

Caversham Lakes Trust Limited

Company number 4290188

[A subsidiary company of The English Sports Council]

Annual Report and Accounts 2008-2009

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

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Caversham Lakes Trust Limited
Financial Statements for the year ended 31 March 2009

CHAIRMAN'S STATEMENT

I am pleased to present the attached directors' report and financial statements for the year ended 31 March 2009.

The Redgrave-Pinsent Rowing Lake facility has continued to grow over the past year and has provided a world class training venue with a winning culture for our elite rowers. This has resulted in success on both the World and Olympic stage.

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: 15 June 2009

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 2009.

PRINCIPAL ACTIVITIES OF CAVERSHAM LAKES TRUST LIMITED

Caversham Lakes Trust Limited (the "Company") is a company limited by guarantee, of which the English Sports Council ("ESC") is the sole member. The Company was incorporated on 19th September 2001 to construct facilities as part of an overall plan to develop specialist facilities in England to support and promote elite athletes in England, the Caversham site being designated as part of the English Institute of Sport network.

The objects of the Caversham Lakes Trust Limited are set out in the Memorandum of Association and may be summarised as follows :-

The provision of and the granting of access to dedicated facilities at Caversham for rowing and canoeing as part of the English Institute of Sport network for athletes and coaches of athletes;

The support of county and regional clubs, schools, universities and other sporting organisations in the locality to achieve higher standards in sport;

The co-ordination of support programmes for athletes with the governing bodies of the relevant sports, the ESC and other national and regional bodies including the UK Sports Council and the other Home County Sports Councils of the United Kingdom; and

The encouragement of financial support from the corporate sector to supplement that provided by the public sector and other funding sources.

The Registered address is 3rd Floor Victoria House, Bloomsbury Square, London WC1B 4SE

REVIEW OF ACTIVITIES

The rowing lake and the Boathouse were officially opened on 29th April 2006 and it continues to provide the South East with a world-class training venue for future British Olympic rowers. It is situated within a short distance of Eton College Dorney Lake, the chosen host venue for rowing at the London 2012 Olympic and Paralympic Games. Caversham Lake was developed as the ARAs top strategic priority as the national centre for rowing and has been leased to the Amateur

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Rowing Association as a high level training venue.

The Amateur Rowing Association has been operating the site for two years and has planned the use of the lake up to London 2012.

RESULTS FOR THE YEAR

Redgrave-Pinsent Rowing Lake has been instrumental in assisting the ARA to develop both its talent pool and create a winning culture, which has been evidenced by recent successes at both the World and Olympic Games. Results achieved at world level over the last two years have improved; 10 of 12 boats qualified and finished in the top 6 at Beijing, better than any other of the competing nations.

Usage of the lake has continued to grow over the last two years, and the ARA are now turning away elite rowers who do not meet the qualifying times required to train at Caversham. Paralympic rowing is a new event which has placed further usage demands on the lake. The growing demand on the lake is expected to continue with the desire to improve upon the medal performances at World events at all levels building upon the success of Beijing in the lead up to London 2012.

The Company has invested £421,612 during 2008-09, of which £403,916 has been gifted by Sport England, in improvement works to the Redgrave-Pinsent Rowing Lake facility. The banks of the bund along the entire 2.1km length of the training road are being reinforced using specialist concrete blocks with the facility to inlay topsoil and plant suitable grass to recreate the previous grassy bank appearance, in keeping with the local environment

LIKELY FUTURE DEVELOPMENTS and POST BALANCE SHEET EVENTS

The English Sports Council, as sole member of the Company and the major provider of funds through Lottery Grants, is considering a review of all its projects and properties. Caversham Lakes Trust Limited is party to this strategic review, the outcome of which will inform the next phase of the Company.

Review of access arrangements to the lake is currently being considered based upon the ARAs experience of operating the lake over the last two years. Priority use of the lake will continue to be given to the ARA World class Olympic and Paralympic elite rowers and any change will have to conform to competency, attitude and safety requirement stipulated by the ARA as a condition of use.

DIRECTORS AND OFFICIALS

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

David Knight (Chairman)
Brian Armstrong
Michael Hart
Peter Weiss

The Company Secretary who served during the year was Sharon Coles

All nominations to the Board for the appointment of Directors and of the Company Secretary are made by the English Sports Council.

The English Sports Council appoints the Chair.

BANKERS

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

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

SOLICITORS

Moorhead James
Kildare House
3 Dorset Rise
London EC4Y 8EN

AUDITORS

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

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

RELATED PARTIES

The English Sports Council is the principal related party with the Company (see note 16).

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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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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: 15 June 2009

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**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF
CAVERSHAM LAKES TRUST LIMITED**

I certify that I have audited the financial statements of the Caversham Lakes Trust Limited for the year ended 31 March 2009 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the directors and auditor

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Directors' Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I report to you whether, in my opinion, the information given in the Directors' Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Basis of audit opinions

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

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

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Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS
Date 22 June 2009

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PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2009

<u>INCOME</u>	Note	2009 Total £	2008 Total £
Income from rowing facility	3	15,223	35,099
Lottery grant released	12	38,720	14,764
Donated asset reserve released	14	<u>4,106</u>	<u>-</u>
<u>TOTAL INCOME</u>		<u>58,049</u>	<u>49,863</u>
 <u>EXPENDITURE</u>			
Audit fees	7	6,000	5,970
Consultancy fees		8,475	6,694
Insurance		5,223	-
Other expenditure		506	436
Loss on revaluation of fixed assets		1,812	-
Depreciation	8	<u>45,145</u>	<u>39,968</u>
<u>TOTAL EXPENDITURE</u>		<u>67,161</u>	<u>53,068</u>
<u>OPERATING (DEFICIT)</u>		<u>(9,112)</u>	<u>(3,205)</u>
Interest receivable	6	<u>195</u>	<u>726</u>
<u>(DEFICIT) FOR THE YEAR BEFORE TAXATION</u>		<u>(8,917)</u>	<u>(2,479)</u>
Taxation credit	5	<u>29</u>	<u>2,479</u>
<u>(DEFICIT) FOR THE YEAR AFTER TAXATION</u>		<u>(8,888)</u>	<u>-</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2009

		2009 £	2008 £
Deficit for the year		(8,888)	-
Unrealised (deficit)/surplus on revaluation of properties	8	<u>(275,924)</u>	<u>822,168</u>
<u>Total recognised (losses)/gains relating to the year</u>		<u>(284,812)</u>	<u>822,168</u>

THE NOTES ON PAGES 9 TO 13 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Caversham Lakes Trust Limited
Financial Statements for the year ended 31 March 2009

BALANCE SHEET
As at 31 March 2009

	Note	2009 £	2008 £
<u>FIXED ASSETS</u>			
Tangible assets	8	10,806,380	10,705,837
		10,806,380	10,705,837
<u>CURRENT ASSETS</u>			
Debtors	10	7,942	11,750
Cash at bank		24,031	26,183
		31,973	37,933
<u>CURRENT LIABILITIES</u>			
Amounts falling due within one year			
Creditors	11	12,934	11,622
		19,039	26,311
<u>NET CURRENT ASSETS</u>			
		10,825,419	10,732,148
<u>DEFERRED INCOME</u>			
Lottery grant	12	9,278,623	9,320,796
		1,546,796	1,411,352
<u>FINANCED BY:</u>			
<u>RESERVES</u>			
Profit and loss reserve	13	19,039	-
Donated asset reserve	14	440,866	42,142
Revaluation reserve	15	1,086,891	1,369,210
		1,546,796	1,411,352

The financial statements on pages 7 to 13 were approved by the Board of Directors and authorised for issue on 15 June 2009 and were signed on its behalf by:

David Knight
Chairman

DATE: 15 June 2009

These accounts have been audited under the Government Resource and Accounts Act 2000, and are therefore exempt from the requirements of section 475 of the Companies Act 2006

THE NOTES ON PAGES 9 TO 13 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Caversham Lakes Trust Limited
Financial Statements for the year ended 31 March 2009

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 1985. 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 under the historical cost convention, modified by the revaluation of Freehold Land and Buildings.

1.2 Format of the Profit and Loss Account

Provision has been used, as contained in Schedule 4 of The Companies Act 1985, 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

Freehold land and 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 land and buildings for its existing use and an estimate of the gross current replacement cost of the land and 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 Financial Reporting Standard 11.

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

Freehold buildings - 50 years

Bund - 10 years

Land - Indefinite life and is therefore not depreciated

Buildings came into service in 2006/07. No depreciation is charged in the year of acquisition. A full years 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 Gifted Assets

Assets gifted from the Parent Company, The English Sports Council, are added to the carrying value of tangible fixed assets and are credited to a Donated asset reserve.

1.6 Rental income

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

1.7 Taxation

The Company is in the process of agreeing with HM Customs and Excise that the Company operates on a not for profit basis for taxation purposes and accordingly taxation is only payable on interest receivable.

1.8 Dividends

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

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2 FUNDING

The company receives Lottery Funding from The English Sports Council Lottery Fund and receives gifted assets from The English Sports Council Exchequer account.

3 OTHER INCOME

	2009	2008
	£	£
Rental income	10,000	12,500
Tenant recharges	5,223	22,599
	15,223	35,099

4 STAFF COSTS

	2009	2008
	£	£
Consultancy services provided by the Chairman	1,300	-
Expenses paid to the Chairman and other Directors	144	155
	1,444	155

The only staff employed by the Company during the year ended 31 March 2009 were the 4 Directors (2008: 4).

The Company receives services (accountancy, company secretarial, and property management) from its Parent Company, The English Sports Council. Consultancy services provided by the Chairman of £400 and expenses paid to the Chairman and other Directors of £127 for the year ended 31 March 2008 were paid for by The English Sports Council and not recharged.

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

5 TAXATION

	2009	2008
	£	£
Corporation tax @21% (2008: 20%)	41	-
Adjustment for prior years – credit	(70)	(2,479)
	(29)	(2,479)

6 INTEREST RECEIVABLE

Interest receivable represents the income at full market rates on temporary cash surpluses:

	2009	2008
	£	£
Bank interest	195	726

7 AUDIT FEES

	2009	2008
	£	£
Audit fees	6,000	5,970

The Auditors have not received any remuneration for non-audit work during the year ending 31 March 2009 (2008: £1,250).

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8	TANGIBLE FIXED ASSETS			
		Freehold Land £	Freehold Buildings £	Total £
	Cost/Valuation			
	1 April 2008	8,634,953	2,110,852	10,745,805
	Additions	-	17,696	17,696
	Assets gifted by English Sports Council	-	403,916	403,916
	Revaluations	(222,550)	(54,404)	(276,954)
	At 31 March 2009	<u>8,412,403</u>	<u>2,478,060</u>	<u>10,890,463</u>
	Depreciation			
	1 April 2008	-	39,968	39,968
	Charge for year	-	45,145	45,145
	Revaluations	-	(1,030)	(1,030)
	At 31 March 2009	<u>-</u>	<u>84,083</u>	<u>84,083</u>
	<u>Net book value at 31 March 2009</u>	<u>8,412,403</u>	<u>2,393,977</u>	<u>10,806,380</u>
	<u>Net book value at 31 March 2008</u>	<u>8,634,953</u>	<u>2,070,884</u>	<u>10,705,837</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 Historic cost of Land & Buildings as at 31 March 2009 is £9,350,337 (2008: £9,334,453)

9 COMMITMENTS

The Company had no commitments as at 31 March 2009 (2008: Nil)

10 DEBTORS

	2009	2008
	£	£
Rental income	5,875	11,750
The English Sports Council	1,867	-
Phoenix Sports Limited	200	-
	<u>7,942</u>	<u>11,750</u>

11 CREDITORS

	2009	2008
	£	£
Amounts falling due within one year		
Trade creditors	1,670	-
Corporation tax	41	-
The English Sports Council	-	1,902
The Sports Council Trust Company	5,223	-
Accruals	6,000	9,720
	<u>12,934</u>	<u>11,622</u>

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12 **LOTTERY GRANT FROM THE ENGLISH SPORTS COUNCIL**

	2009	2008
	£	£
Deferred grant brought forward 1 April 2008	9,320,796	9,335,560
Adjustment transferred to profit and loss reserve (note 13)	(18,634)	-
Grant received	15,181	-
Grant released to profit and loss account	(38,720)	(14,764)
Deferred Grant carried forward 31 March 2009	<u>9,278,623</u>	<u>9,320,796</u>

The Lottery grant relates to the funding of the Caversham Lake facility. The total of the Lottery grant is £12,956,665.

13 **PROFIT AND LOSS RESERVE**

	2009	2008
	£	£
Balance brought forward 1 April 2008	-	-
(Deficit) for the year	(8,888)	-
Release from revaluation reserve	4,131	-
Revaluation adjustment	5,162	-
Release of lottery grant from Deferred Income	18,634	-
Balance carried forward 31 March 2009	<u>19,039</u>	<u>-</u>

14 **DONATED ASSET RESERVE FROM THE ENGLISH SPORTS COUNCIL**

	2009	2008
	£	£
Balance brought forward 1 April 2008	42,142	-
Donated by The English Sports Council	403,916	42,142
Revaluation	(1,086)	-
Release to the profit and loss account	(4,106)	-
Balance carried forward 31 March 2009	<u>440,866</u>	<u>42,142</u>

15 **REVALUATION RESERVE**

	2009	2008
	£	£
Balance brought forward 1 April 2008	1,369,210	547,042
(Decrease)/ increase for the year	(273,025)	822,168
Release to the profit and loss reserve	(4,132)	-
Revaluation adjustment	(5,162)	-
Balance carried forward 31 March 2009	<u>1,086,891</u>	<u>1,369,210</u>

16 **ULTIMATE PARENT BODY**

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

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

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17 TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with its Parent Company The English Sports Council which are set out in notes 13 and 14.

In accordance with Financial Reporting Standard 8 para 3(c), the Company adopts the exemption for disclosure of transactions between members of the Group.

18 CONTINGENT LIABILITIES

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

19 SECURITY

The English Sports Council has been granted a mortgage debenture dated 21 December 2006 incorporating a charge over all the present and future assets of the Company.



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