

**The Sports Council for Northern Ireland**  
**Annual Report and Accounts**  
**For the year ended 31<sup>st</sup> March 2007**



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*The Accounting Officer authorised these  
Financial statements for issue*

*on*

*23 February 2010*

*Laid before the Northern Ireland Assembly  
under Article 7(2)(c) and 8 of the Recreation and Youth Service  
(Northern Ireland) Order 1986 by the Department of Culture, Arts and Leisure*

*on*

*23 August 2010*

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## **Chairman's Foreword**

I am delighted to introduce Sports Council for Northern Ireland's Annual Review 2006/07. Sport in Northern Ireland made much progress over the year and Sports Council for Northern Ireland has supported this development.

Sports Council for Northern Ireland has been the lead organisation, with the Department of Culture, Arts and Leisure (DCAL), on the consultation draft 'Northern Ireland Strategy for Sport and Physical Recreation 2007-2017'. Through this strategy a vision for sport and physical recreation will be created to embrace: 'A culture of lifelong enjoyment and success in sport'.

The draft strategy will set out the key strategic priorities for sport and physical recreation over the next ten years and inform the direction of future investment underpinning three areas: participation; performance; and places. This draft strategy will be launched for public consultation later this year and I look forward to the outcome.

The 2012 Olympic and Paralympic Games are at the forefront of our thoughts – with the pace of preparation building and with fewer than five years to go the clock is ticking, work is underway to ensure we maximise the benefits of the Games. It is our belief that sport in Northern Ireland has a once in a lifetime opportunity to benefit from the Games and the long-term legacy they will create.

Ongoing low levels of participation among some sections of our community means that we must also continue to advocate the need for increasing levels of investment in sport and physical recreation. This will ensure that everyone is given the opportunity to partake in sport at whatever level matches their aspiration and ability, and that those with talent are given the opportunity to nurture and develop their potential.

There is much still to achieve and this will require continued investment if we are to catch up with, and overtake participation levels, facility provision and performance standards in other regions. The Games provide a unique opportunity to do this, but we must work harder and invest more to turn this opportunity into a reality.

I believe Sports Council for Northern Ireland plays a crucial role in making sport and physical recreation an integral part of the Northern Ireland culture. We have achieved so much already and I would like to thank participants, athletes, coaches and volunteers, and our council members and staff – indeed everyone involved in sport and physical recreation – for their continued drive, passion and commitment. I look forward to continuing our sporting journey together.



**Dominic Walsh**  
**Chairman**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **Chief Executive's Statement**

Sports Council for Northern Ireland has contributed to widening opportunities, developing potential, achieving excellence, increasing participation and improving performance within sport and physical recreation – among people of all ages and abilities.

The importance of sport and physical recreation is now well recognised and publicly acknowledged. People in Northern Ireland are passionate about sport and physical recreation; they value participating, competing, spectating and volunteering – all of which provides lifelong enjoyment and fulfilment. For those engaged in sport and physical recreation, at any level, its value is self-evident. Sport and physical recreation is a pervasive cultural force in Northern Ireland and is instrumental in improving people's quality of life.

In addition to sport's intrinsic importance, there is a growing awareness of the significant contribution that sport and physical recreation can make to improve society in terms of; health, education and skills, community cohesion, social inclusion, neighbourhood renewal, Northern Ireland's image at home and abroad, and the economy.

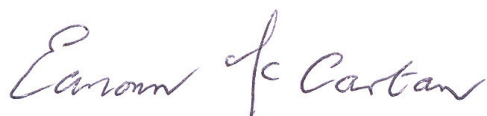
At a time when obesity levels are continually rising, the need to educate people of the benefits of sport and physical recreation has never been more apparent. According to the Annual Report of the Chief Medical Officer for Northern Ireland 2006, 64% of adult men and 54% of adult women are either overweight or obese, and 20% or more of primary one children are either overweight or obese – alarming figures.

Sports Council for Northern Ireland is keen to promote the message that sport and physical recreation is for everyone – no matter what age, gender or ability; the benefits of an active lifestyle should be fully embraced and enjoyed by all.

International sports events provided numerous opportunities for promoting Northern Ireland and its cultural identity. Northern Ireland is continually growing as a world-class destination, hosting major sporting events in 2006/07 such as the World Women's Open Squash Championships and the Irish Indoor Athletics Championships.

In terms of results, there are now real signs that the next generation of Northern Ireland stars are making their mark, with athletes such as Andrew White (Cricket), Ben Reid (Mountain Biking) and Fergal Smith (Surfing) competing in major competitions, getting top placings, and bringing home medals.

I am motivated by the prospect of exciting challenges ahead and I have no doubt that Sports Council for Northern Ireland will continue to make a valued contribution to sport in Northern Ireland. I am very hopeful of more success to come and proud to be associated with such a dedicated and professional organisation.



**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **Background Information**

### **Statutory Background**

The Sports Council for Northern Ireland (referred to as “Sports Council”) is an executive non-departmental public body sponsored by the Department of Culture, Arts and Leisure (referred to as “Department” or “DCAL”). It was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973 with its main objective being the furtherance of sport and physical recreation. Its principal functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986:

- On matters relating to sport and physical recreation, to advise the Department and other Government departments, Education and Library Boards, District Councils and other bodies interested in sport and physical recreation;
- To encourage the provision of facilities for and participation in sport and physical recreation; and
- To assist, subject to Paragraph (4) of the article:
  - In the provision of administrative services, equipment, coaching and instruction;
  - In the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
  - Bodies providing supportive services in connection with sport and physical recreation.

Article 5 of the 1986 Order as amended by the Financial Provisions (NI) Order 1991 provides that the Department may, subject to such conditions as the Department thinks fit, make grants towards the expenses of the Sports Council.

These financial statements have been prepared on an accruals basis and show a true and fair view of the state of affairs of the Sports Council’s activities at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

They have also been prepared in accordance with Article 7 of the Order and in a form directed by DCAL with the approval of the Department of Finance and Personnel. A copy of the Accounts Direction can be found at Annex A.

### **Organisation Structure**

#### ***Chief Executive***

The Chief Executive is the Accounting Officer and heads the Sports Council. He is supported by three executive directors heading each of the departments within the organisation.



### ***The Council***

The function of the Sports Council is to:

- Advise DCAL and other government departments, education and library boards, district councils and other relevant bodies on matters relating to sport and physical recreation;
- Encourage the provision of facilities for, and participation in, sport and physical recreation;
- Assist the provision of relevant services and the organising or supporting of, or participating in, relevant events;
- Assist bodies providing relevant support services; and
- Appoint the Chief Executive by open competition, after consultation with DCAL.

The Council consists of a Chairman and Vice-Chairman and other persons appointed by the Minister, after a selection and recruitment process carried out by DCAL.

Unless indicated otherwise, the members of the Sports Council were appointed on 1 July 2003 for a term of 4 years. This period was extended to the 31 December 2007 by DCAL due to the delay in the appointment of new members. The following persons served as members during the financial year 2006/07:

Professor E Saunders (Chairman)  
Mr G Carson (Vice - Chairman)  
Ms H Brady  
Dr O Brown  
Mr J Campbell  
Ms M Cusdin  
Mr J Gallagher  
Dr A Hamill  
Mr C Logue  
Mr B McCargo  
Mr H McCaughey  
Ms M Muldoon  
Dr M Murphy  
Mr J Rodgers  
Mr W Strong (Appointed 1 December 2006)

### ***Committees***

The Council's work is supported by a number of Committees, each chaired by either a Council Member or other individuals with relevant expertise and experience. The full Council ratifies all appointments to Committees. Each Committee reports and makes recommendations as appropriate to Council.

The Sports Council underwent a restructuring exercise during the year with two units being changed from Lottery and Sports Development to Participation and Performance. This resulted in a change in Committee structure. The following Committees were operational during most of the financial year:

- Audit Committee – considers external and internal audit reports, and oversees risk management processes, reviews the statutory accounts and other financial matters;
- Safe Sports Ground Committee – makes recommendations to Council on awarding Exchequer grants;
- Facilities Committee – to provide advise on facility development and planning within Northern Ireland; and

- Sports Development Committee – makes recommendations to Council on awarding Exchequer grants.
- Participation Committee - nominated to advise on policy and practice and implement Council decisions relating to the development of participation in sport in Northern Ireland.
- Performance Committee - nominated to advise on policy and practice and implement Council decisions relating to athlete and organisational performance in Northern Ireland.

## **Audit**

### ***External Audit***

The Sports Council for Northern Ireland Accounts are required to be audited by the Northern Ireland Audit Office. Once completed the Department of Culture, Arts and Leisure is responsible for laying the audited accounts before the Northern Ireland Assembly.

### ***Internal Audit Committee***

The members of the Audit Committee for the period were:

- Mr J Campbell;
- Dr O Brown;
- Mr J Gallagher; and
- Dr A Hamill.

## **Corporate Governance**

As a Non-Departmental Public Body established under the Recreation and Youth Service (Northern Ireland) Order 1973 whose Council members are appointed by DCAL, the Sports Council is different from a limited liability company and some aspects of the Code of Best Practice, issued by the Cadbury Committee on the Financial aspects of Corporate Governance, are not applicable. However, the Sports Council has adopted the Code of Best Practice, which has been developed by DCAL and is based on the recommendations of the Cadbury Committee.

The Sports Council complies with that Code of Best Practice in all material aspects. In line with requirement, the full annual financial statements contain a statement on Internal Control, a culmination of the on-going assessment of risk to which the Sports Council is exposed.

## **Funding**

The Sports Council is primarily funded by Grant in Aid from the Exchequer. The level of funding is agreed with DCAL as part of a rolling three-year Funding Agreement. The current agreement covers the three financial years up to and including 2006/07. This agreement also includes an agreed set of strategic targets.

## **Lottery Distributor**

The Minister appointed the Sports Council as a Lottery distributor since 1994. Lottery funds are accounted for separately.

### **Equality of Opportunity**

The Sports Council is committed to the development of positive policies to promote equal opportunity in employment based on practices which are non-discriminatory as between people of differing abilities, religion, political view, nationality, race, colour or sex.

### **Employees with a Disability**

The Sports Council ensures that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for either recruitment, training or promotion purposes.

### **Employee Consultation**

On matters of policy and procedure, which affect the employees of the Sports Council, the Council normally consults with the recognised trade union of which staff are members. This trade union is also a member of the Whitley Council which negotiates the terms and conditions of members with the Northern Ireland Department of Finance and Personnel.

### **The Euro**

The activities of the Sports Council are largely national. Although some exposure to transactions in Euros is likely, it is not considered that these will be significant. The financial statements are capable of dealing with the currency and procedures are being taken to ensure that all future systems are Euro compliant.

### **Payment Policy**

The Sports Council is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code. Bills are paid within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. Calculations are based on the date on the invoice.

During the year 96% (2005/06: 90%) of bills were paid within this standard. Regular reviews aim to improve this percentage.

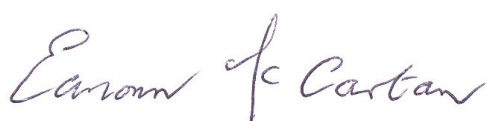
### **Political and Charitable Donations**

The Sports Council has made no political or charitable donations during the year.



**Dominic Walsh**  
**Chairman**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**



**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **Management Commentary**

### **Financial Results**

The results of the Sports Council are set out in detail on page 38. The net operating cost excluding notional costs for the year was £10,671,964 (2005/06: deficit of £6,986,421). The current year total net operating costs and prior year restated total net operating cost, resulted from implementation of the FReM, which requires Non-Departmental Public Bodies to account for grants and grant-in-aid received as financing. This is a change in accounting policy from earlier periods when such items were recorded as income.

The reserves at the year end are negative £1,305,263 (2005/06: negative £125,469). This is due to the implementation of FRS 17 – Accounting for Retirement Benefits which requires the Sports Council to include its share of the NILGOSC pension fund deficit within Sports Council reserves.

### **Review of Activities**

#### *1. Participation*

There is a clear public passion and interest in participation in sport and physical recreation across Northern Ireland. Sports Council for Northern Ireland supports sporting opportunities for all those who want to participate; our aim is to increase participation levels among people of all ages and abilities, and promote lifelong physical activity.

#### *1.1 Building Sport*

##### *1.1.1 Building... State of the Art Facilities*

Building Sport, a capital programme funded by Sports Council for Northern Ireland's Lottery Fund, aims to provide partnership funding for major capital projects that will create opportunities for sporting development and lifelong participation for as many people as possible.

Each unique project addresses essential sporting criteria:

- Increasing participation in sport;
- Being sustainable;
- Addressing factors of social need;
- Tackling social inclusion;
- Promoting equality of opportunity and good community relations;
- Promoting sporting excellence;
- Addressing health issues; and
- Providing structures for long-term athlete development.

The following case studies illustrate what benefits are resulting from this type of Sports Council for Northern Ireland investment.

£70,000 of Lottery funding helped Tandragee Rovers to improve their club facilities. The club now boasts IFA standard dugouts, new changing rooms, a function room and has full disabled access.

Tandragee will celebrate their centenary in 2009 and their goal is to have a place in the Amateur League; with the off field requirements in place, the next step is to prepare the team. They also hope to form an ex-players association and a ladies team.

Tandragee can now fulfil their objective of promoting sporting excellence and providing a space for the community to come together and participate in sport.

*1.1.2 Building... Community Cohesion*

Steelstown GAC was established to address the lack of recreational activities and facilities in the community, and to provide alternative activities for young people. Sport and physical recreation can make a contribution to diverting young people away from anti-social behaviour and present them with an opportunity to engage in a positive alternative.

Aiming to address community relations and strengthen the community infrastructure, the new clubhouse will serve a large urban district with a population of over 30,000 people, including members of the community and local schools, and the growing number of teams which the club fields each year.

Steelstown GAC has links with community associations and schools offering coaching and training which encourages physical activity, particularly amongst young people.

Steelstown GAC is a sporting organization benefiting the community by becoming increasingly community-centred. The club delivers many community objectives through sport and physical recreation and helps to address community relations and strengthen the community infrastructure.

*1.2 Community Sport / Children and Young People*

Sports Council for Northern Ireland believes that by investing in community sport, real progress can be made in terms of creating physically literate young people and a thriving, physically active community.

The following case studies demonstrate how assistance from Sports Council for Northern Ireland can benefit the whole community.

*1.2.1 Derry Healthy Cities - Addressing the Welfare of the Disabled Community*

Derry Healthy Cities ran a series of programmes to address the levels of physical recreation and health and well-being for people of all ages with disabilities, and their carers; including:

- A 12 week Walk Challenge;
- Boccia and Kurling programmes;
- Stress management classes;
- Diet and nutrition programmes;
- Swimming classes; and
- Aqua-aerobics classes.

*1.2.2 Ballymoney Borough Council - Providing Sport for Everyone*

Ballymoney Borough Council put on a range of sporting activities for both children and adults:

<b>CHILDREN</b>	<b>ADULTS</b>
New Age Kurling	Walking
Boccia	Men's Soccer
Mini & Junior Soccer	Aerobics & Circuits
Hockey	Golf
Table Tennis	Spin Cycling
Netball	IFA Referee Course
Girls Soccer	Tri-Golf Activators Course

### *1.2.3 PlayBoard - Are you Fit for Play?*

Leading play agency PlayBoard, ran a series of 'Fit for Play' activities which reached an incredible 1197 people. The programme which integrates physical activity and nutrition fully supports and promotes the development of healthy lifestyles amongst children.

A series of programmes were provided to train playworkers on the importance of providing more physical and outdoor play (Out 2 Play), providing healthy snacks (Food 4 Play), and developing fundamental movement skills (Skills 4 Play).

This programme was created to help tackle the spiraling levels of child obesity in Northern Ireland.

### *1.2.4 North East Sports Development Partnership- Targeting the Youth*

Provision of after school multi-skills clubs proved to be a huge success with nearly 700 children aged seven-11.

Regional Coaching Programmes targeting 10-13 year olds enabled over 1,000 young people to develop their sports skills and improve their sporting performance through intensive quality coaching camps involving 13 sports.

The inclusion of many predominantly female sports in this programme such as Hockey, Netball and Camogie, as well as Girls Soccer proved to be those with the largest numbers of participants.

### *1.2.5 Derry City Council - Creating Fit Futures for Children & Young People*

The Fit Futures Schools Programme, a school-based programme that aims to improve the health of young people by providing instruction in physical recreation, fitness and nutrition as part of the school day, was launched in May 2006. A series of activities to encourage young people to participate in sport and physical recreation, and introducing them to the benefits of a healthy lifestyle, were conducted during 2006/07; reaching over a massive 2,000 young people. Activities included:

- Fit Futures Schools Intervention Programme – 52 primary five children took part in an integrated physiological, physical exercise and nutrition-based programme. This provided an opportunity to explain to children the relationship between what you eat, what you do physically and how your body works and moves.
- Young Teenage Girls Personal Development Programme – over 80 young teenage girls took part in this programme aimed at building self-esteem and confidence utilising yoga; the programme also educated them on issues such as drug and alcohol awareness.
- Healthy Lifestyle Week in Steelstown Primary School – 120 children took part in this week of health and physical recreation; which included workshops on healthy eating, and the benefits of physical recreation, anti-bullying and the dangers of using drugs, alcohol and smoking. In a day and age of fast food, TV dinners and computer games, it is imperative that every effort is made to encourage young people to eat healthy and get involved in sporting activities.

## *1.3 Disability Sport*

### *1.3.1 DSNI*

Sports Council for Northern Ireland through its ongoing partnership with Disability Sports Northern Ireland (DSNI) continued to promote and develop a wide range of programmes, initiatives and pathways in disability sport resulting in a notable improvement in the provision of opportunities for people with disabilities at all levels of sport.

### *1.3.2 Community Sport*

At a grassroots level Sports Council for Northern Ireland supported over 1210 adults and children with disabilities who participated in community events and initiatives in over 12 different sports, organised in a range of locations throughout Northern Ireland. Among the many activities organised were Archery in Lurgan, Tandem Cycling and Boccia in Craigavon, Gliding in Bellerena, Goalball in Kilkeel, New Age Kurling in Antrim, and Athletics in Lisburn.

### *1.3.3 Performance Sport*

Squad development programmes for young talented sports people with disabilities were extended in 2006/07 to the four sports of Swimming, Football, Wheelchair Basketball and Athletics.

One of the most notable squad performances during the year came from the Knights Junior Wheelchair Basketball Team. The team represented Northern Ireland in the UK Regional Junior Wheelchair Basketball Championships in September 2006 finishing in an impressive 4th place.

In addition, the number of individual elite athletes with disabilities funded by Sports Council for Northern Ireland during the year increased to five:

- Matthew Bell (S14 swimmer)
- Janet Gray (B1 Water skier)
- John Condie (One Armed Golfer)
- Jan Dinsdale (B2 Golfer)
- Karen Cromie (Adapted Rower)

Three times 'World Disabled Water Ski Champion' Janet Gray MBE, made a remarkable return to competition two years after a serious injury. Janet claimed three Gold medals in the slalom, tricks and team events at the European Water Ski Championships in August 2006. She also secured her selection to the Great Britain team for the 2007 World Championships in Australia.

## *1.4 Active Places NI [www.sportni.net/activeplaces](http://www.sportni.net/activeplaces)*

### *1.4.1 Training & Coach Education*

Sports Council for Northern Ireland continued to support DSNI's long-term work concerning the development of an infrastructure of trained volunteers, coaches and staff with the knowledge and skills required to fully integrate people with disabilities into sport. During the year DSNI delivered a total of 25 courses involving 415 participants:

- Games For All Sports Leadership Course – 59 participants;
- Inclusive Games Training Course – 203 participants;
- Disability Awareness Training Courses – 56 participants; and
- Including People with Disabilities in Your Club/Sport – 97 participants.

### *1.4.2 Bowling, Horse-riding, Swimming or Tennis . . . What Are You Waiting For? GET ACTIVE*

Sports Council for Northern Ireland receives a large volume of enquiries from the general public, sports clubs, governing bodies of sport and District Councils requesting information on sport and recreational facilities in Northern Ireland.

Sports Council for Northern Ireland initiated an audit of all sports facilities and recorded the findings in a database. Contact information and opening hours were collated for each site and operators were asked to identify the facilities available at the respective locations i.e. pitches, courts, pools, etc. Further information relating to usage patterns, facility dimensions, surface types and condition was also collated.

Information for the database was provided by District Councils, governing bodies and the education sector, and is regularly checked and verified by Sports Council for Northern Ireland to ensure validation.

Sports Council for Northern Ireland then developed an on-line Geographic Information System (GIS) based resource that displays the database information with reference to detailed maps of Northern Ireland, indicating where various facility types are located throughout the province.

This information was made available to the public and sporting organisations on the 'Active Places NI' website, where individuals can find facilities accessible from their home or work place. The website 'went live' in February 2007.

It is hoped that this resource will encourage greater participation in sport and physical recreation, and assist in tackling issues such as obesity and social inclusion in Northern Ireland.

The process involved the collection of information from approximately 2,400 sites and 5,500 facilities, with over a million individual pieces of data being collated. The database has also been used to form the underpinning objectives for the first Facilities Strategy for Northern Ireland.

## *1.5 Countryside and Recreation*

### *1.5.1 Walking*

In March, at the Oxford Island Conference Centre on the edge of Lough Neagh, Miss Northern Ireland, Catherine Milligan, joined Countryside Access and Activities Network (CAAN) to officially launch the new walking website for Northern Ireland - Walk NI.

This website is the definitive guide to walking in Northern Ireland, providing up-to-date and accurate information on walks both for the serious rambler, and those who wish to just experience the beauty and variety of Northern Ireland landscape.

### *1.5.2 Surfing*

Eight members of the Northern Ireland Surf Kayak Team travelled to Mundaka in Spain for the European Championships on 29 and 30 April 2006. Seventeen year old Northern Ireland Open Champion, and current world No.2 Chris Hobson was soon in the junior final and surfed his way to second place. He also gained an outstanding 3rd in the Men's International Class. While in the Ladies Open Competition, Northern Ireland's Elaine Alexander gained an admirable second place, with Chloe Hamilton a close third.

### *1.5.3 Canoeing*

Northern Ireland's first Lower Bann Canoe Challenge took place in September. The challenge was split into three elements:

1. 50km Long Distance Challenge;
2. 10km Mini Challenge; and a
3. Family Fun Day at Christie Park, Coleraine.



In aid of the Special Olympics, 14 members of the 'Boots and Paddles' Club from the Laurels Centre, Newry and six athletes with a learning disability were among the 112 competitors who took part in the 10km Mini Challenge.

The event is the first of many for elite paddlers and amateurs alike, it firmly places Northern Ireland on the international canoe calendar.

#### *1.5.4 Equestrian*

The FEI World Breeding Jumping Championships for Young Horses took place from 14 – 17 September 2006 in Belgium. The competition was an exciting event, with the best young examples of the world's breeds competing.

Lucy Buchanan and her seven year old horse, Cavalier Andy, were the heroes of the day; finishing in 4th position. From a start list of 149 horses, Lucy and Cavalier Andy's result is a massive achievement for the Irish Sport Horse breed.

#### *1.6 Tollymore Mountain Centre [www.tollymore.com](http://www.tollymore.com) - For Outdoor Sporting Challenges...*

Tollymore Mountain Centre (TMC), Sports Council for Northern Ireland's National Outdoor Training Centre for adventure sports, has continued to provide a wide range of skills and leadership training and assessment courses in mountaineering and canoesport. TMC also provides a wide range of multi-activity programmes for organisations and individuals.

In 2006/07, TMC provided over 5500 student days on a range of courses, including 631 on leadership courses and 1230 on skills courses.

With a significant budget of £4 million TMC announced an exciting redevelopment of the centre. The anticipated new centre will be a state of the art outdoor training centre with the ability to provide an extensive range of courses to a wider range of groups and individuals from throughout Northern Ireland.

It is envisaged that a planning application will be made in the summer of 2007 and work will commence in April 2008.

#### *2.0 Performance*

Sports Council for Northern Ireland encourages athletes and teams to maximise their sporting potential, and allow them the opportunity to reach their optimum level of performance.

#### *2.1 Talent Identification & Development*

##### *2.2.1 Talent Spotting*

Sports Council for Northern Ireland's talent identification and development work focuses on creating and developing partnerships in order to introduce and implement policies, programmes and practices that will improve the way in which young talented sports performers in Northern Ireland are identified, selected and developed. The work involves liaison with governing bodies, the Sports Institute Northern Ireland (SINI) and other relevant organisations such as Area Partnerships and Local Authorities.

Sports Council for Northern Ireland is currently focusing on the development and refining of existing systems for talent identification and development by raising the level of sophistication by which sports recruit, retain and develop talent. In order to meet this outcome an audit of current structures which exist within Northern Ireland is being conducted (the audit is initially focusing upon the Olympic and Commonwealth sports). The information will then be used to:

- Guide the strategic approach of Sports Council for Northern Ireland;
- Define the level of engagement with each sport;
- Identify potential targeted areas for support within each sport;
- Further establish the Long-Term Athlete Development (LTAD) framework with ongoing identification and development imbedded within it; and
- Highlight pockets of excellence that could be disseminated across sports.

This process will raise awareness in relation to the requirements for a world-class system and begin to embed a world-class culture within performance sport in Northern Ireland.

In addition, Sports Council for Northern Ireland will continue to examine the most up-to-date global research in relation to this area with the ongoing aim of establishing innovative solutions to talent identification and development in the context of Northern Ireland sport.

## *2.2 Developing Youth Talent*

### *2.2.1 Youth Games 2006*

Officially opened in May by Olympic Bronze and Commonwealth Gold Medallist, Heptathlete star Kelly Sotherton, the Youth Games provided an opportunity to further encourage the youth of Northern Ireland to take part in sport and inspire them to explore their sporting potential.

The 'Sports Council Youth Games' is a key youth sports event in the sporting calendar. The Youth Games was expanded by Sports Council for Northern Ireland to include facilities in Lisburn, Newtownabbey and North Down; a total of 14 different facility providers supported the event with Queen's University Playing Fields providing the venue.

3,853 young athletes (52% girls and 48% boys), represented their respective Education and Library Board area and County teams across a range of 26 different sports. The day itself was an overwhelming success and credit is due to all of the staff and volunteers who made the event possible. In addition to the huge number of participants, the 2006 Youth Games had the help of 457 team coaches, over 262 governing body officials and over 90 volunteers.

### *2.2.2 Regional Development Squad programme*

The Regional Development Squad (RDS) programme provides a fun yet quality coaching environment where participants can prepare and excel within their respective sporting fields. The RDS focuses and develops talent over many months to culminate in the Youth Games providing the opportunity for young people to compete in Northern Ireland's largest annual multi-sport event.

In 2006/07, 19 sports operated 126 regional development squads which co-ordinated 1,456 coaching sessions. Squads were made up by 43% girls (1,182) and 57% boys (1,573). Research carried out with governing bodies has indicated that the RDS programme is now an integral part of the performer pathway for the sports involved. Many have included it within their governing body strategic plans for 2006-2009.

Outstanding achievements 2006/07:

- Squash – 10 players were selected onto the Ulster Junior Squad.
- Table tennis – Four players progressed onto Irish Squad selection.
- Judo – Three players progressed to the Great Britain Junior Squad and two onto the Irish Junior Squad.

### 2.3 *UK School Games*

#### 2.3.1 *Inspiration, Motivation, Fair Play, Competition, Striving for Excellence...*

The inaugural UK School Games took place from the 7 – 10 September 06 in Glasgow and included over 1,000 talented young athletes in five sports - Athletics, Swimming, Gymnastics, Table Tennis and Fencing, and Disability Events in Athletics and Swimming. There were 88 athletes from Northern Ireland and Ireland competing and they certainly showed their sporting ability bringing home nine medals (five in Athletics and four in Swimming).

The UK School Games is an exciting initiative designed to encourage more young people to take part in sport and provide them with experience of being involved in a major multi-sport competitive event. Sports Council for Northern Ireland's role is to monitor the development of the UK School Games and the athletes involved, ensuring they are 'ready, willing and able' to compete in elite sport.

In the case of Northern Ireland, the UK School Games has the potential to:

- Strengthen and focus the competition pathway – being involved in a competition that focuses on high level age group sport on a UK basis can be used as a tool to focus Northern Ireland governing bodies in the performance and competition pathway.
- Improve levels of team management – developing governing body personnel experience in managing a team at a highly organised and top level multi-sport event.
- Increased opportunities for coach development and mentoring – allowing governing body coaches the opportunity to work with athletes during preparation and assist head coaches throughout the competition. The intention is that governing bodies could utilise the UK School Games initiative to enhance the experience of higher level coaches in conjunction with Sports Council for Northern Ireland's planned coach bursary scheme.
- Assist in improving talent identification and development systems within governing bodies – the development funding available to all sports as a legacy of the UK School Games could assist governing bodies to refine their pathways and strengthen talent identification and development systems.
- Volunteering long-term legacy – in conjunction with the Youth Sport Trust and working with the governing bodies, the event could provide opportunities for young people from Northern Ireland to get involved in a volunteer capacity as officials or simply as event volunteers.

### 2.4 *Athlete Support Programme*

“A Sports Council for Northern Ireland Lottery Fund revenue programme to assist Northern Ireland's leading sportspeople to compete successfully at international level.”

A total of 77 awards were made under the Athlete Support Programme totaling £591,559 in 2006/07. This funding provided support towards the costs of additional competitive opportunities, specialist coaching, sports science, medical support and equipment as specified in the governing body's performance plan.

The following case studies show athletes currently being funded through the Athlete Support Programme and what they have achieved in 2006/07.

#### *2.4.1 Golf*

Jan Dinsdale is one of Northern Ireland's most successful blind female golfers; her handicap is 30 for Irish Ladies Golf and 36 for Blind Golf. She has participated in blind golf for 10 years and achieved a number of titles in 2006/07:

- 4th in the Ladies World Blind Golf Championships in Japan 2006;
- Recorded a second 'ace' at Ringdufferin, her home golf club in May, 2006; and
- 2nd in the Blind Golf Canadian Open 2006.

#### *2.4.2 Ice-Skating*

In January 2007, Northern Ireland Ice-Skater Jenna McCorkell won her fourth British Senior Championship after skating off stiff competition in Nottingham. Jenna won this title in 2002, 2003 and 2004, but due to injuries missed out on the chance of representing Great Britain and Northern Ireland in the Turin Winter Olympics in 2006. Jenna also competed in the European Championships at Warsaw and finished a creditable 15th.

#### *2.4.3 Judo*

Lisa Kearney secured a top five finish in the Senior British Open (highest placed Irish athlete); she became the first Irish female to make it onto the Senior World ranking list following victory in the Great Britain World Cup, and won Gold medals at Junior and Senior level at the Commonwealth Judo Championships being the only Judo player ever to win both Junior and Senior titles.

#### *2.4.4 Motorsport*

Sasha Turkington, an enthusiastic young female motorcyclist, has competed nationally and internationally and was announced as 'Young off Road Rider of the Year' in 2006, a new award and Sasha was the first to win it.

2006/07 also brought more awards - 15th in the FIM Ladies World Championships - an incredible result when you consider that she was competing against adults and in some cases professional motorcyclists, 13th in the European Ladies World Championships - again in the adult class, and an outstanding achievement award in female sport through the South Eastern Education and Library Board.

#### *2.4.5 Rowing*

Richard Archibald competed as part of the Irish Men's Fours Lightweight boat which won a Bronze medal in the World Rowing Championships in Eton. Orlagh Duddy won Silver in the Women's Lightweight Single Sculls at the Commonwealth Rowing Championship in Glasgow.

#### *2.4.6 Water-skiing*

Ryan McDonald competed at the Junior EAME Championships which took place in Duisburg, Germany in August. At this event, Ryan obtained the overall Silver medal, having secured Gold in the Jumps, Silver in Tricks and Silver in Slalom. Ryan's performances enabled Ireland to secure a Bronze medal in the team event.

## 2.5 *Sports Events*

### 2.5.1 *Events Programme*

“A Sports Council for Northern Ireland Lottery Fund revenue programme to assist with the bidding for and running of sports events in Northern Ireland.”

A total of £68,000 was awarded to three events under the Sports Events Programme:

<b>Awardee</b>	<b>Event</b>	<b>Amount (£)</b>
Ulster Squash	World Women's Open Squash Championships 2006	35,000
Northern Ireland Athletic Federation	Irish Indoor Athletics Championships 2007	25,000
Ulster Branch Badminton Union of Ireland	Yonex Irish International Badminton Championships 2006	8,000

Sports Council for Northern Ireland was thrilled to support such prestigious events; major events are fundamental to enhancing the image of Northern Ireland on the world's stage.

### 2.5.2 *Irish Indoor Athletics Championships 2007*

The action at the fourth Irish Indoor Athletics Championships held at the Odyssey in February, saw Northern Ireland athletes make their mark on the track. Indoor sprint star Anna Boyle did not disappoint her fans with an emphatic victory in the 60m in an impressive 7.38 seconds.

Paul Hession smashed the Irish record for the third time with a superb 6.63 seconds. This performance took 0.3 seconds off his own record, and placed him among the top eight in Europe.

World indoors Bronze medallist Paul McKee made a welcome return from a persistent injury to record an easy win over 400m in 47.56 seconds.

Following her surprise victory in the Northern Ireland Cross Country Championships, Kelly Reid made an effortless transition to the 1500m in a personal best time of 4 minutes 21 seconds. Kelly emphasised her superb fitness an hour later, when she also took the 800m title.

### 2.5.3 *World Women's Open Squash Championships 2006*

November 2006 witnessed the world's top 32 women squash players arriving in Belfast to take part in the 2006 Women's World Open Championship, held in the Ulster Hall. Players came from as far away as Malaysia, Australia, Egypt, New Zealand, USA, and Hong Kong to battle for a record £61,000 prize fund.

Northern Ireland player, Madeline Perry, seven times champion, made it to the quarter finals. In the end it was a second win for Nicol David (Malaysia), who is currently ranked number one in the world.

Even though Madeline did not reach the finals she hoped that hosting the tournament would leave a lasting legacy for the sport of squash in Northern Ireland.

### 2.5.4 *Yonex Irish International Badminton Championships 2006*

Held at the National Badminton Centre in Lisburn in December, the Yonex Irish International Badminton Championship attracted some 170 players for the four-day tournament; over 20% of those who competed were in the top 100 in the World Ranking system.

The five titles were shared by five different European nations: Men's Singles – Scandinavia;

Sports Council for Northern Ireland Exchequer Account 2006-2007

Women's Singles – Scandinavia; Men's Doubles – Germany; Women's Doubles – Scotland; and Mixed Doubles – Belgium.

Irish players Donal O'Halloran and Hunag Bing were strong contenders for the mixed doubles event; they achieved some success, reaching the semi-finals.

2.6 *Governing Body Investment*

2.6.1 *Investing to Improve Performance Standards*

As part of a drive to improve governance standards in sport and increase performance standards, in April 2006 Sports Council for Northern Ireland approved £4,374,603 investment in governing bodies for the period 2006-2009. This three year investment will enable governing bodies to:

- Review and improve their existing structures and practices, ensuring that they are 'fit for purpose';
- Develop new high performance plans; and
- Appoint new staff and up-skill staff working directly with athletes to improve athletes' performance standards.

<b>Governing Body</b>	<b>Funding Amount (£)</b>
Royal Yachting Association (NIC)	248,173
2+4 Wheel Motor Sport Steering Group	241,500
Ulster Region Swim Ireland	239,290
Northern Ireland Judo Federation	218,350
CAAN	229,807
Northern Ireland Cricket Association	204,818
Northern Ireland Athletic Federation	199,900
Northern Ireland Sports Forum	184,534
Cycling Ulster	182,507
Ulster Branch Badminton Union of Ireland	177,086
Ulster Council Gaelic Athletic Association	176,442
Northern Ireland Amateur Gymnastics Association	152,645
Netball Northern Ireland	149,769
Ulster Women's Hockey Union	148,665
Ulster Squash	147,485
Ulster Basketball Association	145,900
Ulster Branch Irish Rugby Football Union	143,078
Ulster Branch Irish Hockey Association	140,094
Canoe Association of Northern Ireland	127,082
Ulster Branch Irish Table Tennis Association	124,991
Ulster Branch Tennis Ireland	121,121
Golfing Union of Ireland Ulster Branch	105,600
Northern Ireland Volleyball Association	76,523
Mountaineering Council of Ireland	67,890
Northern Ireland Equestrian Sports Committee	65,927
Ulster Provincial Council Irish Amateur Boxing Association	47,300
Ulster Camogie Council	46,500
Irish Bowling Association	45,500
Ulster Branch Irish Amateur Rowing Union	39,514
Northern Ireland Orienteering Association	39,000
Northern Ireland Amateur Fencing Union	38,920
Northern Ireland Archery Society	34,165
Fitness Northern Ireland	32,288
Taekwondo Association of Northern Ireland	32,239
<b>Total</b>	<b>£4,374,603</b>

### *2.6.2 Modernisation*

Some governing bodies have completed a Management Audit on their corporate governance, with two sports achieving reasonable assurance (Sailing and Judo), 20 limited assurance and four nil assurance, with a further four to undertake the audit.

Sports Council for Northern Ireland has set up a designated Modernisation Team to assist governing bodies with the implementation of the audit recommendations in order to raise their assurance levels. Through the Modernisation Team, Sport Northern Ireland has supported governing bodies to improve their capacity in areas such as financial management, human resource management, board roles and responsibilities, performance appraisal, and recruitment and selection of staff.

### *2.6.3 Smoother Sailing to Equality*

The Equality Standard: A framework for sport was launched in November 2004, and is a joint initiative between Sports Council for Northern Ireland, Sport England, Sport Scotland, the Sports Council Wales, and UK Sport. It aims to support the work of the sports sector by providing a framework for sports organisations to help them to engage with people from all backgrounds, break down barriers to participation, and promote more equitable practices in their sports.

The ultimate aim of the Equality Standard is to get more people from under-represented or disadvantaged groups in society involved in sporting activity at all levels. The Standard focuses in particular on eliminating barriers currently faced by groups including women and girls, those from minority ethnic backgrounds and those with disabilities.

The Northern Ireland Amateur Gymnastics Association was the first governing body in Northern Ireland, and the Royal Yachting Association (RYA) was the second to be awarded the Foundation level of the Equality Standard. This is a significant achievement, and clearly demonstrates their commitment to providing opportunities for all members of our community, regardless of their background or ability.

### *2.6.4 Staffing*

Sports Council for Northern Ireland has invested in 50 posts including Business Development Managers, Performance Managers, Performance Coaches, Talent Identification Officers, Club and Coaching Development Officers, and administration staff.

One such post was that of former international cyclist Tommy Evans, within Cycling Ulster, who was appointed as Talent Identification/Development Officer. Tommy's role is to develop an innovative system of talent identification and to provide appropriate support services and coaching to young cyclists with the potential to compete in the 2012 Olympics.

### *2.6.5 Innovative Programming*

Sports Council for Northern Ireland continues to invest in elite coach development through an innovative programme aimed at identifying and developing the coaches of the future. Through Sports Council for Northern Ireland's investment in Swim Ulster, the services of the National Governing Body Head Coach are utilized via a Service Level Agreement. This has a two fold benefit to the sport; developing and fast tracking coaches operating within the swimming performance system, and providing direct coaching to those athletes on the Swim Ireland National Programme.

### *2.6.6 Child Protection*

Sports Council for Northern Ireland has been working with governing bodies and community and voluntary organisations to ensure that they are providing a safe and secure sporting environment for children, young people and vulnerable adults.

To aid this process, governing bodies have been audited by the NSPCC to ascertain their current level of assurance. A total of 11 governing bodies achieved a reasonable level of child protection assurance, 14 limited assurance and eight nil assurance. These governing bodies will continue to work with the NSPCC to improve on their level of assurance and implement the Code of Ethics.

### *2.7 Sports Institute Northern Ireland*

#### *2.7.1 Nurturing Sporting Potential on Route To Success*

The Sports Institute Northern Ireland (SINI) is a successful partnership between the University of Ulster and Sports Council for Northern Ireland that provides aspiring athletes with a springboard to success. 2006/07 saw SINI continuing to develop athletes' sporting abilities and preparing them for major competitions including European and World Championships.

SINI has continued to provide an environment which nurtures elite athletes and coaches, and provide them with top class facilities, services and expertise; allowing them the opportunity to reach the optimum level of performance. In May 2006 work started at the University of Ulster on the new High Performance Centre which will provide a base and access to sports facilities. With these superior facilities and top class services in place the training environment for Northern Ireland athletes stands comparison with the best. Work on the £12million facility is due for completion in early 2008.

SINI have also been upping their game to ensure athletes are on the right track to sporting excellence. Links with medical services in Northern Ireland, the UK and Munich have enabled SINI to provide a world-class medical service to athletes. The use of sports science technology such as G.P.S., heart rate monitors, performance analysis technology and the environmental chamber has ensured that athletes are at the cutting edge of scientific innovations.

The appointment of new staff has enabled SINI to deliver a quality programme to athletes from a range of core sports; Athletics, Gaelic Football, Hockey, Rugby, and individual athletes from sports such as: Sailing, Rowing, Judo, Triathlon, Water Skiing, Squash, Swimming, Bowls, Cricket and Cycling.

#### *2.8 2006/07 Notable Successes*

- The remarkable performances of Rugby athletes Darren Cave, Stuart Philpott and David Pollock at the U21 Rugby World Cup in Dubhi at which Ireland finished in 6th place;
- Irish Ladies Hockey won the Celtic Cup in France with seven SINI athletes, and Bridget McKeever was named athlete of the year at an IHA ceremony in Dublin;
- Sprinter Jason Smyth recorded a world sprint double after claiming the 100m title at the Paralympic World Championships;
- Rower Richard Archibald's won a Gold medal at the World Cup in Poland and a Bronze at the World Championships in Eaton;
- Squash player Madeline Perry moved from 16<sup>th</sup> place to 6th in the world rankings;
- Swimmer Melanie Nocher qualified for the European Short Course Championships in Helsinki and set a new Ulster Record in the 50m breaststroke; and
- Sailors Matt and Russell McGovern qualifying for the gold fleet in the 49er class.



### *3.0 Promoting Sport in Northern Ireland*

Sporting events - large or small, Northern Ireland has a growing positive reputation for attracting and running successful events.

#### *3.1 Special Olympics Ireland Games - Uniting People through Disability Sport*

The summer of 2006 kicked off with Belfast playing host to the biggest sporting event of the year – the Special Olympics Ireland Games. £500,000 of public support for this event was provided by Sports Council for Northern Ireland.

The Games brought tremendous excitement and challenges to over 2000 athletes, 500 coaches and delegates, and 4,000 families, friends and guests; all of whom made their way to Belfast to take part in 12 different sports.

The Special Olympics Ireland Games are held every four years and they offer athletes with a learning disability an opportunity to participate at the highest level of sporting competition available in Ireland. This was the first time ever that the games were held outside of Dublin; providing Belfast with an opportunity to showcase many of its fine sporting venues, and show its capability and professionalism in organising and running major events. Following this successful event it is hoped that this will lead to the development and growth of new clubs in Northern Ireland, giving people with a learning disability an opportunity within their own locality to participate in sports training and competition.

Holding the 2006 Games in Belfast provided an opportunity to create a greater awareness of Special Olympics in Northern Ireland and to recruit thousands of volunteers who may continue to volunteer on an ongoing basis with the regional Special Olympics Programme; which includes coaching, setting up new clubs, and organising events.

The Special Olympics Ireland Games provided a unique and unparalleled sporting and cultural experience for all; it combined the excitement of sport with the opportunity for personal distinction and pride.

#### *3.2 Northern Ireland Milk Cup - Youth Football at its Best*

Attracting international and club youth football teams from across the world, the Northern Ireland Milk Cup is one of Europe's premier soccer events and the best youth football tournament; an event which Sports Council for Northern Ireland is dedicated to supporting each year.

The first competition held in 1983 had just one under 16s category; now over 20 years later there are three age categories: Elite, Premier and Junior.

The reach of the Milk Cup is astonishing with literally all four corners of the world (USA, New Zealand, Chile and Russia) coming together. The tournament attracts some of the best international and club sides with Brazil, Mexico, USA, Manchester United, Newcastle United and Glasgow Rangers all having fielded teams in the past.

This year Paraguay came out on top, holding onto their sporting success – this is their fourth Milk Cup victory. Northern Ireland did not disappoint finishing third in this section. Spartak Moscow became the first Russian side for 11 years to win at the Milk Cup when they defeated Rapid Vienna 1-0 in the Premier. Swindon Town won the Junior Milk Cup beating Crumlin United of Dublin 5-4 on penalties.

Northern Ireland came to the fore in both levels of the Dunluce Trophy – with County Armagh winning the Premier and County Antrim taking the Junior Cup.

The Milk Cup is now a truly global concern and only the cream of young footballers take the stage. The tournament has managed to retain its winning formula - its unique appeal with the public.

### *3.3 Commonwealth Fencing Championships - Crossing Swords in Competition*

Some 320 fencers from 18 countries crossed swords in Belfast in September at the Commonwealth Fencing Championships. Held at the King's Hall, the 2006 Championships supported by Sports Council for Northern Ireland attracted fencers from all over the Commonwealth. These athletes demonstrated their speed, skill and dexterity with a sword.

Northern Ireland performed well with Maggie McWilliams winning Silver in the Women's Sabre, and Kate Gardner and Jonathan Willis winning Bronze in the Women's Foil and Men's Epee.

Fencing has sustained its popularity as a sport among all ages. In learning the skills of attacking and defending, fencers develop good co-ordination, balance and flexibility – making it not only an enjoyable sport but an ideal way to keep fit.

### *3.4 Cricket World Cup - Bowled over by Ireland's Spectacular Performance*

Ireland certainly proved they could hold their own at the Cricket World Cup. They reached the Super Eight stage of the competition, beat two full ICC member teams in a single tournament and gained a place in the official rankings. Their performances included a sensational win over Pakistan, a dramatic tie with Zimbabwe in the group stages plus a win over Bangladesh in the Super Eight stage.

Sports Council for Northern Ireland were only too happy to help in preparation for this event providing over £80,000 of investment for Northern Ireland players and squad preparation through the Athlete Support Programme, enabling players to full-time access to SINI, where the players experienced world-class strength and conditioning facilities, sports science and sports medicine back up.

It was Australia who triumphed at the final in spectacular fashion; but the World Cup allowed Ireland to prove they are now a significant force on the world cricketing stage.

### *4.0 Facts & Figures*

- 145,604 people participated in sport and physical activity across all Sport Northern Ireland investment areas;
- 3,827 people from underrepresented groups participated in sport and physical activity across all Sport Northern Ireland investment areas;
- 313,736 spectators attending GAA, Soccer and Rugby fixtures as a direct result of Sport Northern Ireland investment;
- 612 GAA, Soccer and Rugby stewards received direct training from Sport Northern Ireland in terms of Safety Management;
- 21 medals won at Commonwealth Games, World, European Championships and Olympic/Paralympic Games;
- 91 athletes/squads supported through the Athlete Support Programme;
- 6 major sporting events supported by Sport Northern Ireland;
- 2,415 people participated in sport and physical activity at Tollymore Mountain Centre; and
- 1210 people with disabilities participated in sport and physical activity in community events and initiatives in over 12 different sports.

### **Significant Changes in Fixed Assets**

The movement on fixed assets is set out in note 7 to the financial statements. The net book value of the fixed assets decreased from £454,506 to £431,211 following a number of new additions to fixed assets and a depreciation charge of £207,320 for the year. The revaluation reserve is being written off over 5 years thus reducing the depreciation charge to £180,570. A number of assets were also disposed of during the year due to obsolescence.

The SCNI Trust owned the Tollymore Mountain Centre during this financial year, however, in 2009 the courts granted an Order to terminate the SCNI Trust. The lease of the land has been assigned to Sports Council.

The Valuation and Lands Agency carried out a revaluation of the buildings at Tollymore Mountain Centre on 1 April 2003. The net book property value at this date was £321,537. The property is now being written off over 5 years due to a re-development of the centre which will commence in January 2009.

### **Retained Funds at the Year End**

The general reserve showed a deficit of £367,735 (2005/06: deficit of £56,779) for the year.

### **Post Balance Sheet Events**

There have been no significant events since the year-end that would affect these accounts.

### **Research and Development**

The Sports Council commissioned one research project in 2006/07. This was as follows:

- Facilities Strategy and Planning Model.

The Sports Council continues to work with DCAL to ensure evaluation methodology is incorporated within the Community Sport project.

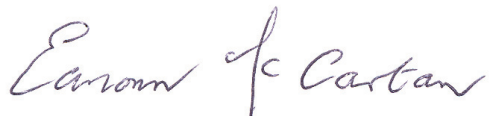
### **Future Developments**

The significant developments the Sports Council will focus on in the year 2007 - 2008 are:

- A new athlete support initiative to be launched;
- Continued implementation of the modernisation programme for Sports Council funded governing bodies of sport;
- Continued delivery of the governing body plan programme;
- Continued delivery of the Big Lottery funded and sport in our community programmes;
- Continued delivery of the safety in sports grounds programme;
- A review and compilation of a new strategy for the development of sport in Northern Ireland;
- A new bursary scheme for performance services supporting athletes to be launched;
- A management organisational review of SINI to be completed and implemented; and
- Preparation group for 2010 Commonwealth Games in India (India 10) to be established and operational.

**Audit**

So far as I, the Accounting Officer of Sports Council am aware, there is no relevant audit information of which the Sports Council's auditors are unaware; and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Sports Council's auditors are aware of that information.

A handwritten signature in cursive script that reads "Eamonn McCartan".

**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **Remuneration Report**

### **Remuneration Policy**

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

The remuneration of all senior civil servants is entirely performance based. Senior staff pay awards are determined by the Northern Ireland Civil Service (NICS) Remuneration Committee.

Within the Sports Council, the Chief Executive is employed on terms analogous to Senior Civil Service Grade 5, while all other executive directors are employed analogous to Grade 7.

The Sports Council Staffing Committee is responsible for approving the Chief Executive's salary and assessing his performance. Its membership is made up of the following Council Members:

- Professor E Saunders (Chairman)
- Ms M Muldoon;
- Ms H Brady; and
- Dr A Hamill.

All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy. The Chief Executive assesses all Directors performance.

### **Service Contracts**

Sports Council staff appointments are made in accordance with the Sport Council Recruitment and Selection Policy and Procedures, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 65. Policy relating to notice periods and termination payments is contained in the Sports Council Staff Handbook and individual Contracts of Employment.

Eamonn McCartan, Chief Executive was appointed in June 1994. This position is permanent within the definition above as are the executive director positions.

The notice period or compensation for early termination of a contract is 3 months for the Chief Executive and Directors.

### **Audited Remuneration and Pension Entitlements – Senior Staff**

The following section provides detail of the remuneration and pension interests of the Chief Executive and Directors of Sports Council.

Employee	2006-07		2005-06	
	Salary £'000	Benefits in kind £	Salary £'000	Benefits in kind £
Eamonn McCartan <i>Chief Executive</i>	80-85 (includes salary arrears from prior years)	154	105-110 (includes salary arrears from prior years)	154
Shaun Ogle <i>Director of Performance</i>	55-60	154	45-50	154
Nick Harkness <i>Director of Participation</i>	55-60	154	45-50	154
Andrew Sloan <i>Director of Corporate Services</i>	55-60	324	45-50	319

### *Sports Council Members Emoluments*

The Chairman and Vice-Chairman of the Sports Council received honorariums totalling £10,634 (2005/06: £14,037) and £3,500 (2005/06: £3,500) respectively in 2006/07. The cost of the Vice-Chairman's honorarium was apportioned to the Lottery Distribution Account. No emoluments were paid to other Sports Council members in respect of Lottery activities. The Sports Council does not pay any pension contributions on behalf of the Chairman or Vice-Chairman.

### *Salary*

'Salary' includes gross salary; performance pay or bonuses any allowance, such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by the Sports Council and thus recorded in these accounts.

### *Benefits in kind*

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. Each individual received a benefit in kind of £154, which relates to luncheon vouchers. The Director of Corporate Services also received a benefit in kind for £170 relating to professional fees for the ACCA.

*Sports Council Pensions*

The Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 88 employees during the year (24) were employed for part of the year).

The NILGOSC scheme is a 'multi-employer', defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and held separately from assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method. During the year ended 31 March 2007 the Sports Council contributed 11% of pensionable salary. The scheme is contributory with members of staff paying 6% of pensionable salary.

Contributions for the year are disclosed in note 6 to the accounts.

<b>Employee</b>	Pensionable Earnings	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 as at 31/3/07 and related lump sum	CETV at 31/3/06	CETV at 31/3/07	Real increase in CETV
	£	£	£	£	£	£
Eamonn McCartan <i>Chief Executive</i>	82,886	1,695 plus 5,086 lump sum	27,497 plus 82,491 lump sum	415,046	464,683	44,773
Shaun Ogle <i>Director of Performance</i>	54,568	1,391 plus 4,173 lump sum	14,373 plus 43,118 lump sum	171,669	203,810	27,268
Nick Harkness <i>Director of Participation</i>	54,568	1,449 plus 4,346 lump sum	15,490 plus 46,471 lump sum	169,252	199,835	25,751
Andrew Sloan <i>Director of Corporate Services</i>	56,046	1,520 plus 4,560 lump sum	6,121 plus 18,363 lump sum	52,530	73,567	19,913

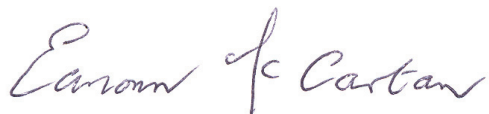
The above figures do not include salary accruals.

*Cash Equivalent Transfer Values*

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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

*Real increase in CETV*

This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

A handwritten signature in black ink that reads "Eamonn McCartan". The signature is written in a cursive style with a large initial 'E' and 'M'.

**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**



## **Statement of the Council's and Accounting Officer's Responsibilities**

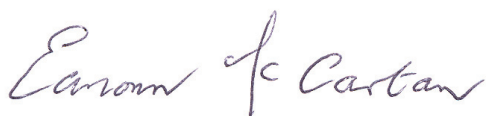
The Sports Council is required to prepare a statement of accounts for each financial year in accordance with the Recreation & Youth Service (Northern Ireland) Order 1986 and accounts direction given by DCAL and with the approval of the Department of Finance and Personnel.

The accounts are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Sports Council's activities at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the principal Accounting Officer is required to comply with the requirement of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by DCAL, 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 applicable accounting standards as set out in Government Financial Reporting Manual (FReM) have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the body will continue in operation.

The Accounting Officer for DCAL has designated the Chief Executive of the Sports Council as the Accounting Officer for the Sports Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Northern Ireland Department of Finance and Personnel, the guidance contained within 'Government Accounting Northern Ireland' also issued by the Department of Finance and Personnel (DFP).



**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **Statement on Internal Control**

### **Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Sports Council's policies, aims and objectives, whilst; safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland; and ensuring compliance with the requirement of Sports Council's Management Statement, Financial Memorandum and Statement of Financial Requirements.

The Sports Council's Management Statement sets out the relationship between DCAL and the Sports Council, and defines the financial and administrative framework within which the Sports Council operates. It also sets out the conditions on which grant-in-aid is paid to the Sports Council and the delegations within which the Sports Council operates.

The Sports Council's Financial Memorandum, which should be read in conjunction with the Management Statement, sets out the framework for the management and control of the finances of the Sports Council. It sets out the terms and conditions under which DCAL allocates grant-in-aid to the Sports Council out of monies provided by NI Assembly or UK Parliament. These terms and conditions are in addition to, and not in substitution for, any guidelines or directions issued by DCAL on the exercise of any individual functions, powers and duties of the Sports Council.

The Management Statement and Financial Memorandum have been approved by the Minister for Culture, Arts and Leisure, DFP and the Public Service Improvement Unit OFM/DFM.

The Sports Council also adheres to best practice as per the Lottery Financial Directions. These directions are currently incorporated within the Sports Council's Management Statement and Financial Memorandum.

I act in accordance with both the Sports Council's Management Statement and Financial Memorandum, and the DFP Memorandum, "The Responsibilities of an NDPB Accounting Officer", which sets out my accounting responsibilities. My responsibilities include ensuring that the Sports Council produces a three-year corporate plan and an annual business plan within the timescales set by DCAL. The plans are reviewed regularly by senior management and by the Sports Council to determine progress. Quarterly accountability meetings are held with officials from DCAL, to also monitor progress.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Sports Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Sports Council for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts, and accords with the guidance issued by the Department of Finance and Personnel.

## **Capacity to Handle Risk**

The senior management team takes responsibility for applying and overseeing the application of the risk management process primarily to ensure that it is operating as intended, to challenge the content of the risk registers and enable myself to report on the process to the Sports Council. In addition to reviewing the risk framework, all recommendations received from both the internal and external auditors are reviewed, with controls being enhanced or introduced as necessary.

All staff are expected to work within the Sports Council's policies on risk management; alert management to emerging risks or control weaknesses; participate fully in the risk management process; and assume responsibility for risks and controls within their own areas of work.

In 2006/07 as a result of the investment in the Grants Administration course two members of staff were awarded a Certificate in Management Practice (Grant Skills) which is equivalent to NVQ Level 3. This programme was delivered by the Chartered Institute of Public Finance and Accountancy/Institute of Public Finance Northern Ireland and has been accredited by the Institute of Administrative Management.

In addition two members of staff are looking forward to completing Accountancy Exams in June this year and another member of staff has successfully completed Stage 1 of the examinations. One member of staff has signed up to complete the course in Human Resource Management at the University of Ulster. Other Learning and Development undertaken during the year includes Recruitment & Selection, Employment Law Update and Child Protection.

Sports Council ensures that all staff have appropriate inductions when they commence work. In addition, Sports Council continues to work towards having all policy and procedural documents held on the Intranet. This has been completed for a number of work areas and will continue to be updated throughout 2007/08.

Sports Council members attended induction training on their roles and responsibilities following their appointment in July 2003. Audit Committee members will be undertaking additional update training on their roles and responsibilities within the Audit Committee in 2007/08.

## **The Risk and Control Framework**

### **1. Risk Management Policy and Register**

The Sports Council has an established risk management policy (the Policy), which covers all the Sports Council's activities. The Policy explains the underlying approach to risk management, documents the roles and responsibilities of Sports Council, the Accounting Officer, Heads of Unit, Operations Group, staff and the Audit Committee. It also outlines key aspects of the risk management process, and identifies the main reporting procedures. In particular the Policy outlines the inextricable link between risk management and the corporate and business planning process.

The Policy is subject to regular revision as the risk management process becomes embedded throughout the Sports Council and will be updated to reflect the changing environment of the Sports Council as required. During the year the Sports Council went under a change in its organisation structure this included a new management communications structure which included risk reviews as a fixed agenda item on all management and team meetings.

The Sports Council has a risk register in place which identifies the key risks facing the Sports Council. These have been categorised under 9 broad headings. The risk register details management's assessment of the key risks and associated controls, and actions required to mitigate these risks. Each risk has been assessed, for its severity and for the effectiveness of the controls currently operating.

The risk register is also presented to the Audit Committee each year and in future years it will

become a standing item on the Council's agenda.

## 2. Investment Policy

The Sports Council throughout the year operated its Investment Policy, which is designed to ensure the Sports Council:

- Complies with the Department for Finance and Personnel's requirements for the Sports Council, as a Non-Departmental Public Body to adhere to the Northern Ireland Preface to The Green Book (Guidance for Northern Ireland Departments on the Appraisal, Evaluation, Approval and Management of Policies, Programmes and Projects) and satisfy public accountability requirements;
- Applies the principle of proportionate effort, thus ensuring that undue burden is not placed on applicants or indeed Sports Council staff; and
- Improves the efficient and effective operation of the Sports Council activities, ensuring best practice and consistency across the organisation. The business case methodology, being used to define problems and find solutions to offer the best value for money for the Sports Council. The risk management process provides the Sports Council with an increased understanding of risks, thus improving decision-making to adapt to changes and avoid failures. The monitoring and evaluation process provides lessons to improve the decision-making process and justifies the case for increased expenditure in sport.

The three specific policies implemented throughout the Sports Council were as follows:

- The SCNI Business Case Policy – designed to outline policy recommendations for the formal use of Business Case methodology in all Sports Council investments.
- The SCNI Risk Management Policy – designed to outline policy recommendations for the formal framework for risk assessment and management in all Sports Council investment decisions, particularly at a programme and project level.
- The SCNI Monitoring Policy – designed to outline policy recommendations for the formalisation of a monitoring and evaluation framework at a corporate, programme and project level.

In 2007/08 the Sports Council will continue to work via its investment policy.

## 3. Conflict of Interests

The Sports Council operates a Conflict of Interest policy. Throughout the year the Sports Council has abided by the procedures for handling potential conflicts of interest between its members and its officers and organisations submitting projects. These procedures include maintenance of a register of interests. Sports Council members or officers declaring any direct interest in grant applications exclude themselves from the assessment and decision-making process.

## 4. Fraud

The Sports Council has an approved Anti Fraud and Corruption policy. The document explains the steps that must be taken where fraud is suspected or discovered and provides guidance specifically regarding attempts at multiple application fraud with the preventative measures detailed. The Sports Council also operates a computerised database of all awards funded and applications received. Users can identify the number of applications/value of awards made to an organisation. Alerts may be placed on the system to ensure users are aware of any issues/problems particular to an organisation, before progressing further with funding.

## 5. Value for Money

The Sports Council ensures it applies value for money principles in all of its practices. This is carried out at the top level via the investment policy that intentionally covers value for money within the production of business cases for funding. The Sports Council also includes value for money during tendering exercises for the procurement of goods/services and in the sharing of administration functions with other bodies.

During the year the Department of Culture Arts and Leisure signed a service level agreement with the Central Procurement Division regarding the use of their services during procurement/construction exercises. The Sports Council falls within the remit of this service level agreement and has implemented.

#### 6. Inefficiency

SCNI avoids inefficiency through applying its investment policies and adhering to government procurement guidelines. In addition, the budgeting process and production of management accounts ensures that funds are allocated to projects which have been identified as priority areas.

The SCNI at the start of the year also went through a change in its organisation structure with the aim to ensure efficiencies were made and the harmonization of procedures across the organisation.

#### 7. Loss of Grant

SCNI has terms and conditions in place for all grant awards. These terms and conditions outline what the grant recipient must adhere to and they also incorporate a clause which enables clawback of grant paid if terms and conditions of award are not met. In addition, SCNI has procedures manuals in place which outline the detailed processes which a grant award must go through before monies are released. Procedures are annually reviewed by internal audit to ensure SCNI is adhering to them and any recommendations to further enhance controls/procedures are incorporated.

### **Review of Effectiveness**

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the Sports Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Sports Council, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Sports Council and DCAL undertook a process of reviewing the SCNI Management Statement with the aim to ensure it complied with DFP guidance, best practice and to ensure it remained robust. The revised document has been agreed between Sports Council and DCAL.

The Sports Council continues to review its programmes and procedures in order to ensure that it meets appropriate standards, best practice and continues to work towards efficiencies. This will continue in 2007/08 via reviewing policies and procedures, training programmes and reassessing contractual agreements.

The Sports Council discharges its responsibility for reviewing the system of internal control through its Audit Committee. The Audit Committee met on 2 occasions during the year and received reports from both the Sports Council's external auditor for the year ending 31 March 2006 and its internal auditor for the year 2006/07. The Audit Committee reported back to the Sports Council following each of its meetings.

The Sports Council internal auditor produced the annual audit assurance statement which provided an adequate level of assurance for the year 2006/07.

The Sports Council has a risk register in place that is reviewed regularly by the senior management team. It is also reviewed by Audit Committee and Council annually. The last review took place in April 2006.

Throughout the year I obtain assurance from senior managers, based on information and reports produced by them. I am satisfied that systems of internal financial control were adequate in 2006/07.

*Significant Internal Control Problems*

The Sports Council has a procedure in place to ensure that all losses are appropriately handled and reported to DCAL. There were no losses identified during the year 2006/07.

1. Sports Institute Northern Ireland

However, in late August 2006 the Sports Council undertook an audit of one of its grant recipients. On the basis of misinformation being provided to the Sports Council's audit team and a number of issues regarding accounting practices a member of staff within the organisation raised concerns with senior management. An investigation took place and the Sports Council was formally informed in September 2006 that a fraud had occurred.

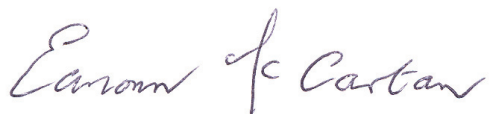
Sports Council implemented its fraud policy and informed Department of Culture Arts and Leisure, Department of Culture Media and Sport, Northern Ireland Audit Office and Police Service Northern Ireland.

Sports Council undertook a forensic audit of the company to determine the exact value of the fraud. The fraud was calculated to be £75,041 of which £14,587 took place in the financial year 31 March 2006 and £60,454 in the financial year 31 March 2007. Of the total fraud amount £65,036 has been recovered. On the basis of legal advice obtained by the Sports Institute of Northern Ireland, Sports Council wrote to the Department of Culture Arts and Leisure Accounting Officer seeking approval to write off the outstanding amount of £10,005. On the 23<sup>rd</sup> December 2009, the Department of Culture Arts and Leisure provided approval for the write off.

2. Other

In 2008/09 Sports Council was advised of a concern regarding payments to one of its grant recipients. Sports Council commissioned a review of the processes and a final report was produced in December 2009 for consideration by the Department of Culture, Arts and Leisure. The report made a number of key recommendations and the following actions have been agreed to be carried out:

- Follow up verification on expenditure by third parties on behalf of the grant recipient;
- Independent audit of the grant recipient to determine a risk classification;
- Embargo placed on funding to the grant recipient until results of independent audit obtained;
- Future award payments to the grant recipient to be made in line with the new risk classification; and
- Internal audit plan to include testing of other grant recipient payments for the period which was investigated.



**Eamonn McCartan**  
**Chief Executive and Accounting Officer**  
**Sports Council for Northern Ireland**

**Date: 2 February 2010**

## **The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly**

I certify that I have audited the financial statements of the Sports Council of Northern Ireland for the year ended 31 March 2007 under the Recreation and Youth Service (Northern Ireland) Order 1986. These comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

### **Respective Responsibilities of the Council, Accounting Officer and Auditor**

The Council and Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and Department of Culture, Arts and Leisure directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Council's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and Department of Culture, Arts and Leisure directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises Background Information and Management Commentary, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Sports Council of Northern Ireland has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the Sports Council of Northern Ireland's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Sports Council of Northern Ireland's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Sports Council of Northern Ireland's circumstances, consistently applied and adequately disclosed.



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

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and directions made thereunder by the Department of Culture, Arts and Leisure, of the state of the Sports Council of Northern Ireland's affairs as at 31 March 2007 and of its net operating costs excluding notional costs, cash flows and recognised gains and losses for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 Act and Department of Culture, Arts and Leisure directions made thereunder; and
- information given within the Annual Report, which comprises Background Information and Management Commentary is consistent with the financial statements.

### **Audit Opinion on Regularity**

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

### **Report**

See also my report on page 61.



**K J Donnelly**  
**Comptroller and Auditor General**  
**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT7 1EU**

**Date: 23 February 2010**

## Operating Cost Statement For the year ended 31 March 2007

	Notes	2007 SCNI	2007 SINI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
		£	£	£	£	£
<b>Income</b>						
Grant from Other Activities	3	-	564,161	564,161	53,973	335,038
Income From Activities	4	1,016,985	20,178	1,037,163	1,109,294	1,123,083
Income from Lottery	4	589,242	-	589,242	628,367	628,367
Other Income	5	54,628	504	55,132	18,401	20,391
<b>Total Income</b>		<b>1,660,855</b>	<b>584,843</b>	<b>2,245,698</b>	<b>1,810,035</b>	<b>2,106,879</b>
<b>Expenditure</b>						
Staff Costs	6	2,500,380	403,942	2,904,322	2,394,543	2,578,555
Depreciation	8	205,879	1,441	207,320	153,324	153,499
Release of Revaluation Reserve	17	(26,750)	-	(26,750)	-	-
Grants	8	8,301,884	-	8,301,884	4,991,374	4,991,374
Other Operating Costs	8	1,349,926	180,960	1,530,886	1,261,215	1,369,872
Notional Costs	9	(2,072)	-	(2,072)	21,387	21,387
<b>Total Expenditure</b>		<b>12,329,247</b>	<b>586,343</b>	<b>12,915,590</b>	<b>8,821,843</b>	<b>9,114,687</b>
<b>Net Operating Cost After Notional Costs</b>		<b>(10,668,392)</b>	<b>(1,500)</b>	<b>(10,669,892)</b>	<b>(7,011,808)</b>	<b>(7,007,808)</b>
Notional Costs	9	(2,072)	-	(2,072)	21,387	21,387
<b>Net Operating Costs Excluding Notional Costs</b>		<b>(10,670,464)</b>	<b>(1,500)</b>	<b>(10,671,964)</b>	<b>(6,990,421)</b>	<b>(6,986,421)</b>

## Statement of Recognised Gains and Losses For the year ended 31 March 2007

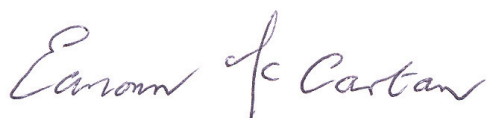
	Notes	SCNI 2007	GROUP 2007	SCNI 2006 As Restated	GROUP 2006 As Restated
		£	£	£	£
Unrealised Surplus on the Revaluation of Fixed Assets	17	-	-	21,149	21,149
Actuarial Loss and Increase in Pension Liabilities	17	(1,355,000)	(1,431,500)	-	(20,000)
<b>Total Recognised (Loss)/Gain for the Year</b>		<b>(1,355,000)</b>	<b>(1,431,500)</b>	<b>21,149</b>	<b>1,149</b>
Prior Year Adjustment – FRS 17	17	(300,000)	(316,000)	-	-
<b>Total Recognised (Loss)/Gain Since Last Annual Report</b>		<b>(1,655,000)</b>	<b>(1,747,500)</b>	<b>21,149</b>	<b>1,149</b>

All amounts above relate to continuing activities.

The notes on pages 41 to 59 form part of these accounts.

## Balance Sheet as at 31 March 2007

	Notes	2007 SCNI £	2007 SINI £	2007 GROUP £	2006 SCNI As Restated £	2006 GROUP As Restated £
<b>Fixed Assets</b>						
Tangible Assets	7a	405,956	11,942	417,898	399,829	403,315
Intangible Assets	7b	13,313	-	13,313	51,191	51,191
		<u>419,269</u>	<u>11,942</u>	<u>431,211</u>	<u>451,020</u>	<u>454,506</u>
<b>Current Assets</b>						
Stock	10	57	-	57	111	111
Debtors and Prepayments	11	839,501	48,964	888,465	503,775	533,399
Cash at Bank and in Hand	12	555,844	19,728	575,572	385,488	418,349
		<u>1,395,402</u>	<u>68,692</u>	<u>1,464,094</u>	<u>889,374</u>	<u>951,859</u>
<b>Creditors: Amounts Falling Due within One Year</b>	13	<u>(1,339,934)</u>	<u>(80,634)</u>	<u>(1,420,568)</u>	<u>(1,149,863)</u>	<u>(1,215,834)</u>
Net Current Assets		55,468	(11,942)	43,526	(260,489)	(263,975)
Total Assets less Current Liabilities		<u>474,737</u>	<u>-</u>	<u>474,737</u>	<u>190,531</u>	<u>190,531</u>
<b>Provisions</b>	14	<u>(1,686,000)</u>	<u>(94,000)</u>	<u>(1,780,000)</u>	<u>(300,000)</u>	<u>(316,000)</u>
<b>Total Assets less Total Liabilities</b>		<u><b>(1,211,263)</b></u>	<u><b>(94,000)</b></u>	<u><b>(1,305,263)</b></u>	<u><b>(109,469)</b></u>	<u><b>(125,469)</b></u>
<b>Financed By</b>						
<b>Reserves</b>						
General Reserve	17	367,735	-	367,735	56,779	56,779
Pension Reserve	17	(1,686,000)	(94,000)	(1,780,000)	(300,000)	(316,000)
Revaluation Reserve	17	107,002	-	107,002	133,752	133,752
		<u><b>(1,211,263)</b></u>	<u><b>(94,000)</b></u>	<u><b>(1,305,263)</b></u>	<u><b>(109,469)</b></u>	<u><b>(125,469)</b></u>



**Eamonn G McCartan**  
Chief Executive and Accounting Officer  
Sports Council for Northern Ireland

**Date: 2 February 2010**

The notes on pages 41 to 59 form part of these accounts.

## Cash Flow Statement as at 31 March 2007

	2007 SCNI	2007 SINI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
	£	£	£	£	£
<b>Net Cash Outflow from Operating Activities</b>	<b>(10,610,872)</b>	<b>(3,236)</b>	<b>(10,614,108)</b>	<b>(6,398,877)</b>	<b>(6,362,355)</b>
<b>Capital Expenditure</b>					
Purchase of Fixed Assets	(174,127)	(9,897)	(184,024)	(29,381)	(33,042)
Receipts from Disposal of Fixed Assets	4,934	-	4,934	-	-
<b>Net Cash Outflow before Financing</b>	<b>(10,780,065)</b>	<b>(13,133)</b>	<b>(10,793,198)</b>	<b>(6,428,258)</b>	<b>(6,395,397)</b>
Grants from DCAL	10,950,421	-	10,950,421	6,636,959	6,636,959
<b>Increase in Cash</b>	<b>170,356</b>	<b>(13,133)</b>	<b>157,223</b>	<b>208,701</b>	<b>241,562</b>

### Notes to the Cash Flow Statement

#### 1. Reconciliation of Movement in Funds to Net Cash Outflow from Operating Activities

	2007 SCNI	2007 SINI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
	£	£	£	£	£
Deficit for the Year	(10,668,392)	(1,500)	(10,669,892)	(7,011,808)	(7,011,808)
Depreciation	205,879	1,441	207,320	153,324	153,499
Revaluation Reserve	(26,750)	-	(26,750)	-	-
Profit on Disposal of Assets	(4,935)	-	(4,935)	-	-
Notional Cost of Capital	(2,072)	-	(2,072)	21,387	21,387
Deferred Grant Income	-	-	-	(5,382)	(5,382)
Decrease/(Increase) in Stock	54	-	54	(107)	(107)
(Increase)/Decrease in Debtors	(335,726)	(19,341)	(355,067)	1,055,141	1,025,517
Increase/(Decrease) in Creditors	190,070	14,164	204,234	(700,432)	(634,461)
Increase/(Decrease) in Pension Fund Creditor	31,000	2,000	33,000	89,000	89,000
<b>Net cash Outflow from Operating Activities</b>	<b>(10,610,872)</b>	<b>(3,236)</b>	<b>(10,614,108)</b>	<b>(6,398,877)</b>	<b>(6,362,355)</b>

#### 2. Reconciliation of Net Cash Flow to Movement in Net Debt

	2007 SCNI	2007 SINI	2007 GROUP	2006 SCNI	2006 GROUP
	£	£	£	£	£
Cash in Bank and in Hand at 1 April	385,488	32,861	418,349	176,787	176,787
Net Cash Inflow	170,356	(13,133)	157,223	208,701	241,562
<b>Cash in Bank and in Hand at 31 March</b>	<b>555,844</b>	<b>19,728</b>	<b>575,572</b>	<b>385,488</b>	<b>418,349</b>

The notes on pages 41 to 59 form part of these accounts.

## **Notes to the Accounts**

### **For the year ended 31 March 2007**

#### **1. Accounting Policies**

##### *1.1 Basis of Accounting and Consolidation*

The financial statements have been prepared in accordance with the requirements of the 2006-2007 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where FRoM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Sports Council, for the purpose of giving a true and fair view has been selected. The Sports Council's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The financial statements include the results of the following body up to the 31 March:

- Joint Venture – the Sports Institute Northern Ireland is an entity in which Sports Council holds a long term interest and which is jointly controlled by the Sports Council and the University of Ulster under a contractual agreement. It is a registered company limited by guarantee. The results of this joint venture are accounted for using the gross equity method of accounting.

##### *1.2 Basis of preparation*

These financial statements have been prepared in accordance with the historical cost convention. Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, Accounting Standards Board and disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate.

##### *1.3 Income*

Grant-in-aid from DCAL used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, and credited to the General Reserve, because they are regarded as contributions from a controlling party.

Other income sources are accounted for on a receivable basis and is matched to the expenditure that it finances. This income is taken to the income and expenditure account for the year to which it relates.

Fees or charges for services provided by the Council are determined in accordance with the Treasury's "Fees and Charges Guide".

A service level agreement operates between Sports Council Exchequer and Lottery. This covers corporate services provided and charged for: the figure shown as Service to lottery activities in note 4 does not include any amount for rent. No liability has been recognised for rental income due.

##### *1.4 Capital and Revenue Grants Payable*

Grants awarded to organisations and individuals are charged to the Operating Costs Statement in the year to which they relate. Any amounts of unpaid grant at 31 March each year are included as creditors due less than one year in the balance sheet.

##### *1.5 National Lottery Costs*

The Sports Council is required to apportion between its Grant-in-Aid and National Lottery Distribution activities, the costs of services provided from its Grant-in-Aid budget that are directly and demonstrably used on Lottery functions and vice versa.

The costs so apportioned to the National Lottery Distribution activities will be paid from the Lottery Fund to the Grant-in Aid account.

#### *1.6 Research and Development*

Research and Development costs are written off as incurred and not carried forward as an asset.

#### *1.7 Fixed Assets and Depreciation*

Fixed assets are stated in the balance sheet at cost, after applying a capitalisation limit of £1,000 to individual items and pooling of items costing more than £500 and which in aggregate total more than £5,000, and after taking into account the costs incurred in bringing the assets into use but not expenditure properly chargeable to the income and expenditure account. Depreciation has been provided using the straight line method so as to write off each asset, whether individual or pooled, over its estimated useful life. Depreciation is charged in full for the year in which the individual or pooled asset is acquired; no depreciation is charged in the year in which the individual or pooled asset is disposed.

Assets are depreciated over their useful lives as follows: -

	<b>2007</b>	<b>2006</b>
Land & Buildings	5 Years	24 Years
Information Technology (Hardware & Software)	3 Years	3 Years
Fixtures & Fittings	5 Years	5 Years
Specialised Sports Equipment	5 Years	5 Years
Vehicles	4 Years	4 Years

An impairment review is carried out annually and any loss in value is charged to the Operating Cost Statement. Tollymore Mountain Centre will undergo a redevelopment over the next 5 years. The current building has therefore had its depreciated life reduced to 5 years.

Rent payable under lease agreements negotiated is regularly brought up to current market rates through periodic reviews. Where no economic benefits of ownership accrue, a lease is considered to have the characteristics, not of a financial arrangement, but of the provision of a service and is not capitalised.

#### *Intangible Assets*

Intangible assets relate to the purchase of software and licences. These are included at cost and written off over a 3 year period, which is their useful economic life.

#### *1.8 Operating leases*

Operating lease rentals are charged to the Operating Cost Statement in equal annual amounts over the lease term.

#### *1.9 Notional Costs*

These financial statements make provision for the notional cost of capital employed by the Council. The Income and Expenditure account includes the notional cost of capital employed by the Council calculated as 3.5% of the average capital employed over the financial year. Auditor's notional remuneration is also included as a notional cost. Full details of these costs are given in note 9.

#### *1.10 Pension Costs*

The Sports Council staff belong to the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2007.

Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Sports Council's defined benefit scheme arising from employee service in the period is charged to the Operating Cost Statement. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Recognised Gains and Losses.

#### *1.11 Value Added Tax*

The Council does not reclaim VAT on purchases.

#### *1.12 Debtors*

Debtors mainly arise from regular users of services at House of Sport and Tollymore Mountain Centre. Bad debt provision is assessed annually.

#### *1.13 Year End Creditors*

Year-end creditors are recognised on the following basis:

- As at close of business 31 March - goods and/or services actually received, put into stock or used.
- The purchase ledger period twelve is closed off at the year end to facilitate the timely completion of the quarterly vat return. Invoices received after period twelve is closed off are accrued at Gross cost i.e. inclusive of all VAT.
- Purchase orders are not included as Creditors.

#### *1.14 Stock*

Stock is stated at the lower of cost and net realisable value. Stocks of stationery are not included in the balance sheet since such stocks are incidental and deemed not to be material to the accounts.

#### *1.15 Prior Year Adjustments*

##### (a) FRS 17 Retirement Benefits

The Sports Council has implemented FRS17 – Accounting for Retirement Benefits in 2006/07. This represents a change in accounting policy, and in accordance with FRS 3 – Reporting Financial Performance – this is accounted for by restating the comparative figures for 2005/06 and adjusting the opening balances of reserves for the cumulative effect. As a result it has been necessary to restate the Operating Cost Statement and Balance Sheet for 2005/06. The effect of this change on the certified 2005/06 Accounts is shown in note 17 to the Accounts.

##### (b) FReM and Deferred Capital Grant

Under the FReM, only funding for assets purchased by capital grant should be included in the Government Grant Reserve. Therefore, Deferred Capital Grant balances relating to the purchase of general fixed assets with grant in aid, have been transferred from the Government Grant Reserve to the General Reserve. The Deferred Capital Grant balance relating to assets purchased by grant in aid as at 31 March 2006 was £256,139 (31 March 2005: £280,899). The effect of this change on the certified 2005/06 Accounts is shown in note 17 to the Accounts.

(c) FReM Accounting for Grant in Aid (GIA)

With effect from the 2006/07 reporting period the FReM requires Non-Departmental Public Bodies to account for grants and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policy from earlier periods when such items were recorded as income. There is no impact on the net liability position of the Sports Council as a result of this change in policy. The effect of this change on the certified 2005/06 Accounts is shown in note 17 to the Accounts.

(d) FReM Accounting Grants Receivable and Grant Provisions

With effect from 2006/07 Sports Council will not include grant commitments which relate to future years under provisions; and the corresponding income will not be recorded in debtors as grants receivable. This is in line with FReM Accounting for grant in aid. There is no impact on the net liability position of the Sports Council as a result of this change in policy. The effect of this change on the certified 2005/06 Accounts is shown in notes 11 and 14 to the Accounts.

**2. Grant from the Department of Culture, Arts and Leisure**

	Note	2007 SCNI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
		£	£	£	£
Exchequer Funding		-	-	6,636,959	6,636,959
Transfer of Capital Element to Deferred Income		-	-	(24,000)	(24,000)
Transfer from/(to) Deferred Income		-	-	88,505	88,505
Accrued Income		-	-	84,517	84,517
Total Grants from DCAL		-	-	6,785,981	6,785,981
Prior Year Adjustment – Asset Purchases Funded by GIA	17	-	-	24,000	24,000
Prior Year Adjustment – Accrued GIA	17	-	-	(173,022)	(88,505)
Prior Year Adjustment - GIA	17	-	-	(6,636,959)	(6,636,959)
Total Grants from DCAL		-	-	-	-

From 2006/07 FReM required Non-Departmental Public Bodies to regard grants and grants in aid (GIA) received for revenue purposes as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence should account for them as financing. In addition, grants in aid received for the purchase of fixed assets in general should be credited to the general reserve. This is a change in accounting policy from earlier periods.



**3. Grant from Other Activities**

	2007 SCNI £	2007 GROUP £	2006 SCNI £	2006 GROUP £
Grant – Other Sources	-	564,161	53,973	335,038
Total Other Grants	-	564,161	53,973	335,038

**4. Income from Activities**

	2007 SCNI £	2007 GROUP £	2006 SCNI £	2006 GROUP £
Sports Development	32,821	52,999	78,274	92,063
Tollymore Mountain Centre	176,128	176,128	185,468	185,468
Services to Partners	808,036	808,036	845,552	845,552
Total Income from Activities	1,016,985	1,037,163	1,109,294	1,123,083
Service to Lottery Activities	589,242	589,242	628,367	628,367

**5. Other Income**

	Note	2007 SCNI £	2007 GROUP £	2006 SCNI As Restated £	2006 GROUP As Restated £
Transfer to Government Grant		-	-	54,142	54,142
Bank Interest Received		14,628	14,632	18,401	18,891
Pension – Net Return on Assets		40,000	40,500	-	1,500
		54,628	55,132	72,543	74,533
Prior Year Adjustment – Def Capital	17	-	-	(54,142)	(54,142)
Restated		54,628	55,132	18,401	20,391

**6. Staff Costs**

	Note	2007 SCNI £	2007 GROUP £	2006 SCNI As Restated £	2006 GROUP As Restated £
Gross Wages and Salaries		2,051,236	2,399,665	1,963,455	2,106,548
Social Security Costs		158,335	181,429	151,206	173,666
Other pension Costs		213,519	243,170	159,508	180,467
Temporary Staff Costs		6,290	7,058	31,374	31,374
Total		2,429,380	2,831,322	2,305,543	2,492,055
Prior Year Adjustment - FRS 17	14	71,000	73,000	89,000	86,500
Total Restated		2,500,380	2,904,322	2,394,543	2,578,555

All the above staff costs were incurred by the Sports Council and a proportion recharged to the Lottery Distribution Account. The average number of full-time equivalent persons employed by the Sports Council and deployed on Exchequer duties was 78 (2005/06: 76 employees). The average number of temporary staff employed during the year was 1 (2005/06: 1).

The Sports Council operates a special bonus scheme (see CSC 19/89), which makes provision for payments of special bonuses to reward exceptional performance in particularly demanding tasks or situations at any time in the year. These special bonuses take the form of taxable, non-pensionable, lump sum payments. Nine awards totalling £3,900 were made in 2006/07, (2005/06: two awards totalling £1,750).

Under terms and conditions of service, staff are entitled to an issue of luncheon vouchers to the approximate value of 70p per day. The entitlement for full time staff is 55 vouchers per quarter issued quarterly in advance. Part time staff are entitled to luncheon vouchers on a pro rata basis to the full time equivalent.

### **Chief Executive's Remuneration**

The Chief Executive's total remuneration including employer's costs in 2006/07 was £100,946 (2005/06: £127,776). Salary for the Chief Executive includes back pay from previous years. He is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee scheme. The Chief Executive was appointed in June 1994 for a contract period of five years. The contract was renewed in 1998 and is termed a permanent post.

As part of the Service Level Agreement with Sports Council Exchequer the Chief Executive's time is now incorporated within the desk charge.

### **Council Members Emoluments**

The Chairman and Vice-Chairman of the Sports Council received honorariums totalling £10,634 (2005/06: £14,037) and £3,500 (2005/06: £3,500) respectively in 2006/07. The Chairman's honorarium is not recharged to the Lottery Distribution Account. No emoluments were paid to other Sports Council members in respect of Lottery activities. The Sports Council does not pay any pension contributions on behalf of the Chairman or Vice-Chairman.

### **Pension Costs**

The Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme). The NILGOSC scheme is part of the Local Government Pension Scheme (LGPS) and is a multi-employer, defined benefit scheme. It is contracted out of the State Second Pension. Employees' contributions are fixed (mostly at the level of 6% of pay). Employers pay the balance of the cost of the scheme. The actual cost will not be known until the final pensioner dies, and employers' contributions are set to meet the expected cost of the benefit. The employers' contributions are reviewed at a series of three yearly valuation exercises. The last full actuarial valuation was at 31 March 2004.

In order to assess the value of the Employer's liabilities in the Fund as at 31 March 2007, the actuary rolled forward the value of the Employer's liabilities calculated as at the latest formal funding valuation, allowing for the different financial assumptions required under FRS17. The key assumptions for the roll forward valuation at 31 March 2007 are set out below. The figures marked 'real' are net of assumed price inflation.

<b>Assumptions</b>	<b>31 March 2007</b>		<b>31 March 2006</b>		<b>31 March 2005</b>	
	<b>% p.a. Nominal</b>	<b>% p.a. Real</b>	<b>% p.a. Nominal</b>	<b>% p.a. Real</b>	<b>% p.a. Nominal</b>	<b>% p.a. Real</b>
Price Increases	3.2%	-	3.1%	-	2.9%	-
Salary Increases	4.7%	1.5%	4.6%	1.5%	4.4%	1.5%
Pension Increases	3.2%	-	3.1%	-	2.9%	-
Discount Rate	5.4%	2.1%	6.0%	2.8%	6.5%	3.5%

The return on the Fund in market value terms for the year to 31 March 2007 is estimated to be 5.7%, based on actual Fund returns of 3.8% for the period 1 April 2006 to 31 December 2006 and index returns thereafter. An approximate summary of the Market value of the Fund's assets as at 31 March 2007 was £3,146m. The Sports Council share of the underlying assets and liabilities are shown in the following table.

Assets (Employer)	31 March 2007		31 March 2006		31 March 2005	
	Long Term Return % p.a.	Assets £(000)	Long Term Return % p.a.	Assets £(000)	Long Term Return % p.a.	Assets £(000)
Equities	7.8%	5,349	7.4%	5,300	7.7%	3,800
Bonds	4.9%	1,001	4.6%	800	4.8%	700
Property	5.8%	730	5.5%	500	5.7%	500
Cash	4.9%	81	4.6%	100	4.8%	100
<b>Total</b>	<b>7.2%</b>	<b>7,162</b>	<b>6.9%</b>	<b>6,600</b>	<b>7.1%</b>	<b>5,100</b>

Net Pension Asset as at	31 March 2007 £(000)	31 March 2006 £(000)	31 March 2005 £(000)
Estimated Employer Assets (A)	7,162	6,600	5,100
Present Value of Scheme Assets	8,848	6,900	5,500
Property Value of Unfunded Liabilities	-	-	-
Total Value of Liabilities (B)	8,848	6,900	5,500
<b>Net Pension Asset (A-B)</b>	<b>(1,686)</b>	<b>(300)</b>	<b>(400)</b>

The valuation revealed that the Net Pension Asset as at 31 March 2007 is a liability of £1,686,000. As Sports Council has a constructive obligation to fund any deficit allocated to its share of the Fund the full amount of the deficit has been recognised.

Contributions for the year were as follows:

All assets, liabilities and operating costs relating to the pension scheme are processed through the Sports Council Exchequer Accounts. A recharge is made to the Sports Council Lottery Distribution Accounts for any pension costs incurred on behalf of the Lottery. However, under FRS 17 it has not been possible to identify the Sports Council Lottery Distribution Funds share of the scheme.

Contributions for the year were as follows:

	2007 SCNI £	2007 GROUP £	2006 SCNI £	2006 GROUP £
Employers	127,190	156,841	117,812	132,152
Employees	210,526	224,310	160,251	166,870
<b>Total</b>	<b>337,716</b>	<b>381,151</b>	<b>278,063</b>	<b>299,022</b>

The following are notes from the actuaries report at the 31 March 2007:

Amount Charged to Operating Profit	31 March 2007		31 March 2006	
	£(000)	(% of Payroll)	£(000)	(% of Payroll)
Service Cost	272	13.9%	237	13.9%
Past Service Cost	-	-	-	-
Curtailment and Settlements	-	-	-	-
Decrease in Irrecoverable Surplus	-	-	-	-
<b>Total Operating Charge (A)</b>	<b>272</b>	<b>13.9%</b>	<b>237</b>	<b>13.9%</b>
Amount Credited to Other Finance Income	31 March 2007		31 March 2006	
	£(000)	(% of Payroll)	£(000)	(% of Payroll)
Expected Return on Employer Assets	461	23.5%	368	21.5%
Interest on Pension Scheme Liabilities	(421)	(21.5%)	(373)	(21.8%)
<b>Net Return (B)</b>	<b>40</b>	<b>2.0%</b>	<b>(5)</b>	<b>(0.3%)</b>
<b>Net Revenue Account Cost (A)-(B)</b>	<b>232</b>	<b>11.8%</b>	<b>242</b>	<b>14.2%</b>

Analysis of Amount Recognised in Statement of Total Recognised Gains and Losses	31 March 2007 £(000)	31 March 2006 £(000)
Actual Return Less Expected Return on Pension Scheme Assets	(80)	980
Experience Gains and Losses Arising on the Scheme Liabilities	1	72
Changes in Assumptions Underlying the Present Value of the Scheme Liabilities	(1,276)	(863)
<b>Actuarial Gain/(Loss) in Pension Plan</b>	<b>(1,355)</b>	<b>189</b>
Increase/(Decrease) in Irrecoverable Surplus from Membership Fall and Other Factors	-	-
<b>Actuarial Gain/(Loss) Recognised in STRGL</b>	<b>(1,355)</b>	<b>189</b>

Movement in Surplus/(Deficit) During the Year	31 March 2007 £(000)	31 March 2006 £(000)
Surplus/(Deficit) at Beginning of the Year	(300)	(400)
Current Service Cost	(272)	(237)
Employer Contributions	201	153
Contributions in Respect of Unfunded Benefits	-	-
Other Income	-	-
Other Outgoings (e.g. expenses etc)	-	-
Past Service Costs	-	-
Impact of Settlements and Curtailments	-	-
Net Return on Assets	40	(5)
Actuarial Gains/(Losses)	(1,355)	189
<b>Surplus/(Deficit) at End of Year</b>	<b>(1,686)</b>	<b>(300)</b>

History of Experience Gains and Losses	31 March 2007 £(000)	31 March 2006 £(000)
Difference Between the Expected and Actual Return on Assets	(80)	980
Value of Assets	7162	6,600
<b>Percentage of Assets</b>	<b>(1.1%)</b>	<b>14.9%</b>
Experience Gains/(Losses) on Liabilities	1	72
Total Present Value of Liabilities	8,848	6,900
<b>Percentage of the Total Present Value of Liabilities</b>	<b>0.0%</b>	<b>1.0%</b>
Actuarial Gains/Losses Recognised in STRGL	(1,355)	189
Total Present Value of Liabilities	8,848	6,900
<b>Percentage of the Total Present Value of Liabilities</b>	<b>(15.3%)</b>	<b>2.7%</b>

**7a. Fixed Assets – Tangible**

	<b>Buildings</b>	<b>Specialist Sports Equipment</b>	<b>Furniture and Fittings</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Total SCNI</b>	<b>Total GROUP</b>
	£	£	£	£	£	£	£
Cost or Valuation							
At 1 April 2006	460,406	44,087	57,105	49,321	194,446	805,365	809,026
Additions	56,420	15,760	2,644	26,117	54,098	155,039	164,936
Disposals	-	-	(5,081)	(23,192)	(2,800)	(31,073)	(31,073)
At 31 March 2007	<u>516,826</u>	<u>59,847</u>	<u>54,668</u>	<u>52,246</u>	<u>245,744</u>	<u>929,331</u>	<u>942,889</u>
Depreciation							
At 1 April 2006	105,876	27,680	48,965	42,788	180,227	405,536	405,711
Provided During Year	89,413	11,356	7,589	13,062	27,492	148,912	150,353
Disposals	-	-	(5,081)	(23,192)	(2,800)	(31,073)	(31,073)
At 31 March 2007	<u>195,289</u>	<u>39,036</u>	<u>51,473</u>	<u>32,658</u>	<u>204,919</u>	<u>523,375</u>	<u>524,991</u>
Net Book Value							
At 31 March 2006	<u>354,530</u>	<u>16,407</u>	<u>8,140</u>	<u>6,533</u>	<u>14,219</u>	<u>399,829</u>	<u>403,315</u>
At 31 March 2007	<u>321,537</u>	<u>20,811</u>	<u>3,195</u>	<u>19,588</u>	<u>40,825</u>	<u>405,956</u>	<u>417,898</u>

The Net Book Value of Buildings comprises:

	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Short Leasehold	321,537	321,537	354,530	354,530

Buildings refer to the Tollymore Mountain Centre, which were valued by the Valuation and Lands Agency (VLA) on 1 April 2003 at depreciated replacement cost of £320,367. The Tollymore Mountain Centre will be re-developed over the coming years and a number of associated costs with this project have been capitalised. The Centre will not be professionally valued again until the new build is complete. The existing building will be written down over the next 5 years.

The land which the Tollymore Mountain Centre resides on was held by the SCNI Trust. Sports Council Northern Ireland acts as the Trustee for the SCNI Trust, and SCNI's Council members therefore have control over this land. The land was placed into the Trust in order to transfer the land from the Central Council of Physical Recreation and to ensure it be protected for sporting use. On the 23 April 2009 the courts granted an Order to terminate the SCNI Trust. The lease of the land has been assigned to Sports Council.

The leases entered into in respect of the land at Tollymore Mountain Centre and Altnadue Quarry have been expensed to the Income and Expenditure Account (see Note 15).

#### 7b. Fixed Assets - Intangible

	<b>SCNI Computer Software £</b>	<b>Total GROUP £</b>
Cost or Valuation		
At 1 April 2006	343,300	343,300
Additions	19,089	19,089
At 31 March 2007	362,389	362,389
Depreciation		
At 1 April 2006	292,109	292,109
Provided During Year	56,967	56,967
At 31 March 2007	349,076	349,076
Net Book Value		
At 31 March 2006	51,191	51,191
At 31 March 2007	13,313	13,313

Fixed assets have been restated to show assets which are intangible separately.

**8. Operating Costs**

	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>SCNI</b>	<b>GROUP</b>	<b>SCNI</b>	<b>GROUP</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Travel & Subsistence	111,507	140,502	113,001	131,160
Recruitment	33,381	37,104	11,855	14,010
Training	47,353	47,353	43,740	43,740
Publications, Printing & Stationery and IT Consumables	51,297	55,913	64,717	70,393
Telephones & Postage	87,340	96,782	98,642	104,281
Professional Fees/Consultancy Fees	238,010	255,010	166,844	171,407
Repairs & Renewals	125,322	126,190	87,855	98,537
(Profit)/Loss on Disposal of Fixed Asset	(4,935)	(4,935)	-	-
Quality Initiatives	2,001	2,001	1,900	1,900
Insurance	57,416	75,595	59,684	76,549
Rent & Rates	95,072	186,252	90,634	90,634
Heat & Light	46,272	46,272	44,604	44,604
Caretaking & Cleaning	38,264	38,264	39,585	39,585
Sundry Expenses	808	906	697	792
Committees, Receptions & Publicity	266,491	272,377	294,165	305,561
Promotions & Sponsorships	69,625	69,625	32,651	32,651
Photography	-	-	2,217	2,217
Information Services, Journals & Subscriptions	21,900	21,900	21,417	21,417
Sports Development	60,325	60,324	81,278	114,668
Coaches	1,366	1,365	5,441	5,441
Fees and Bank Charges	1,111	2,086	288	325
<b>Total Other Operating Costs</b>	<b>1,349,926</b>	<b>1,530,886</b>	<b>1,261,215</b>	<b>1,369,872</b>
<b>Total Grants</b>	<b>8,301,884</b>	<b>8,301,884</b>	<b>4,991,374</b>	<b>4,991,374</b>
<b>Total Costs</b>	<b>9,651,810</b>	<b>9,832,770</b>	<b>6,252,589</b>	<b>6,361,246</b>

Rent charged to the income and expenditure is based on a non-commercial arrangement with DCAL.

The deficit in the income and expenditure account is after charging:

	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>SCNI</b>	<b>GROUP</b>	<b>SCNI</b>	<b>GROUP</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation of owned assets:	205,879	207,320	153,324	153,499
Hire of land:	900	900	900	900
Hire of other assets:	6,224	6,224	6,699	6,699

## 9. Notional Costs

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Sports Council. The basis of the charge is 3.5% (2004/05 – 3.5%) of the average capital employed by the Sports Council during the year, defined as total assets less total liabilities.

	2007 SCNI	2007 GROUP	2006 SCNI	2006 GROUP
	£	£	£	£
Notional Cost of Capital	(20,072)	(20,072)	3,387	3,387
Notional Auditors Remuneration	18,000	18,000	18,000	18,000
Total Notional Costs	<u>(2,072)</u>	<u>(2,072)</u>	<u>21,387</u>	<u>21,387</u>

## 10. Stock of Luncheon Vouchers

	2007 SCNI	2007 GROUP	2006 SCNI	2006 GROUP
	£	£	£	£
Opening Stock 1 April	111	111	4	4
Receipts	9,920	9,920	10,471	10,471
Issued to Staff	(9,974)	(9,974)	(10,364)	(10,364)
Closing Stock 31 March	<u>57</u>	<u>57</u>	<u>111</u>	<u>111</u>

## 11. Debtors and Prepayments (Amounts Due Within One Year)

11 (a). Analysis by Type	Note	2007 SCNI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
		£	£	£	£
Trade Debtors		39,015	39,072	54,418	55,281
Prepayments		326,148	363,675	63,324	63,454
Amount Owed by Lottery		233,379	244,759	245,093	266,431
Grant Claw back		240,959	240,959	30,495	30,495
Accrued Income		-	-	208,302	215,595
Total Debtors and Prepayment		<u>839,501</u>	<u>888,465</u>	<u>601,632</u>	<u>631,256</u>
Grants Receivable		-	-	1,535,637	1,535,637
Total		<u>839,501</u>	<u>888,465</u>	<u>2,137,269</u>	<u>2,166,893</u>
Prior Year Adjustment – Grants Receivable	14	-	-	(1,535,637)	(1,535,637)
Prior Year Adjustment – Accrued GIA	2	-	-	(84,517)	(84,517)
Prior Year Adjustment – Accrued GIA	17	-	-	(13,340)	(13,340)
Total Restated		<u>839,501</u>	<u>888,465</u>	<u>503,775</u>	<u>533,399</u>

## 11 (b). Intra Government Balances

	2007 SCNI	2007 GROUP	2006 SCNI As Restated	2006 GROUP As Restated
	£	£	£	£
Balances with central government	-	-	4,153	4,153
Balances with local authorities	1,036	1,036	4,364	4,364
Balances with other government organisations	464,796	476,176	330,182	351,520
Balances with bodies external to government	373,669	411,253	165,076	173,362
	<u>839,501</u>	<u>888,465</u>	<u>503,775</u>	<u>533,399</u>



**12. Cash**

<b>Cash at Bank and in Hand</b>	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Bank	555,444	575,172	385,088	417,949
Petty Cash	400	400	400	400
<b>Total Cash at Bank and in Hand</b>	<b>555,844</b>	<b>575,572</b>	<b>385,488</b>	<b>418,349</b>

<b>Petty Cash Movement</b>	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Petty Cash – 1 April	400	400	314	314
Petty Cash – 31 March	400	400	400	400
<b>Net Movement in Petty Cash</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>86</b>

<b>Cash at Bank Movement</b>	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Cash at Start of Year	385,088	418,349	176,473	176,473
Net Cash Inflow/(Outflow)	170,356	157,223	208,615	241,476
<b>Cash in Bank at 31 March</b>	<b>555,444</b>	<b>575,572</b>	<b>385,088</b>	<b>417,949</b>

**13. Creditors (Amounts Falling Due Within One Year)**

<b>13 (a). Analysis by Type</b>	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Trade Creditors	192	7,093	80	18,956
Grant Creditor	1,124,767	1,124,767	971,342	971,342
VAT	8,544	8,544	2,756	2,756
Other Tax and Social Security	-	1,063	-	7,277
Other Creditors	-	72,670	-	10,378
Accruals	194,555	194,555	166,733	196,173
Deferred Income	11,876	11,876	233,024	233,024
<b>Total</b>	<b>1,339,934</b>	<b>1,420,568</b>	<b>1,373,935</b>	<b>1,439,906</b>
Prior Year Adjustment – Accrued GIA	17	-	(224,072)	(224,072)
<b>Total Restated</b>	<b>1,339,934</b>	<b>1,420,568</b>	<b>1,149,863</b>	<b>1,215,834</b>

**13 (b). Intra Government Balances**

	<b>2007 SCNI £</b>	<b>2007 GROUP £</b>	<b>2006 SCNI £</b>	<b>2006 GROUP £</b>
Balances with central government	9,547	10,610	3,795	11,072
Balances with local authorities	101,961	101,961	101,611	101,611
Balances with other government organisations	-	-	-	-
Balances with bodies external to government	1,228,426	1,307,997	1,044,457	1,103,151
	<b>1,339,934</b>	<b>1,420,568</b>	<b>1,149,863</b>	<b>1,215,834</b>

#### 14. Provisions

	Note	2007 SCNI £	2007 GROUP £	2006 SCNI As Restated £	2006 GROUP As Restated £
Grants					
- Safety in Sports Grounds		-	-	-	-
- Big Lottery Fund		-	-	1,535,637	1,535,637
Total		-	-	1,535,637	1,535,637
Prior Year Adjustment – Grant Commitments	11	-	-	(1,535,637)	(1,535,637)
Prior Year Adjustment – FRS 17	17	1,686,000	1,780,000	300,000	316,000
Total Restated		1,686,000	1,780,000	300,000	316,000

#### 15. Leases

At 31 March 2007 the Sports Council had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Operating Leases which Expire:				
Within One Year	-	2,344	-	2,849
Within Two and Five Years Inclusive	-	768	-	1,546
Over Five Years	900	-	900	-
Total	900	3,112	900	4,395

The land which the Tollymore Mountain Centre resides on is held by the SCNI Trust. The lease of land and buildings is subject to rent reviews every five years.

#### 16. Commitments

The Sports Council has made a number of awards to grant recipients for future years. These awards are for the following value:

- Community Sport Programme (Big Lottery Fund) - £948,753;
- Stadia Safety Programme - £208,257;
- Safety Management Programme - £47,476;
- CAAN - £191,630; and
- Governing Body Plans - £2,759,273.

In addition, the Sports Council made 9 provisional awards under the Stadia Safety programme to the value of £6,918,350.

There were no capital commitments as at 31 March 2007.

Amounts contracted but not provided in the financial statements total £NIL (2004/05: £NIL).

## 17. Reconciliation of Movements in Reserves and General Fund

	Government Grant Reserve	General Reserve	Pension Reserve	Revaluation Reserve	Total SCNI	Total GROUP
	£	£	£	£	£	£
At 1 April 2005 As Previously Reported	280,899	(264,277)	-	112,603	129,225	129,225
Prior Year Adjustment - FRS 17	-	-	(400,000)	-	(400,000)	(400,000)
Prior Year Adjustment - Grant In Aid Accrued	-	304,619	-	-	304,619	304,619
Prior Year Adjustment - Gov Grant Reserve	(280,899)	280,899	-	-	-	-
At 1 April 2005 as Restated	-	321,241	(400,000)	112,603	33,844	33,844
Net Expenditure as Restated	-	(6,901,421)	(89,000)	-	(6,990,421)	(6,986,421)
GIA Received From DCAL	-	6,636,959	-	-	6,636,959	6,636,959
Actuarial Gains/(Losses)	-	-	189,000	-	189,000	169,000
Revaluation Reserve Movement as Previously Reported	-	-	-	21,149	21,149	21,149
<b>At 1 April 2006 As Restated</b>	-	<b>56,779</b>	<b>(300,000)</b>	<b>133,752</b>	<b>(109,469)</b>	<b>(125,469)</b>
At 1 April 2006 As Previously Reported	256,139	(325,575)	-	133,752	64,316	64,316
Prior Year Adjustment - FRS 17	-	-	(300,000)	-	(300,000)	(316,000)
Prior Year Adjustment - Grant In Aid Accrued	-	126,215	-	-	126,215	126,215
Prior Year Adjustment - Gov Grant Reserve	(256,139)	256,139	-	-	-	-
As At 31 March 2006 Restated	-	56,779	(300,000)	133,752	(109,469)	(125,469)
Operating Cost	-	(10,639,464)	(31,000)	-	(10,670,464)	(10,671,964)
GIA Received From DCAL	-	10,950,420	-	-	10,950,420	10,950,420
Release of Revaluation Reserve	-	-	-	(26,750)	(26,750)	(26,750)
Actuarial Gains/(Losses)	-	-	(1,355,000)	-	(1,355,000)	(1,431,500)
<b>At 31 March 2007</b>	-	<b>367,735</b>	<b>(1,686,000)</b>	<b>107,002</b>	<b>(1,211,263)</b>	<b>(1,305,263)</b>

**Prior Year Adjustment – FRS 17**

This prior year adjustment related to a change in accounting treatment of the assets and liabilities of the NILGOSC pension scheme under FRS17. The adoption of FRS17 has resulted in an increase in staff costs of £31,000 (2005/06: £84,000), an increase in net return on assets of £40,000 (2005/06: £5,000 decrease), and an actuarial loss of £1,355,000 (2005/06: £189,000 gain).

	<b>2007</b>	<b>2006</b>
	<b>SCNI</b>	<b>SCNI</b>
	<b>£</b>	<b>£</b>
Pension Surplus/(Deficit) at Beginning of the Year	(300,000)	(400,000)
Current Service Cost	(272,000)	(237,000)
Employer Contributions	201,000	153,000
Net Return on Assets	40,000	(5,000)
Actuarial Gains/(Losses)	(1,355,000)	189,000
<b>Surplus/Deficit at End of Year</b>	<b>(1,686,000)</b>	<b>(300,000)</b>

**Prior Year Adjustment – Grant in Aid Accrued**

With effect from 2006/07 reporting period the FReM requires Non-Departmental Public Bodies to account for grants and Grant-in-Aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policy from earlier periods when grants and Grant-in-Aid were recorded as income. There is no impact on the net liability position of the Sports Council as a result of this change in policy.

However, in previous financial years accrued income for Grant in Aid had been made for expenditure which related to that financial year. In line with FReM Grant-in-Aid cannot be accrued. This prior year adjustment resulted in a reduction of the net liability position of the Sports Council by £126,214 in 2005/06.

	<b>2007</b>	<b>2006</b>
	<b>SCNI</b>	<b>SCNI</b>
	<b>£</b>	<b>£</b>
Deficit for the Financial Year As Previously Stated	-	(61,298)
Surplus for the Financial Year Before Adopting FRS 17 and FReM GIA	310,957	-
GIA Received From DCAL Posted to Reserves	(10,950,421)	(6,636,959)
Pension Fund Net Expenditure	(31,000)	(89,000)
2005/06 Assets Purchases Funded by GIA	-	24,000
2005/06 Accrued GIA	-	(173,022)
2005/06 Reversal of Deferred Capital Grant Released	-	(54,142)
Net Operating Costs Excluding Notional Costs	<b>(10,670,464)</b>	<b>(6,990,421)</b>

**Prior Year Adjustment – Government Grant Reserve**

This prior year adjustment related to the transfer of the balance relating to fixed assets purchased by Grant-in-Aid from the Government Grant Reserve to General Reserve in accordance with the requirements of FReM. The Government Grant Reserve balance relating to assets purchased by Grant-in-Aid as at 31 March 2006 was £256,139 (31 March 2005: £280,899).

## 18. Contingent liabilities

DCAL have approved Sports Council underwriting 50% of the loss which arose at the SINI. The loss of £75,041 arose due to fraudulent activity, and to date £65,036 has been recovered. The maximum amount of the liability will be £5,003. On the 23<sup>rd</sup> December 2009, DCAL gave SNI approval to write off the outstanding amount.

## 19. Related Party Transactions

Several members of the Sports Council and key management staff are involved in sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. They do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned together with details of those who declared an interest is detailed below. All the transactions relating to these organisations were conducted at arms length by the Sports Council.

The following transactions are considered to be disclosable Related Party Transactions in respect of Council Members and Senior Staff.

Grant	Organisation	Individual	Position	Relationship
9,446	Antrim GAA	A Hamill	Council Member	Subscribing Member
9,446	Antrim GAA	B McCargo	Council Member	Subscribing Member - Former
145,900	Basketball NI	M Smith	Staff Member	Works on a Consultancy Basis For this Organisation
127,082	Canoe Association NI	T Fisher	Staff Member	Subscribing Member
127,082	Canoe Association NI	R Gregg	Staff Member	Subscribing Member
127,082	Canoe Association NI	O Hallissey	Staff Member	Subscribing Member
127,082	Canoe Association NI	N Harkness	Staff Member	Subscribing Member
127,082	Canoe Association NI	S Millar	Staff Member	Subscribing Member and Member of Council
127,082	Canoe Association NI	K O'Hara	Staff Member	Subscribing Member
2,911	Derry City Council	C Logue	Council Member	Former Chief Executive
13,350	Glentoran Football Club	J Rodgers	Council Member	Honorary Officer - Current
105,600	Golfing Union of Ireland	N Harkness	Staff Member	Person Connected – Member
47,300	Irish Amateur Boxing	P Johnston	Staff Member	Subscribing Member/Coach
2,088,450	Irish Football Association	M Muldoon	Council Member	Honorary Officer/Former Director
2,088,450	Irish Football Association	J Rodgers	Council Member	Honorary Officer – Former
67,890	Mountaineering Council of Ireland	T Fisher	Staff Member	Subscribing Member
67,890	Mountaineering Council of Ireland	N Harkness	Staff Member	Perceived Interest – No Actual Interest
67,890	Mountaineering Council of Ireland	K O'Hara	Staff Member	Subscribing Member

Sports Council for Northern Ireland Exchequer Account 2006-2007

Grant	Organisation	Individual	Position	Relationship
67,890	Mountaineering Council of Ireland	J Waring	Staff Member	Subscribing Member – Former
149,769	Netball NI	K Drennan	Staff Member	Person Connected – Former President
149,769	Netball NI	D Lavery	Staff Member	Member of Graduates Netball
199,900	NI Athletic Association	B McCargo	Council Member	Links with NI Athletic Federation
199,900	NI Athletic Association	P Scott	Staff Member	Subscribing Member - Former
65,927	NI Equestrian Sport Committee	D Gaston	Staff Member	Person Connected – Member
152,645	NI Gymnastics	M Murphy	Council Member	Director of Salto Gymnastics Club
248,173	Royal Yachting Association	J Poots	Staff Member	Person Connected – Former Officer
500,000	Special Olympics Ireland	B McCargo	Council Member	Former Board Member Person Connected – Honorary Officer - Former
177,086	UB Badminton Union of Ireland	J Waring	Staff Member	Subscribing Member – Current
140,094	UB Irish Hockey	O Brown	Council Member	Person Connected – Subscribing Member
984,946	UB Irish Rugby Football Association	B McCargo	Council Member	Person Connected – Subscribing Member - Current
124,991	UB Irish Table Tennis Association	A Strong	Council Member	Honorary Officer and Member - Former Person Connected – Honorary Officer
145,900	Ulster Basketball Association	HB Hudson	Staff Member	Subscribing Member Person Connected – Honorary Officer
182,507	Ulster Cycling	M McGreevy	Staff Member	Person Connected – Subscribing Member
182,507	Ulster Cycling	J News	Staff Member	Subscribing Member - Current
182,485	Ulster Squash	J Poots	Staff Member	Subscribing Member - Former
620,000	University of Ulster (Capital Build of SINI)	H McCaughey	Council Member	Chairman of SINI Person Connected – Athlete which attends SINI

**Other related parties include:**

The Sports Council is a Non-Departmental Public Body sponsored by DCAL. DCAL is regarded as a related party.

During the year the Sports Council has had various transactions with the Department and with other entities for which DCAL is regarded as the parent Department. None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the Sports Council during the year.

The Sports Council operates a Lottery Distribution Account in which awards are distributed. A number of recharges are made to the Lottery Distribution Account.

The Sports Council owns 50% of the Sports Institute Northern Ireland via a joint venture with the University of Ulster. The Sports Institute Northern Ireland and University of Ulster are both regarded as related parties. The Sports Council has a service level agreement in place with the Sports Institute Northern Ireland for providing staff services.

As a matter of policy and procedure, the Sports Council maintains a publicly available register of interests where Council Members and staff declare any direct interest in grant applications made to Sports Council or any commercial relationships of the Sports Council. In addition, Exchequer grants were paid during the year to a number of organisations in which Council Members declared an interest. Having declared an interest Council Members are required to leave the meeting while the relevant application is discussed and a decision is made.

## **20. Losses During Year**

Bad debts were written off during the year of NIL (2005: NIL). There were no cash losses written off during the year (2005: NIL).

In September 2006 the Sports Council was formally informed of a fraud in its joint venture company SINI. Sports Council undertook a forensic audit of the company to determine the exact value of the fraud. The fraud was calculated to be £75,041 of which £14,587 took place in the financial year 31 March 2006 and £60,454 in the financial year 31 March 2007. Of the total fraud amount £65,036 has been recovered. On the basis of legal advice obtained by the Sports Institute of Northern Ireland, Sports Council wrote to the Department of Culture Arts and Leisure Accounting Officer seeking approval to write off the amount of £10,005. On the 23<sup>rd</sup> December 2009, the Department of Culture Arts and Leisure provided approval for the write off.

## **21. Derivatives and other Financial Instruments**

FRS13 requires disclosure of the role which financial instruments have had during the period in creating or changing the risks the Sports Council faces in undertaking its role.

The Sports Council does not use financial instruments to manage financial risks associated with its underlying business activities and the financing of those activities. Nor does it undertake any trading activity in financial instruments.

## **22. Post Balance Sheet Event**

On the 23 April 2009 the courts granted an Order to terminate the SCNI Trust. The lease of the land at Tollymore Mountain Centre was transferred to Sports Council.

## **23. Sports Institute Northern Ireland**

The Sports Institute Northern Ireland is a 50%/50% joint venture between Sports Council and the University of Ulster. The company is limited by guarantee and the liability of the members is limited to £1 per member.

The core purpose of the Sports Institute Northern Ireland is ‘to create an environment that nurtures and leads High Performance athletes and coaches through the provision of facilities, services and expertise.’

The Sports Institute Northern Ireland’s accounting year end is the same as Sports Council and there are no material differences in accounting policies. The Sports Institute Northern Ireland obtains a majority of it’s funding via a Sports Council Lottery grant.

**ANNEX A**

**ACCOUNTS DIRECTION**

**SPORTS COUNCIL FOR NORTHERN IRELAND**

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF CULTURE ARTS AND LEISURE WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE AND PERSONNEL**

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year-end. Subject to this requirement the Sports Council for Northern Ireland shall prepare accounts for the financial year ended 31 March 2006 and subsequent financial years in accordance with:

- a. Government Financial Reporting Manual (FReM);
- b. other guidance which the Department of Finance and Personnel may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. any other specific disclosures required by the Department;

except where agreed otherwise with the Department of Finance and Personnel, in which case the exception shall be described in the notes to the accounts.

Signed by authority of the Department of Culture, Arts and Leisure

**PAUL SWEENEY**  
Permanent Secretary

**19 May 2006**



# **Report of the Comptroller and Auditor General**

## **Sports Council of Northern Ireland Financial Statements 2006-07**

### **Internal Fraud in the Sports Institute for Northern Ireland**

1. The Sports Institute for Northern Ireland is a company limited by guarantee and is a 50%/50% joint venture between the Sports Council of Northern Ireland and the University of Ulster. The accounts of the Sports Institute for Northern Ireland are consolidated with the accounts of the Sports Council of Northern Ireland to reflect the Sports Council's of Northern Ireland's ownership of 50% of the company.
2. During the period October 2005 to August 2006 a fraud took place within the Sports Institute for Northern Ireland. The fraud amounted to the theft of £75,041 from the Sports Institute for Northern Ireland. £14,587 related to the 2005-06 financial year and £60,454 to the 2006-07 financial year. The person responsible for the fraud was convicted of theft at Belfast Crown Courts in October 2007 and was sentenced to eighteen months in prison, suspended for two years. £65,036 has been recovered and, based on legal advice obtained by the Sports Institute of Northern Ireland on the fraud, the Sports Council of Northern Ireland has written to the Accounting Officer of the Department of Culture Arts and Leisure seeking approval to write off the outstanding amount of £10,005. The Department of Culture Arts and Leisure has given approval for the write off of the outstanding amount.
3. The Sports Council of Northern Ireland has drawn attention to this matter in Notes 18, 20 and 23 of the financial statements for 2006-07 and also in the Accounting Officer's Statement on Internal Control.
4. In my report on the Sports Council of Northern Ireland's accounts for 2005-06 I stated that I was examining this matter further and would report in more detail at a later stage. I have completed my examination and my report, NIA 49/08-09, was published on 19 November 2008.
5. Certificate of the 2006-07 accounts has take until now because of a delay in the preparation of the accounts, caused by a delay in the certification of the accounts of the Sports Institute for Northern Ireland. There has also been a delay in the clearance and agreement of this report. I expect the audit of the 2007-08 Sports Council accounts to be completed in the coming months.



**K J Donnelly  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
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**Date: 23 February 2010**

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