

Phoenix Sports Limited

Company number 3487652

Annual Report and Accounts 2009-2010

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

Ordered by the House of Commons to be printed on 29 June 2010

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ISBN: 9780102967081

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID: 2372815 07/10

Printed on paper containing 75% recycled fibre content minimum.

Phoenix Sports Limited
Financial Statements for the year ended 31 March 2010

CHAIRMAN'S STATEMENT

I am pleased to present the attached Directors' Report and financial statements for the year ended 31 March 2010.

This year has seen continued growth in activity at the English Institute of Sport Sheffield (EISS) ("the Centre") and Phoenix Sports Limited (PSL) is proud of the continued positioning of the Centre as a popular venue for community use as well as the home to a number of National Governing Bodies of Sport (NGBs)

The Centre continues to host the World Snooker Academy and the provision of world class facilities in this field saw the City of Sheffield awarded further years in hosting World Snooker events. Volleyball, Table Tennis, Judo, Netball and Athletics all run their full time elite programmes from the Centre. The British Amateur Boxing Association (BABA) has committed its elite programme to the centre until 2013 and the Minister for Sport opened a state-of-the-art boxing hall at EISS in May.

UK Athletics World Heptathlon Champion, Jessica Ennis, trains at EISS and capped a tremendously successful year by being voted into 3rd place in the BBC TV Sports Personality of the Year; this event was hosted for the first time at the Centre.

The Centre hosted a large number of highly successful events during the year including the English Amateur Snooker Finals, National Wheelchair event, International Volleyball, FA National Youth Futsal Festival, British Fencing National Championships, English Table Tennis Open and finally the UK Athletics Indoor championships which were also the trials for the World Championships. Many of these events were televised.

The Centre also received a "customer relations" award being judged the best in the Yorkshire and East Midlands region from some 100 sports and leisure centres, by national quality assurance body QUEST.

Schools use has continued to grow with the Centre operators working closely with County Sports Partnerships and School Sports Coordinators. Community use by young people has been boosted by a number of holiday programmes, sports days and sports camps. This included the North Actionnaires Inter-Club Athletics Competition for 120 blind and partially-sighted children aged between 4 and 16 years, The Arches Partnership Games attended by more than 1300 primary schoolchildren from 32 schools and English Table Tennis Association run coaching sessions as part of the PE curriculum for South Yorkshire school children.

Following a strategic review by Sport England, the Centre forms part of the National Sports Centres re-tendering procurement exercise for a long term management operator. This will ensure that the sporting outcomes of the National Sports Centres are aligned with the strategic objectives of Sport England, The PSL board is fully supportive of this exercise and the Board will play an instrumental role in the selection of the preferred operator in 2011.

Once again I would like to thank all the directors, colleagues and supporters of the company for their contribution during this year of progress for the company.

David Knight
Chairman

Date: 28 May 2010

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DIRECTORS' REPORT

The Directors present their report on the affairs of the Company together with the financial statements and auditor's report for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES OF PHOENIX SPORTS LIMITED

The Company, which was incorporated on 24 December 1997, is a company limited by guarantee. It was engaged in establishing the English Institute of Sport – Sheffield (EISS) (“the Centre”), to provide sports facilities and services for the use of the community and world-class athletes. The focus of the Company continues to be the operation and strategic direction of the Centre.

REVIEW OF ACTIVITIES

The Centre continues to be managed by Sheffield International Venues Ltd (SIV Ltd), with the relationship between Phoenix Sports Limited and SIV Ltd governed by contract and SIV Ltd paid a management fee. This management contract was initially extended for one year to 31 March 2010, however due to the National Sports Centre (NSC) procurement exercise, this contract has been further extended to March 2011, with contingency built in subject to the end of the procurement process.

RESULTS FOR THE YEAR

Total attendance at EISS for the year was 273,513 visits (246,689 in 2009) an increase of 11% on the previous year.

Following on from the launch of Sport England's strategic objectives of Grow, Sustain and Excel in June 2008, the performance of the Centre has been assessed against these objectives for the first time this year. This promotes alignment with the strategic objectives of the Parent Company with the sporting outcomes desired by the Company. Key achievements and outcomes for the Centre were:

- o GROW – a 7% increase in the number of visits made by gym members highlighting the strong ability of the Centre to not only retain, but increase the frequency of visits by their members. Growth has also occurred in junior and school usage figures (27% and 29% increases respectively); a direct result of successful school engagement strategies and junior coaching activities.
- o SUSTAIN – The number of clubs based at the Centre has been sustained, with an increase in attendance figures of 11%. Strong levels of casual usage have also been maintained at the Centre, with an increase of 10%, largely driven by increased access to open athletics sessions.
- o EXCEL – There has been an increase of 3% in coached activity at the Centre, which includes all venue based NGB programmes, use of the athletics arena, and venue led coached sessions. The SIV Athletics Academy has been particularly successful in this area, with EIS based athlete Jessica Ennis a strong contributor to this result.

The Company has invested £112,880 (2009: £12,793) in the Centre this year. The revenue running costs of the facility for the year funded by the Lottery revenue grant amounted to £577,321 (2009: £701,166). The Lottery revenue grant is significantly lower than last year arising out of cost reductions and an increase in the gain share received in the year.

LIKELY FUTURE DEVELOPMENTS and POST BALANCE SHEET EVENTS

The English Sports Council, as the sole member of the Company and the major provider of funds (both capital and revenue) through the Lottery Sports Funding Agreement, conducted a strategic review of all National Sports Centres (NSCs). Phoenix Sport Limited was party to this

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strategic review, the outcome of which will inform the next phase of operation of EISS. The review confirmed a strategic need for the NSCs and the development of four key strategic objectives for the NSCs. It is these strategic objectives which have consequently informed the NSC management contract procurement exercise, which is planned for completion in 2010.

DIRECTORS AND OFFICIALS

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

David Knight (Chairman)
Bernard Spittle OBE
Professor Peter Taylor
Anna Young
Professor Rhiannon Billingsley (resigned October 2009)
Guy Masterman (appointed November 2009)

The Company's Articles of Association state that the number of directors shall be seven. The Board in consultation with its Parent has developed an appointment process for its subsidiaries, with ratification to occur in 2010.

The Company Secretaries who served during the year were: -

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

REGISTERED OFFICE

3rd Floor
Victoria House
Bloomsbury Square
London WC1B 4SE

BANKERS

NatWest Commercial
1 St. Paul's Place
121 Norfolk Street
Sheffield, S1 2JF

SOLICITORS

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

AUDITOR

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

SOLE MEMBER

The English Sports Council

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DIRECTORS' RESPONSIBILITIES

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

Company Law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company at the year end and of the results of the company for that year. In preparing those financial statements, the directors are required to:

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

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

The directors are responsible for ensuring that, in all material respects, the income and expenditure of the Company have been applied in furtherance of the company's objectives and conform to the authorities that govern them.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

By Order of the Board

David Knight
Chairman

Date: 28 May 2010

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**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
TO THE MEMBERS OF PHOENIX SPORTS LIMITED**

I certify that I have audited the financial statements of Phoenix Sports Limited for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

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.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its deficit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

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Opinion on other matters

In my opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP
Date 11 June 2010

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PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2010

	Note	2010 £	2009 £
<u>INCOME</u>			
Lottery grant released	3	1,016,096	1,358,482
Yorkshire Forward grant released	4	14,266	14,266
Rental income		291,782	263,677
Gain share on management contract	6	108,580	78,615
		<hr/>	<hr/>
<u>TOTAL INCOME</u>		1,430,724	1,715,040
<u>EXPENDITURE</u>			
Staff Costs	5	3,304	3,654
Management contract	6	807,000	908,594
Administration costs	7	52,936	148,241
Lifecycle costs	8	114,557	-
Depreciation	9	631,927	963,884
		<hr/>	<hr/>
<u>TOTAL EXPENDITURE</u>		1,609,724	2,024,373
		<hr/>	<hr/>
<u>OPERATING DEFICIT</u>		(179,000)	(309,333)
Interest receivable	10	145	2,567
		<hr/>	<hr/>
<u>DEFICIT FOR THE YEAR BEFORE TAXATION</u>		(178,855)	(306,766)
Taxation (charge)/credit	11	(31)	14,464
		<hr/>	<hr/>
<u>DEFICIT FOR THE YEAR AFTER TAXATION</u>		(178,886)	(292,302)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2010

	Note	2010 £	2009 £
Deficit for the year		(178,886)	(292,302)
Unrealised (deficit) on revaluation of properties	15	(5,076,977)	(895,263)
		<hr/>	<hr/>
<u>Total recognised (losses)/gains relating to the year</u>		(5,255,863)	(1,187,565)
Prior year adjustment		-	(1,269,000)
		<hr/>	<hr/>
<u>Total recognised (losses)/gains since the last financial statements</u>		(5,255,863)	(2,456,565)

THE NOTES ON PAGES 9 TO 14 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Phoenix Sports Limited
Financial Statements for the year ended 31 March 2010

Company no. 3487652

BALANCE SHEET
As at 31 March 2010

	Note	2010 £	2009 £
<u>FIXED ASSETS</u>			
Tangible fixed assets	9a	27,532,483	33,128,507
Intangible fixed assets	9b	-	-
		<u>27,532,483</u>	<u>33,128,507</u>
 <u>CURRENT ASSETS</u>			
Debtors	13	18,457	87,455
Cash at bank		73,942	232,794
		<u>92,399</u>	<u>320,249</u>
 <u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	14	<u>(92,399)</u>	<u>(320,249)</u>
 <u>NET CURRENT ASSETS</u>			
		-	-
 <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		27,532,483	33,128,507
 <u>DEFERRED INCOME</u>			
Lottery grant	3	(19,007,074)	(19,332,969)
Yorkshire forward grant	4	(627,685)	(641,951)
		<u>(19,634,759)</u>	<u>(19,974,920)</u>
		<u>7,897,724</u>	<u>13,153,587</u>
 <u>FINANCED BY:</u>			
Reserves			
Revaluation reserve	15	7,897,724	13,153,587
Profit and Loss reserve	16	-	-
		<u>7,897,724</u>	<u>13,153,587</u>

The financial statements on pages 7 to 14 were approved by the Board of Directors and authorised for issue on 28 May 2010 and were signed on its behalf by:

David Knight
Chairman

DATE: 28 May 2010

THE NOTES ON PAGES 9 TO 14 FORM AN INTEGRAL PART OF THESE FINANCIAL
STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. A summary of the Company accounting policies, all of which have been applied consistently throughout the year, is set out below.

1.1 Basis of Accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of long leasehold Buildings.

1.2 Format of financial statements

Provision has been used, as contained in SI 2008 No. 410 The Large and Medium sized Companies and Group (Accounts and Reports) Regulations 2008, to present the Company's Profit and Loss account in a format more suitable to the nature of the Company. The method adopted which lists specific items of income and expenditure is considered to be more informative to the users of the financial statements.

1.3 Tangible Fixed Assets

Buildings are shown at valuation modified under Modified Historical Cost Accounting. The valuation method uses the Public Sector Building Non-Housing Tender Price Index and is based on Depreciated Replacement Cost (DRC). The DRC basis requires an open market valuation of the buildings for its existing use and an estimate of the gross current replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition and obsolescence. The latest full valuation, based on existing use value, was carried out on 31 March 2006 by the Valuation Office Agency. In accordance with FRS 15 full external valuations are carried out every five years. Impairment reviews have been conducted in accordance with FRS 11.

Equipment and IT software are shown at cost less depreciation.

Depreciation is provided on a straight line basis to write off the cost of the assets over their anticipated useful lives as follows:

Buildings	50 years
Equipment, IT Equipment and IT software	5 years

No depreciation is charged in the year of acquisition. A full year's depreciation is charged in the year of disposal.

1.4 Grants

Grants in respect of capital and revenue expenditure are credited to a deferred income account and are released to the profit and loss account to match them with the expenditure towards which they are intended to contribute.

1.5 Rental income

Rental income represents the invoiced value, net of Value Added Tax, of rents charged to tenants.

1.6 Taxation

The Company has agreed with HM Revenue and Customs that the Company operates on a not for profit basis for taxation purposes and accordingly taxation is only payable on interest receivable.

1.7 Gain share on management contract

Income from any gain share due on the management contract is recognised in arrears as the amount is not quantifiable at the date of The Board approving these accounts. This is shown separately in profit and loss account this year compared to previous years when the amount was netted within the management contract charge.

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1.8 Dividends

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

1.9 Lifecycle Costs

Lifecycle costs are those incurred on the maintenance and replacement of plant and equipment in the Centre. Replacement plant and equipment are capitalised in accordance with the stated accounting policy.

1.10 Cash flow statement

The company does not prepare a cash flow statement, as allowed under FRS 1, as it is a subsidiary company of The English Sports Council.

2 FUNDING

The majority of the company's activities are funded by

- grants receivable from the Lottery Sports Fund of the English Sports Council; and
- grants from the Regional Development Agency (Yorkshire Forward)

3 LOTTERY GRANT RECEIVED FROM THE ENGLISH SPORTS COUNCIL

	2010	2009
	£	£
Deferred Income at 1 April	19,332,969	19,977,492
Revenue grant receivable	577,321	701,166
Capital grant receivable	112,880	12,793
Grant released to profit and loss account in respect of		
Depreciation	(438,775)	(657,316)
Operating costs	<u>(577,321)</u>	<u>(701,166)</u>
	<u>(1,016,096)</u>	<u>(1,358,482)</u>
Deferred Income at 31 March	<u>19,007,074</u>	<u>19,332,969</u>
Operating costs comprise		
Management contract	807,000	908,594
Administration costs	56,240	151,895
Lifecycle Costs	114,557	-
Rental income	(291,782)	(263,677)
Gain share on management contract	(108,580)	(78,615)
Interest receivable	(145)	(2,567)
Taxation charge / (credit)	<u>31</u>	<u>(14,464)</u>
	<u>577,321</u>	<u>701,166</u>

4 YORKSHIRE FORWARD GRANT

	2010	2009
	£	£
Balance at 1 April	641,951	656,217
Release to profit and loss account	<u>(14,266)</u>	<u>(14,266)</u>
Balance at 31 March	<u>627,685</u>	<u>641,951</u>

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5 STAFF COSTS

Emoluments received by the Directors are set out below:

	2010 £	2009 £
Consultancy services provided by the Chairman	2,600	3,100
Expenses paid to the Chairman and other Directors	704	554
	<u>3,304</u>	<u>3,654</u>

The only staff employed by the Company during the year ended 31 March 2010 were the 5 Directors (2009: 7).

The day to day management of the Centre occurs through the management contact with Sheffield International Venues Ltd. The Company receives services (accountancy, company secretarial, property management and legal) from its Parent Company, The English Sports Council, which is not directly recharged but is covered within the revenue grant received referred to in Note 3.

The payments for the Chairman's services are made to a third party, DJK Leisure Ltd, of which the Chairman is a Director.

6 MANAGEMENT CONTRACT

The management contract, £807,000 for the year ended 31 March 2010 (2009: £908,594) is with Sheffield International Venues Ltd., whose Parent Company is Sheffield City Trust. The annual value of the contract is negotiated in advance and payable in equal quarterly instalments. The terms of the contract allow for the Company to receive, if applicable, a gain share that may arise from the facility income. As this calculation is not available before these accounts are approved by The Board the accounting policy is to account for any applicable gain share in arrears. Therefore the gain share of £108,580 included in these accounts for 2010 relates to the year ended 31 March 2009.

7 ADMINISTRATION COSTS

	2010 £	2009 £
Administration costs include		
Auditor's remuneration	13,500	7,500
Insurance	68,307	72,695
Rates (refund) / charge	(70,403)	31,196
Consultancy costs	17,876	27,058
Other costs	23,656	9,792
	<u>52,936</u>	<u>148,241</u>

The Auditors have not received any remuneration for non-audit work during the year ending 31 March 2010 (2009: Nil). The fees for 2010 comprise £8,000 for the 2010 financial statements plus additional fees for 2009.

8 LIFECYCLE COSTS

	2010 £	2009 £
Lifecycle Costs	<u>114,557</u>	<u>-</u>

For the first time since the Centre was opened we have had to apply for lottery grant to fund a lifecycle cost programme to take into account business critical needs. This programme also resulted in additions to fixed assets to the value of £131,285.

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9a TANGIBLE FIXED ASSETS

	Buildings £	Equipment £	IT Equipment £	Total £
<u>Cost/Valuation</u>				
At 1 April 2009	36,783,647	1,177,786	50,547	38,011,980
Additions	37,096	65,897	9,887	112,880
Disposals	-	(710,754)	(43,311)	(754,065)
Revaluations	(5,644,052)	-	-	(5,644,052)
At 31 March 2010	<u>31,176,691</u>	<u>532,929</u>	<u>17,123</u>	<u>31,726,743</u>
<u>Depreciation</u>				
At 1 April 2009	3,678,365	1,154,561	50,547	4,883,473
Disposals	-	(710,754)	(43,311)	(754,065)
Provided in year	622,258	9,669	-	631,927
Revaluations	(567,075)	-	-	(567,075)
At 31 March 2010	<u>3,733,548</u>	<u>453,476</u>	<u>7,236</u>	<u>4,194,260</u>
Net book value at 31 March 2010	<u>27,443,143</u>	<u>79,453</u>	<u>9,887</u>	<u>27,532,483</u>
Net book value at 31 March 2009	<u>33,105,282</u>	<u>23,225</u>	<u>-</u>	<u>33,128,507</u>

During the year the Buildings were revalued in accordance with the Public Sector Building Non-Housing Tender Price Index under Modified Historical Cost Accounting. The historical cost of Buildings at 31 March 2010 was £22,788,909 (£23,430,094 at 31 March 2009).

Additions to fixed assets comprise items from the Lifecycle cost programme (Note 8) £131,285, and other items of £8,295 less £26,700 for VAT relief under the capital goods scheme.

9b INTANGIBLE FIXED ASSETS

	IT Software £	Total £
<u>Cost/Valuation</u>		
At 1 April 2009	33,210	33,210
Disposals	(29,710)	(29,710)
At 31 March 2010	<u>3,500</u>	<u>3,500</u>
<u>Depreciation</u>		
At 1 April 2009	33,210	33,210
Disposals	(29,710)	(29,710)
Provided in year	-	-
At 31 March 2010	<u>3,500</u>	<u>3,500</u>
Net book value at 31 March 2010	<u>-</u>	<u>-</u>
Net book value at 31 March 2009	<u>-</u>	<u>-</u>

10 INTEREST RECEIVABLE

	2010 £	2009 £
Interest receivable represents the income at full market rates on temporary cash surpluses:		
Bank interest	<u>145</u>	<u>2,567</u>

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11 TAXATION

	2010 £	2009 £
Corporation tax @ 21% (2009: 21%)	(31)	(539)
Adjustment for prior years - credit	-	15,003
Taxation (charge) / credit	<u>(31)</u>	<u>14,464</u>

12 COMMITMENTS

The Company had no commitments as at 31 March 2010 (2009: Nil)

13 DEBTORS

	2010 £	2009 £
Trade debtors	-	32,031
Value added tax	18,457	37,738
Prepayments	-	17,686
	<u>18,457</u>	<u>87,455</u>

14 CREDITORS

	2010 £	2009 £
Trade creditors	9,745	15,525
The English Sports Council	402	402
The English Sports Council – lottery grant	73,258	284,145
Caversham Lakes Trust Limited	200	200
Taxation	31	539
Accruals	8,763	19,438
	<u>92,399</u>	<u>320,249</u>

15 REVALUATION RESERVE

	2010 £	2009 £
Balance at 1 April	13,153,587	14,341,152
Revaluation of Land & Buildings	(5,076,977)	(895,263)
Release to profit and loss reserve (note16)	(178,886)	(292,302)
Balance at 31 March	<u>7,897,724</u>	<u>13,153,587</u>

16 PROFIT AND LOSS RESERVE

	2010 £	2009 £
Balance at 1 April	-	-
(Deficit) for year	(178,886)	(292,302)
Transfer from revaluation reserve	178,886	292,302
Balance at 31 March	<u>-</u>	<u>-</u>

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17 PENSION COSTS

The Company neither operates a pension scheme nor makes contributions to private pension schemes of its directors or employees.

18 LEASE

Phoenix Sports Limited has entered into a lease with Sheffield City Council to occupy and run the English Institute of Sport – Sheffield. The lease lasts for 150 years from July 2003 with a peppercorn rent being charged. The lease consists of a lease on the land on which the facility is built and is deemed to be an operating lease with no capital value. Details of the buildings that the Company has built on this land are set out in Note 9a.

19 TRANSACTIONS WITH RELATED PARTIES

The Company has transacted with the member organisations, and these transactions are summarised below. All these transactions have been undertaken at arms length on the basis of normal commercial considerations.

	Expenditure/ (income) included in the financial statements 2010 £	Amount owed/(owing) at 31 March 2010 £	Expenditure/ (income) included in the financial statements 2009 £	Amount owed/(owing) at 31 March 2009 £
Sheffield City Council (Rates)	(70,403)		31,196	-
Sheffield International Venues Limited				
Management Contract	807,000		908,594	-
Gain share	(108,580)		(78,615)	-
 The English Sports Council National Lottery Distribution Fund	 (690,201)	 (73,258)	 (713,959)	 (284,145)

The Company has transactions with its Parent Company The English Sports Council. In accordance with Financial Reporting Standard 8 para 3(c), the Company adopts the exemption for disclosure of transactions between members of the Group.

The chairman is a director of DJK Leisure Ltd to whom payments were made of £2,600 for consultancy services as set out in Note 5. The company has no other transactions with DJK Leisure Ltd.

20 ULTIMATE PARENT BODY

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

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



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