport Wales, PHW and NRW have started to develop a programme of work that will contribute across shared objectives. Sustainable development principles are being applied to shape the work.

Objective 2:

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

Swim Safe teaches children aged 7-14 essential water safety skills, through a fun but structured session, delivered by trained instructors on open water locations. Plas Menai delivered three Swim Safe sessions during 2019, with over 200 children taking part.

Objective 3:

Wales is recognised internationally as a successful sporting nation

Learning from across the world to shape a new model for Community Sport. Commonwealth Games Sports Councils took part in a monumental summit during the 2018 Games. The Sport Wales Director for Community Sport has recently visited New Zealand and Sport New Zealand colleagues travelled to Wales during 2018 to share learnings.

Objective 4:

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

Both of Sport Wales National Centres commissioned an Accessibility Audit during 2018 to help determine priorities for future planning.

Our Centres

Facilities

Sport Wales National Centre

Completed the programme of accommodation refurbishment which included improving the accessibility for those with disabilities.

Plas Menai

Capital programme to address the corrosion in the swimming pool steel work.

A Healthier Wales

Sport Wales National Centre

Introduced healthier vending and removed high sugar drinks from the cafeteria.

Plas Menai

Introduced healthy vending machines across the centre.

A globally Responsible Wales (Environment and sustainability)

Sport Wales National Centre

Introduced a free water dispenser in the reception area
Introduced compostable take away cups, containers and cutlery in the cafeteria.

Plas Menai

Introduced compostable take away cups
Removed single use plastic sachets.

Removed single sachets from the cafeteria

Replaced one pool car with hybrid car. All pool cars based at the National Centre have less than 100g/km CO2 emission levels.

Plas Menai

In 2018-19 Plas Menai delivered:

- 15,183 student days for 6,729 people of all ages the majority of these being children of school age.
- 40% of participants came through community programmes.
- More than 9 in 10 (93%) users of Plas Menai had a positive overall impression of the site.

Customer Satisfaction Survey 2018, Beaufort Research

Sport Wales National Centre

- 144 events took place at the Centre, ranging from European Championships to School Eisteddfods.
- National Governing Bodies had 25,639 hours of use, representing 60% of overall use. The balance is made up of community use.
- A Direct Debit membership total of 825, up 4.6% from last year.
- Overall usage for the year 242,985.

Sport Wales Values

Teamwork

The power of working together

Which means we commit to:

Being a positive impact on others, encouraging and supporting them when required.

Celebrating and recognising our successes together

Respecting others and earning respect

Investing time to actively listen and to get to know the person not just the face

Delivery

Making a difference

Focusing on what will make the greatest difference – no matter how big or small

Taking responsibility for our own delivery and development

Trusting and utilising the skills and experience of others to get the job done

Ambition

The pursuit of success

Setting our standards high and challenging constructively

Seeking and being open to new ideas and expertise from around the world

Enjoying and taking pride in the work we do

Being courageous to do things differently

And the Inclusive Leadership Behaviours that underpin our values are:

Self-awareness:

monitor own responses to individuals or groups and examine any inconsistencies (unconscious bias)

Empathy:

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

Acceptance:

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

Seek diverse viewpoints:

actively engage with diverse networks and curiously explore individuals' perspectives

Feedback:

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

Growth:

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

Vision:

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

Collective leadership:

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

In order to build an Inclusive Culture where individualisation matters.

Sport Wales Board

- 45% female and 55% male
- 9% have a disability
- 18% are from BME backgrounds

All age brackets from 30s -70s are represented.

Health and Wellbeing @ Sport Wales

Over 2018-19 we have worked hard to build the foundations of a culture of wellbeing at Sport Wales – encouraging managers to create an open, honest dialogue with staff about their wellbeing.

We will continue to embed this commitment through our policies and practices, and ensure that we all take responsibility for each other's wellbeing.

In 2018-19, we have

- Established a new and improved Health and Wellbeing Steering Group
- Signed up to the Time to Change Wales campaign to reduce stigma around mental health
- Trained over ¼ of the organisation as Mental Health First Aiders
- Supported the 30 employees who signed up for the 2018 Cardiff Half Marathon
- Introduced Free Fruit Fridays in the Hwb Café (Sport Wales National Centre)

Developing the sector

13 colleagues, representing 9 NGBs and Sport Wales, took the opportunity to increase their governance skills and knowledge by attending the Chartered Institute of Public Finance and Accountancy's (CIPFA) qualification in Corporate Governance. The learning from this course will help develop the governance skills across the sector and make governance more effective in organisations.

Governing Body Collaboration Toolkit

This collaboration toolkit was developed by a working group of representatives from Wales Golf, Welsh Triathlon, Wales Rugby Union and Sport Wales. The resource explains the benefits of collaboration and includes templates, plans and case studies to help organisations develop collaborative partnerships.

Governance and Leadership

The Governance and Leadership Framework (GLFW) was introduced in 2015. To coincide with the Vision for Sport in Wales and changes in sports governance since its inception, a review took place during 2018-19. This was a consultative process with key partners to ensure that the GLFW remains 'by the sector, for the sector.'

Leaders

Sport Wales have commissioned First Ascent Group to deliver two cohorts of 'The Leadership Programme', one of which commenced in October 2018. Following an application and assessment day during the summer of 2018 a total of 15 officers from partner organisations across the Welsh sports sector were successfully recruited onto the programme.

Education

The first phase of the Communications Learning and Innovation Programme (CLIP) has received excellent feedback from those who took part.

From September 2018, the programme has provided a range of different learning opportunities for partners of Sport Wales – including sessions on social media, live streaming and driving traffic to website.

Work is now being done to look at the next phase of CLIP, how it can be extended to be accessible for all partners and what other themes can be included, such as research and insight.

12 sessions

144 attendances

25 different
partners

Sporting Spotlight

Board Diversity

Whilst the Governance and Leadership Framework (GLFW) has had a positive impact, there is gender imbalance on Welsh sports Boards which currently stands at 31% female and 69% male. In July 2018 the Sport Wales Board implemented a policy position on board diversity.

Sport Wales has a gender parity commitment and is signed up to Welsh Government's 50:50 by 2020 pledge to have an equal representation of male and females represented on its Board.

Disability Sport Wales & Coach Education

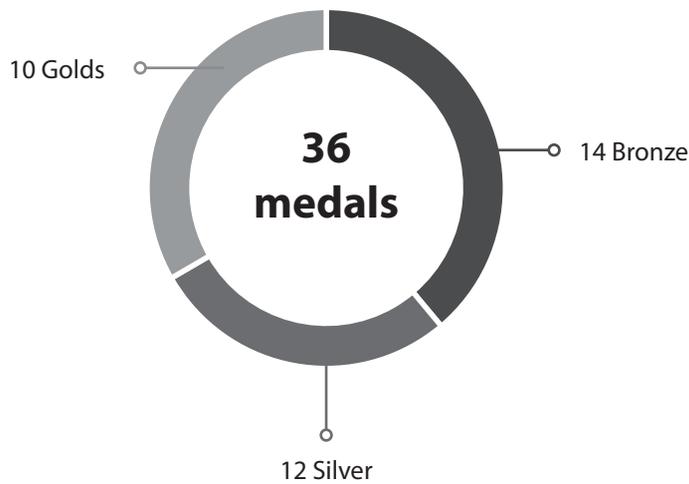
- 31 Disability Inclusion Training (DIT) courses, aimed at coaches, volunteers, sport development, and leisure staff
- 7 Sainsbury's Active Kids for All courses (aimed at education professionals)
- 26 Mini DIT course (aimed at year 4,5,6 school pupils – a total of 1,579 pupils attended)

2018-19 in numbers

- £1.62 million in Community Chest grant funding awarded to 1330 organisations to participate in grassroots sport
- 55% of adults want to do more sport (Sport & Active Lifestyles, 2018)
- 41 Development Grant Awards, totalling £400,527 focused on Club Development
- 48% of young people taking part in sport 3 or more times a week in addition to timetabled PE lessons (SchoolSport Survey, 2018)
- 15 sports and over 70 performance leads, coaches and support staff took part in workshops promoting positive mental health

Commonwealth Games 2018

- 228 athletes represented Team Wales
- 62 athletes (in individual events) finished in a top 8 position
- 19 athletes achieved a Personal Best (PB)



Looking Forward

Summer 2019 will see the roll-out and awareness raising of the new Sport Wales Strategy.

This coincides with the expansion of the North Wales Sport Collaborative Partnership (NWSCP).

Collaboration and putting people first will be key moving forward.

Later this year, the National Lottery celebrates its 25th anniversary and Sport Wales will take part in celebrating the impact of grant funding on community clubs and organisations throughout the country.

We look forward to more large-scale events to foster pride and passion for Welsh people, from the men's Rugby World Cup in Japan and the Cricket World Cup in England and Wales, to the Homeless World Cup in Cardiff.

2019-20 will be a year of change and growth for sport in Wales.

Performance Analysis

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

This year, in conjunction with national partners, we have published the National Survey for Wales which examines sport participation rates among adults. In addition to this we have also published the largest school sport survey ever in Wales with over 120,000 pupils taking part.

Over this reporting period we have received independent reviews of the Free Swimming Initiative, the Sport Wales Calls4Action projects and our Young People Sport Programmes. The findings and recommendations from these reviews have been integral to the development of our strategic intent at the heart of the new Sport Wales strategy.

Furthermore, we have published the first ever social return on investment report, detailing the impact of sport on Welsh society. The review conducted by Sheffield Hallam University provides a holistic measure of the value of sport in Wales including its impact on a series of portfolios such as health, education, crime and the economic contribution of sport. This has underpinned the focus of the need of Sport Wales to work alongside other national bodies, such as Public Health Wales and National Resources Wales. This work has included establishing the Healthy and Active Fund, through which a common evaluation framework for project assessment will be determined.

We have undertaken a review of the current playing pitch landscape, detailing the legislation which guides Sport Wales's approach and mapping the existing provision in Wales. This work will form the baseline of knowledge for future planning interventions over the coming years.

Finally, through the development of the Vision for Sport in Wales and the Sport Wales strategy, we have created an outcomes framework for the sector and the organisation itself. These outcomes are focused on delivering against the Well-being objectives for Wales and will allow future publications to report progress against these measures.

Lottery Funding and Additionality

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

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

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

Review of National Lottery Distribution Activities

During 2018-19 Sport Wales distributed awards under a number of Lottery Funded grant programmes.

Capital Grants

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

Capital grant offers of £3,655,000 (2017-18 £4,704,000) were met during the year. The amount provided in the accounts for signed contracts relating to capital grants decreased by £1,049,000 in 2018-19 (2017-18 decrease of £1,162,000).

Revenue Grants

Revenue grant offers of £10,488,000 (2017-18 £10,666,000) were met during the year. The amount provided in the accounts for signed contracts relating to revenue grants decreased by £178,000 in 2018-19 (2017-18 decrease of £121,000).

Movement on Lottery Balance to 31 March 2019

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

Balance at 1 April 2018 (£000)	Unrealised Loss (£000)	Income Received (Net) (£000)	Money Drawn Down From National Lottery Distribution Fund (£000)	Balance at 31 March 2019 (£000)
15,541	-	14,474	(15,350)	14,665

The table shows a decrease in the balance held of £0.876 million, compared to a decrease of £2.542 million in the previous financial year.

Environmental Sustainability

Financial Results

Sport Wales's Lottery Distribution results are set out in the Statement of Comprehensive Net Expenditure. Total net comprehensive expenditure for the financial year amounted to £11,556,000 (2017-18 total comprehensive expenditure of £1,896,000). This has been transferred from reserves.

The statement of financial position for 2018-19 shows a total net asset figure of £418,000 (2017-18 £11,974,000). The reduction is due to the extension of the 2018-19 grant offers into 2019-20, and therefore the grant commitments have been recognised within the 2018-19 accounts.

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

Sustainability

Sport Wales actively pursues policies and initiatives that seek to reduce the impact its operations have on the environment. The Corporate Environmental Strategy is fully in place since previously being approved by the Board. Sport Wales reduced its CO2 emissions by 20% compared to 2017-18, which is significantly above our target of 3% annual reductions.

Throughout 2018-19 Sport Wales has continued to encourage staff to use video conferencing, Skype and Sharepoint in an effort to reduce travel. This has led to a significant reduction in the cost, mileage and CO2 emissions of travel compared to 2017-18.

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

Sport Wales remains committed to implementing technological solutions to help reduce emissions and waste where possible, such as dual screens to review documents rather than printing them hence reducing paper and printing costs. Staff are encouraged to work flexibly where possible, and this has led to staff working from home more regularly. While this does not have an impact on the mileage figures reported below (staff cannot claim mileage expenses for commuting to work), it does contribute to a reduction in congestion and emissions.

In March 2018-19, Sport Wales purchased a hybrid pool car, which see a further reduction in carbon emissions in future years.

The gas cookers installed at Plas Menai at the end of 2017-18 have led to a significant reduction in the electricity usage, while gas / gas oil consumption has also reduced across both sites.

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

Waste increased by 11.6% compared to 2017-18. This increase was due to large quantities of green waste being generated and recycled in the year. In 2017-18, 44% of all waste at the centre was recycled. This was a significant increase compared to 2016-17 (38%). There was an increase in water usage in 2018-19 mainly due to the hot summer meaning that the water bore hole dried up.

Plas Menai has continued to implement its Environmental Policy and the ongoing building refurbishment has given us opportunities to upgrade to more energy efficient systems that are reflected in the improvements shown in the tables. Following improvements in previous years, the refurbishments in 2018-19 have seen a further reduction in the DEC rating, which is now a D.

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

S Powell
Accounting Officer

30 August 2019

Accountability Report

Corporate Governance Report

Directors Report

Board

During 2018-19, Sport Wales comprised the following board members;

Mr Lawrence Conway*/**	(Chair Appointed 01.09.2018)
Ms Pippa Britton**	(Vice Chair Appointed 01.10.2017)
Ms Julia Longville	(Retired 31.08.2018)
Mr Peter King*	(Retired 31.08.2018)
Ms Samar Small*	(Resigned 20.06.2018)
Ms Johanna Sheppard*	(Reappointed 01.09.2015)
Mr Richard Parks	(Reappointed 01.09.2017)
Mr Ashok Ahir*	(Appointed 01.10.2017)
Mr Ian Bancroft	(Appointed 01.10.2017)
Mr Christian Malcolm	(Resigned 31.12.2018)
Ms Alison Thorne*	(Appointed 01.10.2017)
Ms Judi Rhys*	(Appointed 01.09.2018)
Prof Leigh Robinson	(Appointed 01.09.2018)
Mr Martin Veale*	(Appointed 01.09.2018)
Mr Phil Tilley	(Appointed 01.09.2018)
Ms S Powell	Chief Executive

* Member of the Audit & Risk Assurance committee

** Member of the Remuneration committee

Declarations of Interest

All Members and senior staff of Sports Wales have completed a return detailing any interests in organisations which provide, or may seek to provide, commercial services to Sport Wales for 2018-19.

Information provided that requires disclosure in accordance with International Accounting Standard 24 is disclosed in Note 17 of these accounts.

Personal Data Related Incidents

Sport Wales has controls and policies in place to ensure data integrity. Information Technology systems ensure that the physical security of data is tightly controlled. As far as we are aware, no loss of data occurred during the period under review.

Risk Identification and Management

Detail on Risk Management is contained in the Risk Management section of the Annual Governance Statement page 40.

Supplier payment policy and performance achieved

Under the Late Payment of Commercial Debts (Interest Act 1998) and in line with the Better Payment Practice Code (which can be located on www.payontime.co.uk) Sport Wales is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the latter.

Sport Wales aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2019 Sport Wales paid 99% (2017-18 98%) of all invoices within the terms of its payment policy. No interest was incurred during the year as a result of late payments.

Financial Instruments

Details of financial instruments can be found in note 1.10 and note 16 to the financial statements.

Remuneration of Auditors

During 2018-19, no non audit work was undertaken by our external auditor, the Comptroller and Auditor General. The audit fee is disclosed in note 8 to the financial statements.

Statement on Disclosure of Relevant Audit Information.

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

Statement of Council's and Chief Executive's responsibilities

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

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

- Observe the accounts direction issued by the Secretary of State for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether appropriate accounting standards, as set out in HM Treasury's Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the fund will continue in operation.

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

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

S Powell
Accounting Officer

30 August 2019

Annual Governance Statement 2018-19

Introduction

The Governance Statement brings together all disclosures relating to an organisation's governance, risk and control. As Accounting Officer I am personally responsible for the Governance Statement which outlines how I have discharged my responsibility to manage and control the resources of Sport Wales during the course of the year.

As Accounting Officer, I have reviewed the Corporate Governance in Central Government Departments: Code of Good Practice 2017 and believe that Sport Wales has fully complied with the relevant elements of the code in respect of both its Exchequer and Lottery functions.

Corporate governance

The Board

Corporate Governance is the system by which organisations are directed and controlled. The Board of Sport Wales is responsible for the governance of Sport Wales and the Sports Council for Wales Trust. The Board's role is to satisfy itself that an appropriate governance structure is in place and to scrutinise the performance of the executive and the organisation's delivery of the Sport Wales Vision.

The Sport Wales Board is made up of a Chair, a Vice Chair and up to twelve other members all of whom are appointed by Welsh Government. The Board's composition includes representation from a wide cross section of different professions and members with expertise and experience relevant to both community and elite sport.

Following the Assurance review undertaken by Welsh Government during 2016-17, Lawrence Conway was appointed as interim Chair, initially for a 12 month period, subsequently extended to 18 months to August 2018. The process to appoint a permanent Chair from September 2018 was initiated by Welsh Government in February 2018.

During the year, the previous interim Chair Lawrence Conway was appointed as Chair from 1st September 2018 following a recruitment process carried out by Welsh Government.

During the year, Welsh Government appointed four new Board members, namely Judi Rhys, Prof. Leigh Robinson, Phil Tilley and Martin Veale. Four existing Board members, namely Julia Longville (term expired), Peter King (term expired), Samar Small (resigned due to change in work circumstances) and Christian Malcolm (resigned to take up new role overseas) left the Board. I thank them for their dedicated service to Sport Wales during their tenures and warmly welcome the new members.

Sport Wales is committed to equality and the diversity of its Board, which now comprises 45% female representation, 18% BME and 9% consider themselves to have a disability.

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

Board Member	Board Meeting (Number of meetings attended of 5)	Audit and Risk Assurance Committee (Number of meetings attended of 4)
Lawrence Conway ¹ (Chair)	5 / 5	3 / 3
Pippa Britton (Vice Chair)	5 / 5	Not Applicable
Peter King ²	2 / 2	1 / 1
Julia Longville ²	1 / 2	Not Applicable
Johanna Sheppard ³	2 / 3	1 / 3
Richard Parks	2 / 5	Not Applicable
Samar Small ⁴	1 / 1	0 / 1
Ashok Ahir	3 / 5	2 / 4
Ian Bancroft	5 / 5	Not Applicable
Christian Malcolm ⁵	2 / 4	Not Applicable
Alison Thorne	5 / 5	3 / 4
Judi Rhys ⁶	3 / 3	1 / 1
Leigh Robinson ⁶	3 / 3	Not Applicable
Martin Veale ⁶	3 / 3	3 / 3
Phil Tilley ⁶	3 / 3	Not Applicable
(Independent members – Audit and Risk Assurance Committee only)		
Gareth Jones	Not Applicable	3 / 4
Robert Williams	Not Applicable	4 / 4
Overall Percentage Attendance rate	83%	75%

¹Appointed 01.09.2018

²Members retired 31.08.2018

³On maternity leave from January to August 2018. Returned 01.09.2018

⁴Resigned 20.06.2018

⁵Resigned 31.12.2018

⁶Appointed 01.09.2018

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

Whistleblowing Policy

Sport Wales has an established and Board approved Whistle-Blowing Policy which is detailed in the Staff Handbook. During 2018-19 Sport Wales was not aware of any reported incidents. We believe that the policy is effective and staff have full access to it, if required. The policy is reviewed periodically with the Staff Handbook.

Audit and Risk Assurance Committee

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

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

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

The Committee also bade farewell to Samar Small and the Board extends its appreciation for Samar's contributions. Judi Rhys was appointed to the Committee.

During 2018-19, Sport Wales continued to develop an 'Assurance Framework' to supplement the risk management process. The purpose of the Framework is to document the level of assurances, both internal and external, incorporated into business processes so as to provide the Accounting Officer and the Board with the requisite assurance. This is monitored regularly by the Audit & Risk Assurance Committee.

The Audit & Risk Assurance Committee consists of up to five members, two of which could be independent, with a minimum of one independent member required.

The Committee met four times during the year and there was an overall members' attendance rate of 75%.

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

- the operation and effectiveness of the risk management and assurance framework;
- internal audit reports covering specific business areas and the annual internal audit report;
- the Annual Report and Accounts and their format;
- observations made by external audit, particularly the annual management letter;
- compliance with the Framework Document issued by the Welsh Government as well as compliance with the Lottery Statement of Financial Requirement;
- the Governance Framework document;
- regulatory compliance;
- review of grant funding;
- review of core financial systems;
- review of Board member expenses;
- review the Gifts and Hospitality Register;
- agreeing the year's internal audit plan.

The Board received the minutes of the Audit & Risk Assurance Committee at each meeting and are advised by the Chair of any significant matters. The Chair also presents a formal annual report on the Committee's work to the Board. IT systems ensure that the physical security of data is controlled. In 2018-19 no information risk issues or significant control weaknesses were identified and the Audit and Risk Assurance Committee was satisfied that the level of risk was acceptable and managed in an appropriate manner.

Remuneration Committee

The Remuneration Committee meet to review and recommend for approval to Welsh Government the Chief Executive's salary and the annual pay award for all staff via the Welsh Government's pay remit process. Further details can be found within the Remuneration and Staff Report on page 43.

The Executive Senior Management Team

The Executive, under the leadership of the Chief Executive, is responsible to the Board for the development and implementation of strategy and policies and the reporting thereof.

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

Board and Committee Effectiveness

During the year, we continued to develop good governance. A Corporate Governance, Planning & Assurance Lead was appointed to work closely with the Board to further enhance governance arrangements within the organisation. Under the direction of the Vice Chair, a robust governance plan was developed, that incorporated both formal processes, for example full effectiveness reviews of the Board on a biennial basis, annual appraisals for each Board member and also the development of an action plan for adherence to the Governance and Leadership Framework for Wales (GLFW), which includes the behavioural aspects of good governance. Board role descriptions were also updated to reflect the full breadth of the role.

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

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

Risk Management

The purpose of the system of internal control

The system of internal control is designed to manage and limit risk but can never eliminate it. It therefore only provides reasonable and not absolute assurance. The system of internal control is based upon an on-going process designed to identify and prioritise the risks of achieving Sport Wales' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should this happen, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Sport Wales throughout the year ended 31 March 2019 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Finally, the system of internal control provides reasonable assurance that Sport Wales has complied with the Lottery financial directions and that adequate processes are in place for the detection of conflicts of interest and to minimise losses of Lottery grants.

Capacity to handle risk

As Accounting Officer I am personally responsible for ensuring that Sport Wales has an effective risk management process. This is overseen by the Board, through the Audit & Risk Assurance Committee. As an organisation, the key risks are monitored through appropriate use of the Risk Register. There is a documented Risk Strategy & Management Policy that contains definitions relating to risk management and the policy also sets out how risks should be identified, recorded, analysed and managed.

Corporate risks, and the control measures implemented to mitigate them, are assigned to and managed by the appropriate manager, corporate director or in some cases by the Accounting Officer. Operating risks are the responsibility of the relevant heads of department while day to day risk management may be delegated to the staff they manage.

New risks are identified by officers of Sport Wales, Audit & Risk Committee scrutiny or the Board itself.

When a new risk has been identified, it is inserted into the appropriate Risk Register, assessed and scored and assigned to a corporate director and/or manager.

The risk and control framework

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

The Risk Register is an electronic solution that is accessible to relevant managers via an online portal. Sport Wales' risk management arrangements are subject to an annual internal audit and presented to the Audit & Risk Assurance Committee. The Risk Register records significant corporate risks including risks to information, an overall assessment of likely impact and probability, control measures and where required, a list of future action measures. The Corporate Risk Register is reviewed at regular intervals by Senior Management, the Risk Management & Assurance Group and the Audit & Risk Assurance Committee. In addition, managers present by rotation to the Risk Management & Assurance Group on their specific areas of risk and how they control or mitigate those risks. The Assurance Framework is similarly reviewed by the Risk Management & Assurance Group.

Grants Monitoring

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

Key Risks

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

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

Following on from the National Conversation and the launch of the Vision for Sport in Wales, the start of csees the launch of Sport Wales' new strategy and, while this is an exciting time, a new strategy inevitably has risks attached to it. A comprehensive staff and Board engagement programme has taken place throughout the process and partner funding extensions will give our partners the opportunity to align to our new strategy.

The new strategy will involve a redesign of the organisational structure and there is a risk that this, along with the effects of the ongoing pay & grading project could have an adverse effect on staff morale, which could in turn lead to significant disruption to operations. This risk is mitigated by business continuity plans and ongoing engagement and communications with staff and trade union representatives.

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

Other key risks identified on the corporate Risk Register include failure to comply with our legislative requirements and potential sensitive information loss or exposure. The strengthened corporate governance arrangements and the appointment of a Data Protection Officer have assisted in minimising this risk.

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

The Internal Auditors have, for the fourth consecutive year, given Sport Wales an overall "substantial assurance" rating for the year. It also gave this highest rating category for Sport Wales' corporate governance and risk management arrangements. During the year, internal audit reports identified opportunities to enhance the control systems.

It is encouraging to note that arising out of the internal audit work, there were no findings classified as being of "high" risk. In total, 10 recommendations were made together with 5 action points. Of the recommendations made, 2 (20%) were classed as 'medium' priority and 8 (80%) were 'low' priority. In terms of follow-up action, while 9 out of 14 previous recommendations were re-raised by the auditors, at the time of the audit, only 2 remained outstanding at the end of the year. Both outstanding recommendations relate to staffing issues and will be considered as part of the redesign of the organisational structure.

Internal Control

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

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

The internal audit service for Sport Wales during 2018-19 was provided by Deloitte LLP, who operated to standards defined in the Public Sector Internal Audit Standards. Internal audit submit regular reports which inform an independent annual opinion on the adequacy and effectiveness of Sport Wales' systems of internal control and risk management, together with recommendations for improvement.

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

On-going Developments

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

Sport Wales has continued to review the control system in operation over the National Governing Bodies generally and during 2018-19 additional steps have been implemented to further strengthen the controls in place to manage the risk inherent in investing public funding into third party organisations. We will keep this under constant review in 2019-20 with the introduction of a new Partner Assurance Framework.

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

Our Audit & Risk Assurance Committee undertook a comprehensive assessment of its effectiveness during 2018-19 using the NAO ARAC Checklist as a support. This review has led to some further developments including the use of a skills matrix for members to develop training opportunities and the Chair of Audit & Risk Assurance Committee to carry out individual member performance appraisals on a regular basis. Some of this work will be ongoing into 2019-20.

Sport Wales is committed to developing a new model of delivery for Community Sport across Wales – the Community Sport & Activity Programme (CSAP). In North Wales a collaborative partnership, made up of representatives from organisations including Local Authorities, Higher Education, Housing, Health Board and Disability Sport Wales, is progressing its plans to create Sport North Wales with a project plan in place to deliver against the key requirements, leading to the establishment of a regional entity by December 2019.

Plans are also in place to implement the roll out of CSAP across the Rest of Wales, commencing with sector engagement sessions with key partners and other organisations scheduled for June 2019, leading to launching an Expression of Interest stage in the Autumn.

S Powell
Accounting Officer

30 August 2019

Remuneration & Staff Report

Sport Wales has an extensive range of policies which reflect current legislation and aim to secure retention and motivation. These policies are reviewed regularly with staff involvement via a recognition agreement with the Public and Commercial Services (PCS) Union. All policies are equality checked before implementation.

Sport Wales is committed to a policy of equality of opportunity in its employment practices. In particular, Sport Wales aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion, or sexual orientation.

We also follow the 'Equality Standard for Sport' and 'Positive about Disabled' schemes.

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

During 2017-18, a formal Project Steering group was established which comprised employees from the HR and Finance departments, as well as representatives from PCS, at both local and branch level. A representative from ACAS was also part of the formal team to provide advice and guidance. The Corporate Services Director chairs the group.

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

Due to ongoing discussions between Sport Wales and PCS, the pay & grading proposed implementation date to address these issues, has now been deferred to 2019-20. In accordance with Sport Wales' Framework Document with Welsh Government, the new structure will require Ministerial approval.

Investing In Our People

Sport Wales has "Investors in People" status and its human resources policies reflect best practice as part of its commitment as a learning organisation. During 2015-16, Sport Wales achieved the Gold standard in "Investors in People". The standard explores practices and outcomes within an organisation under three performance headings: leading, supporting and improving. These three areas explore culture, leadership skills, engagement and staff development which all contribute towards Sport Wales being a high performing organisation. Sport Wales was due for re-assessment on the 28th May 2018, however, a one-year extension was awarded until May 2019 to reflect the current changes in the organisation and the development of the new strategy. As part of the assessment, a full Investors in People staff survey was launched on 27 March 2019. The outcome and feedback from the survey will be available early 2019-20.

Sickness Absence Data

The sickness data for employees of the whole organisation for 2018-19 (2017-2018) is as follows:

Total Days Lost	Total Number of Employees (FTE)	Total Sick Days Lost Per Person
868.30 (906.50)	154.52 (145.89)	5.62 (6.21)

The overall absence rate for 2018-19 is 2.61%. This is a decrease from the 2017-18 rate of 2.81% and is comparable with ONS (Office of National Statistics) published rates for the public sector of 2.6%. Of the 2.61%, 1.44% were classed as long term and 1.16% as short term. As part of a continued focus on managing absence and employee health effectively, Sport Wales' sickness absence policy will continue to be reviewed during 2019-20, with support from the recognised Trade Union (PCS).

This year employees have benefitted from initiatives focussed around mental health and wellbeing. During 2018-19 Sport Wales supported employees' mental and physical health by signing the Time to Change Wales Mental Health Pledge. Sport Wales participated in the Cardiff Half 2018 Corporate Challenge and the team finished a well-respected 8th place out of 39 corporate teams. Also, during 2018-19 a cross departmental wellbeing group to work in support of the Sport Wales wellbeing strategy was re-established.

Pension Scheme

Sport Wales operates two pension schemes for its staff. Most staff are members of the Cardiff and Vale of Glamorgan Pension Fund. The Fund is a defined benefit scheme based on Career Average Re-Valued Earnings (CARE). The Fund's assets are held separately from those of Sport Wales. Any pension built up before April 2008 is calculated at a rate of 1/80th with a lump sum of three times pension. Pension built up from 1 April 2008 is calculated at the rate of 1/60th and there is an option to take an extra lump sum in exchange for pension. Pension built up from 1 April 2014 is calculated at the rate of 1/49th with an option to take an extra lump sum in exchange for pension.

The contributions of employees are set at 5.5% to 10.5% based on salary range or 2.75% to 5.25% if the employee opts for the 50% pension scheme. Further details can be found in note 1.5 and note 18 to the financial statements. In addition, Sport Wales operates a Defined Contribution pension scheme, with Scottish Widows, in which Sport Wales contributes 6.5%, with employees contributing 1.5%.

Remuneration Policy

In accordance with Chapter 5 of the Financial Reporting Manual, Sport Wales is required to disclose the following concerning remuneration during the year of Council Members and senior staff with responsibility for running policy making departments. Treasury guidance requires the financial statements to disclose the cash equivalent transfer value of pensions for Sport Wales' Members and senior staff.

The Chair, Vice Chair and Members of Sport Wales are paid in accordance with the Welsh Government "Remuneration and expenses of Chairs and Members of WSGBs and NHS Bodies" policy.

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

Service Contracts

The senior staff of Sport Wales are employed on terms and conditions broadly analogous to the Welsh Government terms and conditions.

Sport Wales' Members are appointed by Welsh Ministers for a three year contracted period and may be reappointed normally for a further three year period. The Chair is entitled to be remunerated at a daily rate of £337 and is contracted to work around two days per week. The Vice Chair is remunerated at a daily rate of £311 and is contracted to work around three days a month.

Notice Period

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

Chief Executive Officer Salary

Remuneration

"Salary" includes gross salary, allowances and performance bonuses where applicable. During the year the Chief Executive received a gross salary of £97,400 (2017-18 £96,000). No members of staff are eligible for a bonus payment.

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

Benefits in Kind

There are no benefits in kind.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interest of the senior managers of Sport Wales. Details on start/leave dates can be found in the Pension Benefits table on page 47. This information is audited.

Staff numbers and related costs (subject to audit)

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

	Average No. of full time equivalent staff involved	2018-19 £000	2017-18 £000
	2018-19	2017-18	
Gross salary costs			
Chair L Conway*	0.20	16	–
Chief Executive S Powell	0.25	24	24
Other Staff	44.68	2,279	2,102
		2,319	2,126
Salaries and wages		1,711	1,570
Social Security costs		171	158
Other Pension costs		564	528
IAS19 adjustments		(127)	(130)
		2,319	2,126

Staff costs are further analysed as follows:

	2018-19 £000	2017-18 £000
Administration	1,003	940
Sports Science Support to Athletes	1,316	1,186
	2,319	2,126

* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities. During 2017-18, L Conway elected not to take a salary whilst in the role of Chair. From 10th May 2018, the Chair then elected to take a salary.

Remuneration (subject to audit)

Name	Title	%	Salary	Pension	Total
		Apportioned to Lottery	£000	Benefit to the nearest £1000	000
		2018-19 (2017-18)	2018-19 (2017-18)	2018-19 (2017-18)	2018-19 (2017-18)
Mr Lawrence Conway ¹	Chair	50%	30-35	-	30-35
		-	-	-	-
Ms Pippa Britton ⁴	Vice Chair	50%	10 - 15	-	10 - 15
		50%	(5 - 10)	-	(5 - 10)
Ms Sarah Powell	Chief Executive	25%	95- 100	25,000	120 - 125
		(25%)	(95 - 100)	(26,000)	(120 - 125)
Mr Graham Williams	Corporate Director	25%	55 - 60	22,000	80 - 85
		(25%)	(55 - 60)	(4,000)	(60 - 65)
Mr Brian Davies	Corporate Director	80%	60 - 65	19,000	75 - 80
		(80%)	(55 - 60)	(21,000)	(80 - 85)
		-	-	-	-
Mr Jonathan Davies ²	Corporate Director	(50%)	(20 - 25)	(6,000)	(25 - 30)
		25%	50 - 55	16,000	65 - 70
Mr Peter Curran ⁹	Corporate Director	(25%)	(60 - 65)	(19,000)	(80 - 85)
		25%	15 - 20	5,000	20 - 25
Mr Paul Randle ¹⁰	Corporate Director	-	-	-	-
	Manager Sport Wales National Centre	0%	60 - 65	9,000	65 - 70
Mr Malcolm Zapple		(0%)	(60 - 65)	(7,000)	(65 - 75)
	Manager Plas Menai Watersports Centre	0%	50 - 55	17,000	65 - 70
Mr Steven Morgan		(0%)	(50 - 55)	(16,000)*	(65 - 70)*
		-	-	-	-
Prof. John Baylis ³	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		-	-	-	-
Mr Simon Pirotte ³	Council Member	(50%)	(0 - 5)	-	(5 - 10)
		50%	0 - 5	-	0 - 5
Ms Johanna Sheppard ⁵	Council Member	(50%)	(5 - 10)	-	(5 - 10)
		50%	0 - 5	-	0 - 5
Ms Julia Longville ⁶	Council Member	(50%)	(5 - 10)	-	(5 - 10)
		50%	0 - 5	-	0 - 5
Mr Peter King ⁶	Council Member	(50%)	(5 - 10)	-	(5 - 10)
		-	-	-	-
Ms Amanda Bennett ³	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		-	0 - 5	-	0 - 5
Ms Sama Small ⁷	Council Member	(50%)	(5 - 10)	-	(5 - 10)
		-	-	-	-
Mr Andrew Lycett ³	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		50%	5 - 10	-	5 - 10
Mr Richard Parks	Council Member	(50%)	(5 - 10)	-	(5 - 10)
		50%	5 - 10	-	5 - 10
Mr Ashok Ahir ⁴	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		50%	5 - 10	-	5 - 10
Mr Ian Bancroft ⁴	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		50%	5 - 10	-	5 - 10
Mr Christian Malcolm ¹¹	Council Member	(50%)	(0 - 5)	-	(0 - 5)
		50%	5 - 10	-	5 - 10
Ms Alison Thorne ⁴	Council Member	(50%)	(0 - 5)	-	(0 - 5)

*restated to remove transferred in pension amount

Name	Title	% Apportioned to Lottery	Salary £000	Pension Benefit to the nearest £1000	Total 000
Ms Judi Rhys ⁸	Council Member	50%	0 - 5	-	0-5
Prof Leigh Robinson ⁸	Council Member	50%	0 - 5	-	0-5
Mr Martin Veale ⁸	Council Member	50%	0 - 5	-	0-5
Mr Phil Tilley ⁸	Council Member	50%	0 - 5	-	0-5

¹ Appointed 1 September 2018. During 2017-18 the Chair elected not to take a salary, but elected to take a salary from 10 May 2018

² Left 4 August 2017

³ Retired 31 August 2017

⁴ Appointed 1 October 2017

⁵ On Maternity leave from 1 January 2018, returned September 2018. Elected not to receive payment whilst on Maternity leave.

⁶ Retired 31 August 2018

⁷ Resigned 20 June 2018

⁸ Appointed 1 September 2018

⁹ Resigned 16 December 2018

¹⁰ Appointed 2 January 2019

¹¹ Resigned 31 December 2018

The Remuneration Report now requires that a Single Total Figure of Remuneration is shown. The above table is similar to that used previously, and still shows the salary paid in bandings. The pension benefit figure which contributes to the single total figure is calculated in a new way as follows: (real increase in pension* x 20) + (real increase in lump sum*) – (contributions made by employee)

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

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

Pension Benefits of Senior Managers (subject to audit)

Name	Real increase in Pension (and lump sum) at state pension age for 2018-19 £000	Total accrued Pension (and lump sum) at state pension age at 31 March 2019 £000	CETV at 31 March 2019 £000	CETV at 31 March 2018 £000	Real Increase/ (Decrease) CETV in Year £000
Ms Sarah Powell <i>Chief Executive</i>	0.0 – 2.5 (0.0 – 2.5)	30 – 35 (35 – 40)	460	381	69
Mr Peter Curran* <i>Corporate Director</i>	0.0 – 2.5 (0.0 – 2.5)	5 – 10 (0 – 5)	133	50	78
Mr Steven Morgan <i>Manager Plas Menai Watersports Centre</i>	0.0 – 2.5 (0.0 – 2.5)	5 – 10 (0 – 5)	94	68	22
Mr Malcolm Zapple <i>Manager Sport Wales National Centre</i>	0.0 – 2.5 (0.0 – 2.5)	25 – 30 (45 – 50)	574	497	71
Mr Brian Davies <i>Corporate Director</i>	0.0 – 2.5 (0.0 – 2.5)	10 – 15 (0 – 5)	203	162	36
Mr Graham Williams <i>Corporate Director</i>	0.0 – 2.5 (0.0 – 2.5)	20 – 25 (30 – 35)	389	320	64
Mr Paul Randle** <i>Corporate Director</i>	0.0 – 2.5 (0.0 – 2.5)	0 – 5 (0 – 5)	5	0	3

*Peter Curran resigned 16 December 2018

**Paul Randle appointed 2 January 2019

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

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Sport Wales' pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2018-19	2017-18
Band of Highest Paid Director's Total Remuneration (£ '000)	95 - 100	95 - 100
Median Total Remuneration	30,180	28,496
Ratio	3.2	3.4

The ratio was calculated using the following assumptions:

- 1 Only salaries for staff paid through the payroll has been used (excludes agency staff as not material),
- 2 Figures have not been adjusted to reflect any apportionment to the Lottery accounts i.e. costs reflect all staff employed by The Sports Council for Wales processed through the payroll.

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

There was a decrease in the median ratio of 0.2. This was due in part to an increase in the real living wage rate, which led to increases for those on lower salaries.

Remuneration ranged from £16,900 to £97,400 (2017-18 remuneration ranged from £16,300 to £96,000).

Tax Policy for Off-Payroll Appointees

As at 31 March 2019, there were 6 arrangements that had existed (2017-18, 6 arrangements, restated) and have been in place for 4 years or more. All arrangements have been assessed as not having been caught by IR35. Sport Wales are content that assurance has been sought to confirm that individuals have made appropriate arrangements to pay tax.

Neither individual is a Board member or is a senior official with significant financial responsibility. No expenditure has been incurred on consultancy costs.

Staff Composition

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

S Powell
Accounting Officer

30 August 2019

Parliamentary Accountability and Audit Report

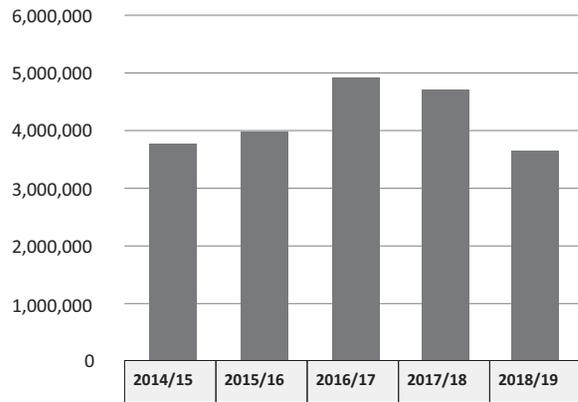
Remote Contingent Liabilities (subject to audit)

Sport Wales do not have any remote contingent liabilities.

Long term expenditure trends

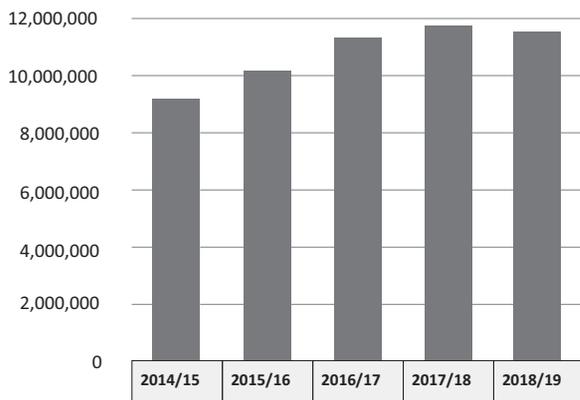
Trends over the last five years can be seen below:

Capital Grants - Paid

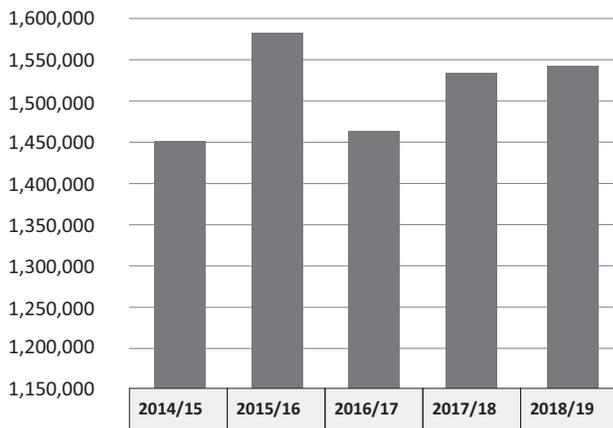


For further details, refer to note 2 on page 62

Revenue Grants - Paid



Administration costs - Paid



Losses, special payments and material income (subject to audit)

During 2018-19 there have been no losses, special payments or gifts made (2017-18, also nil). There has also been no material fees or charges income.

S Powell
Accounting Officer

30 August 2019

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Members of the National Assembly for Wales

Opinion on financial statements

I certify that I have audited the financial statements of the Sports Council of Wales Lottery Distribution Account for the year ended 31 March 2019 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows and Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Sports Council of Wales Lottery Distribution Account affairs as at 31 March 2019 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Sports Council of Wales Lottery Distribution Account in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sports Council of Wales Lottery Distribution Account's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Respective responsibilities of the Council and Accounting Officer for the financial statements

As explained more fully in the Statement of Council's and Chief Executive's Responsibilities, the Sports Council of Wales and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sports Council of Wales Lottery Distribution Account's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Council and the Accounting Officer are responsible for the other information. The other information comprises information included in the Report accompanying the financial statements, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993;
- in the light of the knowledge and understanding of the Sports Council of Wales Lottery Distribution Account and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Annual Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

5 September 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Notes	2018-19 £000	2017-18 £000
Expenditure			
Grant commitments made in year	3	24,190	14,412
Less lapsed and revoked offers	3	(55)	(325)
Staff costs	7	2,319	2,126
Depreciation	9	41	46
Other operating costs	8	391	362
Total Expenditure		26,886	16,621
Gross Income			
Proceeds from National Lottery Distribution Fund (NLDF)	11	(14,463)	(14,752)
Investment returns from the NLDF	11	(74)	(43)
Recoveries of grant	19	(538)	(86)
Other income	8	(193)	(203)
Total Income		(15,268)	(15,084)
Net expenditure from activities		11,618	1,537
Other Comprehensive Income/Expenditure			
Pension finance cost	18	82	74
Actuarial loss on pension	18	(139)	286
		(57)	360
Net expenditure before interest and taxation		11,561	1,897
Interest receivable		(6)	(1)
Net expenditure before taxation		11,555	1,896
Taxation Payable	6	1	-
Net expenditure after taxation		11,556	1,896
Total Comprehensive expenditure for the year ended 31 March 2019			
Balance at 1 April		(11,974)	(13,870)
Balance at 31 March		(418)	(11,974)

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

The notes on pages 59 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2019

	Notes	31 March 2019 £000	31 March 2018 £000
Non current assets			
Property, plant and equipment	9	163	194
Current assets			
Trade receivables and other current assets	10	20	155
Investments-balance held in NLDF	11	14,665	15,541
Cash and cash equivalents	13	198	573
Total Current Assets		14,883	16,269
Total assets		15,046	16,463
Current liabilities			
Grant accrual	3	(10,554)	(580)
Other current liabilities	12	(1,061)	(729)
Total Current liabilities		(11,615)	(1,309)
Non Current assets plus net current assets		3,431	15,154
Non current liabilities			
Grant accrual	3	(24)	(6)
Pension Liability	18	(2,989)	(3,174)
		(3,013)	(3,180)
Assets less liabilities		418	11,974
Reserves:			
Income and expenditure reserve		3,407	15,148
Pension Reserve	18	(2,989)	(3,174)
		418	11,974

The notes on pages 59 to 74 form part of these accounts.

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

Accounting Officer:

S Powell
Chief Executive

30 August 2019

Statement of Cash Flows for the year ended 31 March 2019

	Notes	2018-19 £000	2017-18 £000
Cash flow from operating activities			
Total comprehensive (expenditure)		(11,556)	(1,896)
Decrease /(Increase) in debtors	10	111	(81)
Increase/(Decrease) creditors	3, 12	10,325	(1,367)
Decrease in balance held at NLDF	11	876	2,542
Interest received		(6)	(1)
Depreciation of plant and equipment	9	41	46
Pension Cost	18	(185)	230
Net cash (outflow)/inflow from operating activities		(394)	(527)
Cash flow from investing activities			
Interest received		6	1
Cash flow from financing activities			
Purchase of property, plant and equipment	9	(10)	(30)
Loan repayments	10	24	33
Taxation			
Corporation tax paid		(1)	–
Net cash (outflow)/inflow for the year	13	(375)	(523)
Net decrease in cash and cash equivalents in the period			
Cash and cash equivalents at the beginning of the period		573	1,096
Cash and cash equivalents at the end of the period		198	573
		(375)	(523)

The notes on pages 59 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

	Balances held in NLDF £000	Balances held at SCW £000	Pension Reserve £000	Total £000
Balance at 1 April 2017	18,083	(1,269)	(2,944)	13,870
Changes in Taxpayers' Equity 2017-18				
Income from the National Lottery	14,752	-	-	14,752
Drawn down in year by Sport Wales	(17,300)	17,300	-	-
Investment returns	42	1	-	43
Other Operating Income	-	203	-	203
Recoveries of grants	-	86	-	86
Expenditure in year	(36)	(16,714)	-	(16,750)
Pension Cost	-	-	(230)	(230)
Balance as at 31 March 2018	15,541	(393)	(3,174)	11,974
Changes in Taxpayers' Equity 2018-19				
Income from the National Lottery	14,463	-	-	14,463
Drawn down in year by Sport Wales	(15,350)	15,350	-	-
Investment returns	74	6	-	80
Other Operating Income	-	193	-	193
Recoveries of grants	-	538	-	538
Expenditure in year	(63)	(26,952)	-	(27,015)
Pension Cost	-	-	185	185
Balance at 31 March 2019	14,665	(11,258)	(2,989)	418

The notes on pages 59 to 74 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2019

1 Accounting policies

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention, modified by the valuation of Property, Plant and Equipment by reference to current costs, in accordance with the directions given by the Secretary of State for Digital, Culture, Media and Sport with the consent of Treasury in accordance with Section 35 of the National Lottery etc Act 1993 (as amended). A copy of the accounts direction can be obtained by request in writing to Sports Council of Wales (Sport Wales), Sophia Gardens, Cardiff, CF11 9SW. Without limiting the information given, the accounts are prepared in accordance with the 2018-19 Government Financial Reporting Manual (IFRS based FReM) IFRS issued by HM Treasury.

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

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

1.2 Income from the National Lottery Distribution Fund

The distributing activities of Sport Wales's Lottery function are funded by allotted proceeds from the National Lottery. These are held in a fund administered by the Department for Digital, Culture, Media and Sport, and are available to be drawn-down into Sport Wales's Lottery bank accounts when needed. All income is recognised in accordance with IFRS 15.

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

The balance held at 31 March 2019 at NLDF agrees to their audited accounts (subject to rounding differences). The opening balance of the fund was not adjusted following the 2017-18 audit of the NLDF accounts.

1.3 Property, Plant and Equipment

Sport Wales capitalise any property, plant and equipment over £500 used exclusively in the administration of the Lottery function and the equipment is included in the statement of financial position at historic cost less a provision for depreciation. In the opinion of Sport Wales, there is no material difference between the historic and current cost net book value of these assets.

1.4 Depreciation

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

Equipment - Computers	3 years
Equipment - Other	3 - 10 years
Vehicles	5 years

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

1.5 Pension Costs

Sport Wales operates two pension schemes. Most staff are members of the Cardiff and Vale of Glamorgan Pension Fund. The Fund is a defined benefit scheme based on Career Average Re-Valued Earnings (CARE). The Fund's assets are held separately from those of Sport Wales. The other scheme is a defined contribution pension scheme with Scottish Widows. IAS19 requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Expenditure so as to spread the cost of pensions over employees' working lives with Sport Wales.

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

1.6 Allocation of Costs

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

1.6.1 Allocation of Costs - Staff costs are recharged to Lottery according to the time they spend in carrying out Lottery activities. Where staff are identified as being employed 100% for Lottery purposes their costs are recharged in full. Where staff work, or provide a service to both lottery and exchequer schemes, their costs are recharged in proportion to the amount of time spent on Lottery work.

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

1.6.3 Allocation of Costs - Council Members remuneration and travelling expenses are apportioned on a 50% basis.

1.7 Policy for Grant Accruals

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

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

1.8 Other income

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

1.9 Use of Estimates and Judgements

The preparation of the financial statements requires Sport Wales to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation and critical judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:-

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

1.10 Financial Instruments

1.10.1 Financial Assets

Trade receivables and other current assets do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for expected credit loss. Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.10.2 Financial Liabilities

Trade Payables and other current liabilities are not interest bearing and are stated amortised cost.

1.11 Segmental reporting

Sport Wales's management reporting for Lottery provides information relating to the distribution of Lottery grants. Sport Wales is of the opinion that the disclosure requirements of IFRS 8 Operating Segments, is not applicable to these Lottery Distribution Accounts. There is considered to be a single operating segment for the distribution of lottery funds.

1.12 Newly Issued Accounting Standards Not Yet Effective

The application of any new or amended IFRS standards is governed by their adoption by the FReM. Sport Wales applies changes to standards when they become effective. There are potential impacts from IFRS changes that have been issued and are not yet effective on the financial statements in the period of initial application, primarily the IFRS16 Leases Accounting Standard which takes effect for accounting periods beginning on or after 1 January 2019. Sport Wales has yet to quantify the impact of the changes on the financial statements.

1.13 Implementation of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers

Sports Wales implemented IFRS 9 and IFRS 15 in 2018-19 for the first time. IFRS 9 adoption has resulted in a classification of all financial instruments as measured at amortised cost. There have been no other significant effects of IFRS 9 on these accounts.

The recognition and measurement of lottery income has not changed as a result of the adoption of IFRS 15.

2 Grants met in the year

	2018-19 £000	2017-18 £000
Revenue Grants		
Elite Cymru	3,222	3,506
Coach Cymru	2,741	2,697
National Performance	983	1,063
National Coaching	937	924
Disability Sport	552	566
Community Chest	1,680	1,691
Lottery Growth	292	165
Leadership	81	54
Note 3	10,488	10,666

Revenue grants are given to support the athletes and support services provided to partners. For further analysis, see note 3.

Community Chest includes an amount of £60,416 (2017-18 £62,464) paid in respect of administration costs of local authorities who administer the grant scheme at local level.

Capital Grants	2018-19 £000	2017-18 £000
Capital	264	–
Development Grants	3,051	3,955
Calls for Action	340	749
Note 3	3,655	4,704

Capital grants are funding activities that are aimed at increasing participation and improving performance in sport. For further analysis, see note 3.

The grant figures in the notes above includes £463,472 direct expenditure incurred on behalf of grant recipients (£595,968 in 2017-18).

3 Grant accrual

	Capital £000	Revenue £000	2018-19 Total £000	2017-18 Total £000
Balance at 1 April	550	36	586	1,869
Grant offers met in the year	(3,655)	(10,488)	(14,143)	(15,370)
Grant offers not taken up	(55)	–	(55)	(325)
Grant offers made in the year	5,300	18,890	24,190	14,412
Movement in year	1,590	8,402	9,992	(1,283)
Accruals balance as at 31 March	2,140	8,438	10,578	586
Analysed as:				
Amounts falling due within one year	2,116	8,438	10,554	580
Amounts falling due after one year	24	–	24	6

Analysis of expected timing of cash flows

	2018-19 £000	2017-18 £000
Amounts due during 2018-19 Financial Year	–	580
Amounts due during 2019-20 Financial Year	10,554	6
Amounts due during 2020-21 Financial Year	24	–
Balance at 31 March 2019	10,578	586

	2017-18 £000	2016-17 £000
Intra-government balances		
Balances with other central government bodies	78	45
Balance with local authorities	1,080	74
	1,158	119
Balance with bodies external to government	9,420	467
	10,578	586

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

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

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

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

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

As part of the new Sport Wales strategy, a new investment model is being developed in readiness for funding decisions from 2020-21. Therefore 2019-20 is a transition year for funding decisions, so Sport Wales have opted to extend the 2018-19 funding offers by 12 months to allow time to work with partners during the transition year. The extension grant offer is based on the 2018-19 offer letter amounts, with the revised offer letters being issued during the 2018-19 financial year. Consequently the 2019-20 offers are included as offers made in the 2018-19 accounts, and of the £24,190,000 grant offers made in year, the grant offers that relate to 2019-20 are £1,490,000 for capital grants and £8,438,000 for revenue grants.

4 Contingent Grant Liabilities

	2018-19 £000	2017-18 £000
Grant Liability	<u>1,365</u>	<u>820</u>
	1,365	820

5 Capital commitments

At 31 March 2019, the Lottery account had no contractual commitments for Capital and Property, Plant and Equipment (2017-2018 Nil).

6 Taxation payable

	2018-19 £000	2017-18 £000
Tax payable on interest received at 19% (2017-2018 - 19%)	<u>1</u>	<u>-</u>

7 Staff numbers and related costs

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

	Average No. of full time equivalent staff involved		2018-19 £000	2017-18 £000
	2018-19	2017-18		
Gross salary costs				
Chair L Conway*	0.20	–	16	–
Chief Executive S Powell	0.25	0.25	24	24
Other Staff	44.68	40.07	2,279	2,102
			2,319	2,126
Salaries and wages			1,711	1,570
Social Security costs			171	158
Other Pension costs			564	528
IAS19 adjustments			(127)	(130)
			2,319	2,126

Other Pension costs totalling £564,000, include a lump sum contribution of £219,360 towards the net pension liability (2017-18 £212,880). The remainder is the employer pension cost allocated to lottery based on individual employee time apportionment to lottery work.

IAS19 Employee Benefits requires an actuarially calculated figure (current and past service cost) to be charged to the Statement of Comprehensive Net Expenditure (SoCNE). For 2018-19, the actual employer's contribution was £461,000 (24% of £1,920,000). The lottery apportioned current and past service cost for 2018-19 totalled £334,000 (24% of £1,390,000) which must replace the actual employer's pension costs included in the SoCNE. Therefore the net effect was (£127,000) to staff costs after deducting employer's contribution. As current service cost is a notional entry, this is reversed in the Statement of Changes in Taxpayers' Equity so that Lottery balances are only charged with the cost of employer's pension contributions. Further details can be found in note 18.

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

Further information on staff costs is included in the Remuneration and Staff report on page 43.

Staff costs are further analysed as follows:

	2018-19 £000	2017-18 £000
Administration	1,003	940
Sports Science Support to Athletes	1,316	1,186
	2,319	2,126

* The average number of staff employed are all permanent contract staff. The Chair is appointed to work 2 days per week and spends 50 per cent of that time on lottery activities. During 2017-18, L Conway elected not to take a salary whilst in the role of Chair. From 10th May 2018, the Chair then elected to take a salary.

8 Other operating costs and other income

	2018-19	2017-18
Costs	£000	£000
Direct costs	161	105
Accommodation	63	67
Consultancy	2	–
Audit Fee	21	19
Recharges for Sports Wales Services	144	171
	391	362
	2018-19	2017-18
	£000	£000
Income		
UK Sport Grant	193	203
	193	203

9 Property, plant and equipment

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

	Equipment	Total
	£000	£000
Cost or Valuation at 1 April 2017	448	448
Additions	30	30
Disposals	(8)	(8)
At 31 March 2018	470	470
Depreciation at 1 April 2017	(238)	(238)
Charge for the year	(46)	(46)

	Equipment £000	Total £000
Disposals	8	8
At 31 March 2018	(276)	(276)
Net Book Value at 31 March 2018	194	194
Net Book Value at 31 March 2017	210	210

10 Trade receivables and other current assets

	31 March 2019 £000	31 March 2018 £000
Due within one year		
Other receivables	20	142
Due within more than one year		
Other receivables and prepayments	-	13
	20	155

Included in other receivables is £14,000 (2017-2018 £38,000) in respect of interest free loans made over a period of up to 10 years.

	31 March 2019 £000	31 March 2018 £000
Intra-government balances		
Balances with other central government bodies	-	-
Balance with local authorities	2	67
	2	67
Balance with bodies external to government	18	88
	20	155

11 National Lottery Distribution Fund

	Balances held in NLDF £000
Balance at 1 April 2017	18,083
Changes in Taxpayers' Equity 2017-18	
Income from the National Lottery	14,752
Drawn down in year by Sport Wales	(17,300)
Investment Returns	42
Other Operating Income	-
Recoveries of grants	-
Expenditure in year Pension	(36)
Pension Cost	-
Balance as at 31 March 2018	<u>15,541</u>
Changes in Taxpayers' Equity 2018-19	
Income from the National Lottery	14,463
Drawn down in year by Sport Wales	(15,350)
Investment Returns	74
Other Operating Income	-
Recoveries of grants	-
Expenditure in year	(63)
Pension Cost	-
Balance as at 31 March 2019	<u>14,665</u>

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

12 Trade payables and other current liabilities

	31 March 2019 £000	31 March 2018 £000
Sport Wales	1,040	710
Accruals	21	19
	<u>1,061</u>	<u>729</u>
	31 March 2019 £000	31 March 2018 £000
Intra-government balances		
Balances with other central government bodies	1,040	710
Balance with local authorities	-	-
	<u>1,040</u>	<u>710</u>
Balance with bodies external to government	21	19
	<u>1,061</u>	<u>729</u>

13 Analysis of changes in cash and cash equivalents

	2018-2019 £000	2017-2018 £000
As at 1 April	573	1,096
Net change in cash and cash equivalent balances	(375)	(523)
As at 31 March	198	573

All cash is held in commercial bank accounts.

14 Contingent liabilities

In addition to the contingent grant liabilities, disclosed in Note 4, there were no other contingent liabilities at 31 March 2019 requiring disclosure.

As of 31 March 2019, further to the McCloud/Sargeant judgement, Sport Wales Local Government Pension Scheme are uncertain of the potential additional liability to the Pension Scheme.

15 Contingent assets

The National Lottery Distributors are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority dated 29 March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). Land sales are likely to take place over a lengthy period, estimated to be from 2018-19 to 2036-37. DCMS estimates the first payments to the Lottery Distributors will be received in the early to mid 2020s.

16 Financial instruments

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

Liquidity Risks

In 2018-19, £14,463,000 or 94.7% of income derived from the National Lottery (2017-18 £14,752,000 or 97.8%). Of the remaining income, £74,000 or 0.5%, derived from investment returns from the balance held with the National Lottery Distribution Fund, (2017-18 £43,000 or 0.3%), and £731,000 or 4.8% from sundry income (2017-18 £289,000 or 1.9%). Sport Wales does not consider that its Lottery fund is exposed to any significant liquidity risk, and are satisfied that the balance within the NLDF and projected future Lottery proceeds are sufficient to meet its hard commitments.

Interest Rate Risks

The financial assets of the Lottery are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Sport Wales has no control over the investment of Funds in the National Lottery Distribution Fund. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 0.50% (2017-18 0.50%) in the year. The cash balance at the year-end was £198,000 (2017-18 £573,000). Sport Wales considers that its Lottery function is not exposed to significant interest rate risks. Included in receivables (note 10) is £14,000 (2017-18 £38,000) which relates to interest free loans. If interest had been charged at a treasury rate of 3.5% then £490 (2017-18 3.5% £1,330) would have been charged as interest in these accounts.

Foreign Currency Risk

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

17 Related party transactions

Public bodies

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

Individuals

Lottery paid grants during the year to a number of organisations in which members and senior staff declared an interest and which are considered material are shown below. Any declaration of interest for items discussed in meetings must be declared by the individual, who will withdraw for that section of the meeting.

Member's Panel	Body	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
S Powell <i>CEO</i>	Welsh Hockey Union	234	Member	234
J Sheppard <i>Council Member</i>	Welsh Netball	280	Mother - Employee Welsh Netball Association	275
J Sheppard <i>Council Member</i>	Badminton Wales	149	Sister - Chair Badminton Wales	149
J Sheppard <i>Council Member</i>	Welsh Rugby Union	175	Father - Match Official Welsh Rugby Union	172
J Sheppard <i>Council Member</i>	Golf Union of Wales	245	Sister – Board Member	245
J Longville <i>Council Member</i>	Welsh Netball	280	Former Chair of Selectors & Coach	275
J Longville <i>Council Member</i>	Welsh Athletics	755	Son is member	723
R Parks <i>Council Member</i>	Snowsport Cymru Wales	60	Ambassador	48
C Malcolm <i>Council Member</i>	Welsh Athletics	755	Board Member & Lead Coach	723
G Williams <i>Corporate Director</i>	Welsh Netball	280	Children members	275
B Davies <i>Corporate Director</i>	Welsh Gymnastics	700	Spouse Coach	673
S Small <i>Council Member</i>	Cardiff City Council	110	Immediate Family - Former Instructor	–
S Small <i>Council Member</i>	Welsh Football Trust	376	Member	376
I Bancroft <i>Council Member</i>	Flintshire County Council	18	Former Employee	18
I Bancroft <i>Council Member</i>	Wrexham County Borough Council	11	Chief Executive	10
S Morgan <i>Manager, Plas Menai</i>	URDD	302	Daughter is member	–
M Veale <i>Council Member</i>	Pembrokeshire County Council	115	Chair of Audit Committee	41
M Veale <i>Council Member</i>	Merthyr Tydfil County Borough Council	66	Standards Committee Member	72

Member's Panel	Body	Grant Payment in Year £000	Nature of link	Commitments not yet met £000
P Britton <i>Council Member</i>	Aneurin Bevan Health Board	45	Independent Board Member	–
P Britton <i>Council Member</i>	Disability Sport Wales	911	Chair (Retired August 2017)	896
P Britton <i>Council Member</i>	Welsh Orienteering Association	3	Brother is Committee Member	3

Remuneration of Senior Managers and Council Members:

Senior Managers and Council Members are considered to be the Directors and their remuneration is disclosed within the Remuneration and Staff Reports on pages 43 to 49.

18 Pensions

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

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

The pension fund deficit along with the associated entries which impact the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Changes in Taxpayers Equity have been apportioned between the Sports Council of Wales Consolidated financial statements and the Lottery financial statements in a ratio based on the historic apportionment of staff costs to the Lottery account per note 1.5. For 2018-19 this is Lottery Accounts 24% and Sports Council for Wales Consolidated Accounts 76%. Sport Wales made a total pension contribution in 2018-19 of £1,920,000 (2017-18 £1,930,000) which is analysed as follows:

- Employers Pension contributions £1,006,000 representing 24.2% of pensionable pay (2017-18 £989,000 24.2%)
- There were no advanced contributions in respect of early retirement cost during 2018-19 (2017-18 £58,000)
- Lump Sum Contribution of £914,000 (24% of which was met by Lottery), (2017-18 £887,000 of which 24% met by Lottery)

The rate of employer's pension contributions from 2017-18 will be 24.2%. This has been set as a result of the last triennial valuation of the scheme which was carried out as at 31 March 2016. Sport Wales expects to contribute £1,980,000 to the fund in 2019-20, which includes a contribution towards the pension deficit of £941,000. In addition to this "strain on fund" contributions may be required as well.

The full pension cost to Sports Council of Wales is £340,000 of which £258,000 (2017-18 £236,000) is allocated to the consolidated accounts, with the remainder of £82,000 (2017-18 £74,000) allocated to Lottery.

The full actuarial gain on pension to Sports Council of Wales is £580,000 of which £441,000 (2017-18 loss of £904,000) is allocated to the consolidated accounts, with the remainder of £139,000 (2017-18 loss of £286,000) allocated to Lottery.

The full pension liability to Sports Council of Wales is £12,880,000, of which £9,891,000 (2017-18 £10,476,000) is allocated to the consolidated accounts, with the remainder of £2,989,000 (2017-18 £3,174,000) allocated to Lottery. The Lottery pension liability is adjusted by £102,000 to accommodate the net impact of historic changes in apportionment of staff costs to the Lottery account with the offset £102,000 allocated to the pension liability in the Sports Council for Wales consolidated accounts.

Main Financial Assumptions

	31 March 2019	31 March 2018	31 March 2017
Discount Rate	2.4	2.6	2.6
Inflation – CPI	2.2	2.1	2.0
Rate of increase to pensions in payment	2.2	2.1	2.0
Rate of increase to deferred pensions	2.2	2.1	2.0
Rate of general increase in salaries	3.2	3.1	3.0
Mortality assumptions:			
Future lifetime from age 65 (aged 65 at accounting date)			
– Male	22.4	23.1	23.0
– Female	24.8	25.8	25.7
Future lifetime from age 65 (aged 45 at accounting date)			
– Male	23	24.2	24.0
– Female	25.9	27.2	27.1

Sport Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is derived by aggregating the expected rate of return for each asset class over the actual allocation for the Fund at 31 March 2019.

Analysis of movements in surplus (deficit) during the year

	31 March 2019 £m	31 March 2018 £m
Fair value of fund assets	47.09	42.87
Present value of liabilities	(59.97)	(56.52)
(Deficit) in scheme at end of year	(12.88)	(13.65)

Analysis of amount charged to Operating Costs

	31 March 2019 £m	31 March 2018 £m
Current service cost	1.39	1.33
Past service cost	0.00	0.06
Interest cost	0.34	0.31
Expense recognised	1.73	1.70

Remeasurement of amounts recognised in Other Comprehensive Expenditure

	31 March 2019 £m	31 March 2018 £m
Return on plan assets in excess of that recognised in net interest	(1.88)	(0.17)
Actuarial losses due to change in financial assumptions	3.63	1.07
Actuarial losses/(gains) due to change in demographic assumptions	(2.42)	0.00
Actuarial losses due to liability experience	0.09	0.29
Total amount recognised in Other Comprehensive Expenditure	(0.58)	1.19
Total amount recognised	1.15	2.89

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

	31 March 2019 £m	31 March 2018 £m
Opening defined benefit obligation	56.52	53.03
Current service cost	1.39	1.33
Interest expense on defined pension obligation	1.46	1.37
Contributions by participants	0.3	0.29
Actuarial losses on liabilities – financial assumptions	3.63	1.07
Actuarial losses/ (gains) on liabilities – demographic assumptions	(2.42)	0.00
Actuarial losses on liabilities – experience	0.09	0.29
Net benefits paid out	(1.00)	(0.92)
Past service cost (including curtailments)	0.00	0.06
Closing defined benefit obligation	<u>59.97</u>	<u>56.52</u>

Changes to the fair value of assets during the year

	31 March 2019 £m	31 March 2018 £m
Opening fair value of assets	42.87	40.34
Interest income on assets	1.12	1.06
Remeasurement gain on assets	1.88	0.17
Contributions by the employer	1.92	1.93
Contributions by participants	0.3	0.29
Net benefits paid out	(1.00)	(0.92)
Closing fair value of assets	<u>47.09</u>	<u>42.87</u>

Actual return on assets

	31 March 2019 £m	31 March 2018 £m
Expected return on assets	1.12	1.06
Actuarial gain/(loss) on assets	1.88	0.17
Actual return on assets	3.00	1.23

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

	31 March 2019 £m	31 March 2018 £m	31 March 2017 £m	31 March 2016 £m	31 March 2015 £m	31 March 2014 £m
Fair value of assets	47.09	42.87	40.34	31.35	30.40	26.37
Present value of defined benefit obligation	<u>(59.97)</u>	<u>(56.52)</u>	<u>(53.03)</u>	<u>(41.36)</u>	<u>(42.57)</u>	<u>(36.64)</u>
(Deficit)	<u>(12.88)</u>	<u>(13.65)</u>	<u>(12.69)</u>	<u>(10.01)</u>	<u>(12.17)</u>	<u>(10.27)</u>

19 Recoveries of grant

During 2018-19, further to the sale of the land at the Morfa site in Swansea, Sport Wales received £526,000 to release the two charges held. The remaining balance of 12,000 relates to ad hoc grant recoveries throughout the year.

20 Events After the Reporting Period

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

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