

WINNING SCOTLAND FOUNDATION

WINNING SCOTLAND FOUNDATION
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

Scottish Charity Number: SC036451
Company Number: SC283771

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WINNING SCOTLAND FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended 30 June 2012

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WINNING SCOTLAND FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION **For the Year Ended 30 June 2012**

Legal and Administrative Information

Charity name:	Winning Scotland Foundation
Scottish charity registration number:	SC036451
Company registration number:	SC283771
Registered office (and Operational address)	6-8 Dewar Place Lane Edinburgh EH3 8EF

Management Committee

Mr A W Gray (Chair)	
Mr J R Beattie	
Lady Gammell	
Sir W B B Gammell	
Mr G Henderson	(Appointed 6 September 2012)
Ms M Allison	(Appointed 6 September 2012)
Mr A M J Little	
Mr A M Pert	
Ms C Tennant	
Mr S J Thomson	
Mr L J Whitelaw	(Resigned 8 March 2012)
Mr M I Whittingham	(Resigned 8 March 2012)

Secretary

Geoghegans, Chartered Accountants

Senior Management Team

Mr A W Gray, Executive Chairman
Mrs S Jackson, Senior Director
Ms M Arnot, Senior Director

Auditors

Geoghegans
Chartered Accountants
6 St. Colme Street
Edinburgh
EH3 6AD

Bankers

Adam & Company plc
22 Charlotte Square
Edinburgh EH2 1AF

Solicitors

MacRoberts LLP
Excel House
30 Semple Street
Edinburgh EH3 8BL

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE

For the Year Ended 30 June 2012

The Management Committee presents its report and audited financial statements for the year ended 30 June 2012.

All members of the Management Committee are directors for the purposes of company law and are also the trustees for the purposes of charity law; however, we refer to these individuals as members of the Management Committee throughout the Annual Report.

Structure, Governance and Management

Company Status

The company is limited by guarantee. The guarantors are:

	Value £
Mr A W Gray	1
Mr J R Beattie	1
Lady Gammell	1
Sir W B B Gammell	1
Mr G Henderson	1
Ms M Allison	1
Mr A M J Little	1
Mr A M Pert	1
Ms C Tennant	1
Mr S J Thomson	1

Governing Documents

The governing documents of the charitable company are the Memorandum of Association and Articles of Association registered at Companies House, Edinburgh, on 25 April 2005.

Recruitment and Appointment of Management Committee

Individuals appointed to the Management Committee are recognised as experts in their individual fields of endeavor. Further appointments to the Management Committee are at the discretion of the Committee as constituted at the date of this report.

Management Committee Induction and Training

Newly appointed members of the Management Committee are subject to a formal induction process as part of the terms of their appointment. This process involves a briefing from the Chair and an operational overview from the Senior Management Team.

Members of the Management Committee

The members of the Management Committee, who are trustees for the purposes of charity law and directors of Winning Scotland Foundation for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued) For the Year Ended 30 June 2012

Risk Management

The members of the Management Committee have considered the risks to which the charitable company and its subsidiary company, In the Winning Zone Limited, are exposed and the systems in place to manage these and consider the systems currently in place to be adequate to mitigate those risks.

Organisational Structure

Board meetings, which are held at least quarterly, have full strategic decision-making responsibility. All members of the Management Committee are entitled to attend these meetings.

A Board Finance Group has now also been established with responsibility for finance and related governance matters.

The charitable company has also established an Advisory Board. This Board is composed of individuals who have the experience and passion to reshape and inspire the way Scotland performs as a nation. The members of this Board at the date of this report, in addition to the members of the Management Committee, are:

Dr Ali Afshar
Mr Angus Cockburn
Dr Frank Dick OBE
Professor Carol Dweck
Mr Richard Emanuel MBE
Mr Douglas Flint
Mr Martin Gilbert
Mrs Mary Grant
Mr Colin Grassie
Dr Michael Gray OBE
Ms Hazel Irvine
Mr Kenny Kemp
Professor Gordon Mackay
Ms Judy Murray
Sir Craig Reddie CBE
Ms Shirley Robertson OBE
Mr Mike Whittingham
Mr Lindsay Whitelaw

The Foundation Advisory Board, which meets at least annually, operates as a forum for sharing knowledge, discussing new ideas and creating new initiatives, all of which add value to the existing programs of the charitable company.

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued) For the Year Ended 30 June 2012

Objectives and Activities

The charitable company's objectives and principal activities are:

- The advancement of education;
- To instruct research into the culture of winning, increased achievement and/or excellence and make available to the public the results of such research;
- To foster the advancement of education; and
- To foster the advancement of health and amateur sport and/or public participation in sport,

and thereby bring about a culture of winning, increased achievement and/or excellence in the wider community throughout Scotland.

The subsidiary company, In the Winning Zone Limited's principal activity was to serve as an investment vehicle for the investment in The Winning Game LLP. Following the dissolution of the LLP, which was formally completed on 21 September 2012, the Management Committee subsequently also agreed to dissolve the subsidiary undertaking.

Achievements and Performance

The Foundation wants all young people to reap the benefits of being involved in sport – for their health, their education and to increase their ability to succeed in sport and in life.

The dates of this report cover the seventh full year of the charitable company's operations. The most significant achievements during the year were:-

Communication & Influence

- We have built our relationship with Scottish Government (SG) to the point where the Minister for Commonwealth Games and Sport attended and addressed the Advisory Board (September 2011) and we were successful in gaining further funding support for 2012-2015 for SG.
- Re-developed the website in line with our refreshed strategy;
- Launched on Twitter @WinningScotland
- Commissioned and delivered a new video and brochure in line with strategy refresh both which were produced in time to support a major awareness raising event held for the Foundation by Deutsche Bank;

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued)

For the Year Ended 30 June 2012

Programme Growth

- The national rollout of PCS, in partnership with sportscotland, continues to progress, with 29 of the 32 Scottish local authorities now committed to implementation, with the remainder planned by March 2013.

Through the activation of the government's sponsorship of the Communities Cup, PCS was successfully delivered within professional football. The PCS programme has made great progress into Scottish Rugby within the first year of delivery. 25 clubs have been engaged, with seven clubs achieving PCS accreditation.

- Champions in Schools programme for 2011-12 has delivered 330 workshops to 111 schools across 12 Scottish local authorities. The programme has been well received, with strong media coverage, positive feedback and evaluation data collected.
- Work Out For Sport commenced the next stage of its development during the year. A new corporate partner, Maclay Murray & Spens, was secured, joining the founding partner, Deloitte, in providing volunteers to support to sports clubs and governing bodies across Scotland.

New Ideas & Innovation

- Two pilot projects commenced during the year, one in the North Glasgow Housing Association area (NGHA) and one in North Lanarkshire.

The North Lanarkshire project has focused on early years and local access to both formal and informal types of physical activity and sport. Special attention has been placed on a detailed mapping of two areas of regeneration – one in Motherwell and one in Airdrie – focusing on the nursery-to-primary transition and the role of parents and teachers.

During the year the Foundation has supported NGHA to develop an ambition to make sport accessible and attractive to its tenants and build community capacity to run and access local provision and clubs. This has brought resources together from all partners to develop the 'North Glasgow Games' project, which has gained accreditation as a legacy project for 2014.

Financial review

Despite the continued challenge of the current economic environment, Winning Scotland Foundation has strengthened its reserves position during the year to 30 June 2012. This was achieved through the continued support from a highly committed donor base, increased partnership funding and its continued prudent approach to expenditure during the year to June 2012 with all commitments being fully matched by raised income.

An annual future funding target of £900,000 has been set.

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued) For the Year Ended 30 June 2012

Principal funding sources

The principal donor during the year under review was the Scottish Government.

Further donations were received from private individuals, charitable bodies, corporate and public sector partners.

Investment policy

The goal of the charitable company is to invest in projects which further the organisation's aims as outlined above. The complexity of achieving lasting cultural change necessitates a strategic, long-term approach. Notwithstanding this, the charitable company may, at its discretion, invest in projects with a shorter delivery timescale where the outcomes are assessed to be congruent with its overall long term aims.

Generally the charitable company has a policy not to hold shares on a long term basis and therefore where donations of shares are received, for example, such shares are to be sold as soon as practicable. This policy may be over-ridden, at the discretion of the Board (delegated to Board Finance Group), where there are reasonable grounds to expect a favourable movement in price and the risk of crystallising a loss against market value on transfer of ownership to Winning Scotland Foundation is fully underwritten.

Reserves Policy

The board members have reviewed the requirements of the charitable company and consider that a balance of unrestricted funds should equate to at least three months full operating costs for the organisation, which would enable the charitable company to continue the current activities should a significant shortfall in funds occur.

The charitable company will build on this existing level through careful management of expenditure and also through increased fundraising for general funds. The board members are aware that this is a long term target and will work hard to achieve this.

Plans for future periods

We recognise the special opportunity afforded by the legacy from the London 2012 Olympic and Paralympic Games, and the potential additional impact of the Commonwealth Games in Glasgow in 2014, as well as that city's bid to host the 2018 Youth Olympic Games. This optimism is tempered by recognition of an external environment that includes:

- a challenging economic climate
- record levels of unemployment, especially among young people
- persistent societal changes that see increasing obesity, low levels of physical activity and lack of confidence and aspiration in a large portion of our children and young people.

Reflecting on our model of operation in light of the external and internal drivers of change we are highly reliant on influencing others and working in partnership to deliver programmes and projects to bring about changes in approach and culture.

Our future plans focus on growing the best elements of our programmes and projects while increasing the understanding of our vision through effective communications and campaigning. We must secure on-going support and new investment from partners and funders to ensure the successful delivery of the plan for 2012-13.

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued) For the Year Ended 30 June 2012

Our key objectives to be delivered by June 2013

- To secure our income target of £900,000 for the year.
- To run a communications campaign on a key issue relating to young people in Scotland being the best they can be, that results in greater awareness of the Foundation and its work;
- To grow and establish a level of improved sustainability for our core programmes by working closely with key partners;
- To pilot parental messaging programme in early years building on our proven PCS model, that differentiates our approach strongly from other organisations;
- To create a training and development process for all staff that matches the values of the Foundation and improves their performance;
- Continue to identify and execute efficiency savings in our cost base.

Management Committee Responsibilities

The Management Committee (who are trustees for the purposes of charity law and also directors of Winning Scotland Foundation for the purposes of company law) are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Management Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Management Committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

To the knowledge and belief of each member of the Management Committee at the time the report is approved:

- so far as each member of the Management Committee is aware, there is no relevant information of which the charitable company's auditor is unaware, and
- each member of the Management Committee has taken all the steps that he/she ought to have taken as a member of the Management Committee in order to make himself/herself aware of any relevant audit information, and to establish that the charitable company's auditor is aware of the information.

WINNING SCOTLAND FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE (continued)
For the Year Ended 30 June 2012

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Management Committee on 11th December 2012 and signed by order of the Board by



Mr A W Gray
Director

WINNING SCOTLAND FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND THE TRUSTEES For the Year Ended 30 June 2012

We have audited the financial statements of Winning Scotland Foundation for the year ended 30 June 2012 which comprise the Consolidated and parent charitable company's Statement of Financial Activities, Consolidated and parent charitable company's Balance Sheet, 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Management Committees' Responsibilities statement, the Management Committee (who are trustees for the purposes of charity law and who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Management Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

WINNING SCOTLAND FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES For the Year Ended 30 June 2012

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 June 2012 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Management Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Management Committee.


Michael Crerar CA (Senior Statutory Auditor)
for and on behalf of Geoghegans

**Chartered Accountants
Statutory Auditor**

11 December 2012

6 St. Colme Street
Edinburgh
EH3 6AD

Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

WINNING SCOTLAND FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

For the Year Ended 30 June 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations and grants	2	481,250	359,878	841,128	626,168
Investment income:					
Interest received		533	-	533	648
Dividends received		48,000	-	48,000	-
Other incoming resources:					
Proceeds from sale of asset	9	50	-	50	-
Total incoming resources		<u>529,833</u>	<u>359,878</u>	<u>889,711</u>	<u>626,816</u>
Resources expended					
Costs of generating voluntary income	3	29,604	-	29,604	28,312
Charitable activities	3	417,868	326,160	744,028	553,727
Governance costs	3	7,724	-	7,724	9,032
Total resources expended		<u>455,196</u>	<u>326,160</u>	<u>781,356</u>	<u>591,071</u>
Net incoming resources before transfers and other recognised gains and losses		74,637	33,718	108,355	35,745
Transfers between funds	14	1,560	(1,560)	-	-
Realised loss on disposal of investments	10	(52,401)	-	(52,401)	-
Share of operating loss of Joint Venture	10	-	-	-	(2,426)
Write back share of loss on Joint venture	10	1,280	-	1,280	-
Statement of Total Recognised Gains and Losses					
Net income for the year		25,076	32,158	57,234	33,319
Reconciliation of funds					
Funds brought forward		<u>70,425</u>	<u>-</u>	<u>70,425</u>	<u>37,106</u>
Funds carried forward	14	<u>95,501</u>	<u>32,158</u>	<u>127,659</u>	<u>70,425</u>

The consolidated statement of financial activities includes all gains and losses arising in the year.

All incoming resources and resources expended derive from continuing activities.

WINNING SCOTLAND FOUNDATION

CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)

For the Year Ended 30 June 2012

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations and grants	2	481,250	359,878	841,128	626,168
Investment income:					
Interest received		533	-	533	648
Dividends received		48,000	-	48,000	-
Other incoming resources:					
Proceeds on disposal of asset		50	-	50	-
Total incoming resources		529,833	359,878	889,711	626,816
Resources expended					
Costs of generating voluntary income	3	29,604	-	29,604	28,312
Charitable activities	3	417,868	326,160	744,028	554,834
Governance costs	3	7,724	-	7,724	9,032
Total resources expended		455,196	326,160	781,356	592,178
Net incoming resources before transfers and other recognised gains and losses		74,637	33,718	108,355	34,638
Transfers between funds	14	1,560	(1,560)	-	-
Realised loss on disposal of investments	10	(52,401)	-	(52,401)	-
Net income for the year		23,796	32,158	55,954	34,638
Reconciliation of funds					
Funds brought forward		71,705	-	71,705	37,067
Funds carried forward	13	95,501	32,158	127,659	71,705

The statement of financial activities includes all gains and losses arising in the year.

All incoming resources and resources expended derive from continuing activities.

WINNING SCOTLAND FOUNDATION

CONSOLIDATED BALANCE SHEET

As at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
IT equipment	9	780	-
Investments	10	-	-
		<u>780</u>	<u>-</u>
Investments in joint ventures:			
Share of gross assets	10	-	44
Share of gross liabilities	10	-	(1,324)
		<u>-</u>	<u>(1,280)</u>
 Current assets			
Debtors	11	90,143	11,809
Cash at bank		<u>112,393</u>	<u>104,899</u>
		202,536	116,708
Creditors:			
Amounts falling due within one year	12	<u>(75,657)</u>	<u>(45,003)</u>
Net current assets		<u>126,879</u>	<u>71,705</u>
Net assets		<u>127,659</u>	<u>70,425</u>
 Represented by:			
Unrestricted funds	14	95,501	70,425
Restricted funds	14	<u>32,158</u>	<u>-</u>
Total Funds		<u>127,659</u>	<u>70,425</u>

These financial statements are prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

The financial statements on pages 11 to 24 were approved and authorised for issue by the Management Committee on 11th December 2012 and were signed on its behalf by:



Mr A W Gray
Director

Company Registration No: SC283771

WINNING SCOTLAND FOUNDATION

CHARITABLE COMPANY BALANCE SHEET

As at 30 June 2012

	Notes	2012 £	2011 £
Fixed Assets			
IT equipment	9	780	-
Investments	10	-	-
		<u>780</u>	<u>-</u>
Current assets			
Debtors	11	90,143	11,809
Cash at bank		<u>112,388</u>	<u>104,894</u>
		202,531	116,703
Creditors:			
Amounts falling due within one year	12	<u>(75,652)</u>	<u>(44,998)</u>
Net current assets		<u>126,879</u>	<u>71,705</u>
Net assets		<u>127,659</u>	<u>71,705</u>
Represented by:			
Unrestricted funds	13	95,501	71,705
Restricted funds	13	<u>32,158</u>	<u>-</u>
Total funds		<u>127,659</u>	<u>71,705</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The financial statements on pages 11 to 24 were approved and authorised for issue by the Management Committee on 11th December 2012 and were signed on its behalf by:

A W Gray

Mr A W Gray
Director

Company Registration No: SC283771

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2012

1 Accounting policies

The charitable company's principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period.

(a) *Basis of accounting*

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

(b) *Going Concern*

The directors are satisfied that the charitable company has sufficient funds to finance its activities for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

(c) *Cash flow statement*

The charitable company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No 1 on the grounds that it qualifies as small company.

(d) *Basis of consolidation*

The group financial statements consolidate the financial statements of the charitable company and the undertaking over which the group exercises a dominant influence on a line by line basis. The latest available financial statements of In the Winning Zone Limited were prepared for the year ended 31 March 2012.

(e) *Fund accounting*

Restricted funds must be used for a discrete purpose. Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of the charitable company.

(f) *Incoming resources*

All incoming resources are included in the Statement of Financial Activities when the charitable company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.

(g) *Resources expended*

Expenditure is recognised on an accrual basis as a liability is incurred and includes any VAT which cannot be fully recovered. The charitable company is not registered for VAT and accordingly expenditure is reported gross of irrecoverable VAT.

- Costs of generating funds comprise the costs associated with attracting voluntary income.

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2012

1 Accounting policies (continued)

(g) *Resources expended (continued)*

- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to particular activities are allocated directly.

(h) *Tangible fixed assets and depreciation*

Assets whose purchase price is in excess of £500 are capitalised. Assets are valued on a historical cost basis. Depreciation is provided on all fixed assets at rates calculated to write off the historical cost of each asset spread over its expected useful life, on a straight line basis of calculation, as follows:

IT equipment – 2 years

A full year's depreciation is charged in the year of acquisition.

(i) *Intangible income and gifts in kind*

Investments and other fixed assets donated to the charitable company are included as donation income at market value at the time of receipt.

Donated services are included in the Statement of Financial Activities where the benefit to the charitable company is reasonably quantifiable and measurable.

(j) *Operating leases*

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

(k) *Foreign currency*

Transactions in foreign currencies are recognised at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate prevailing on the balance date. All exchange differences are recognised through the Statement of Financial Activities.

(l) *Pension*

The charitable company currently operates a non-contributory group personal pension scheme with Aegon for the benefit of its employees.

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 30 June 2012

2 Donations – Consolidated and Winning Scotland Foundation

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Scottish Government	-	250,000	250,000	-
Cairn Energy	200,000	-	200,000	158,333
BJ Trust	150,000	-	150,000	150,000
Donated professional services	-	-	-	30,000
Gift Aid	16,250	-	16,250	19,394
Other	115,000	109,878	224,878	268,441
	<u>481,250</u>	<u>359,878</u>	<u>841,128</u>	<u>626,168</u>

3 Resources expended

Unrestricted Funds:	Costs of Generating Funds	Charitable Activities	Governance Costs	2012 Total	2011 Total
	£	£	£	£	£
Positive Coaching Scotland	-	49,553	-	49,553	79,794
Champions in Schools	-	52,951	-	52,951	58,060
Work Out For Sport	-	58,326	-	58,326	75,644
Target Area & Early Years	-	22,503	-	22,503	35,698
WSF Award	-	2,806	-	2,806	15,959
Admin and finance costs	3,370	83,794	1,974	89,138	102,585
Audit fee – current year	-	-	2,750	2,750	3,745
Audit fee – prior year	-	-	3,000	3,000	1,876
Bad debts	-	(91)	-	(91)	2,325
Business Development, Research and Communications	<u>26,234</u>	<u>148,026</u>	<u>-</u>	<u>174,260</u>	<u>81,524</u>
Charity	<u>29,604</u>	<u>417,868</u>	<u>7,724</u>	<u>455,196</u>	<u>457,210</u>
Administration Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,107)</u>
Consolidated	<u>29,604</u>	<u>417,868</u>	<u>7,724</u>	<u>455,196</u>	<u>456,103</u>

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

3 Resources expended (continued)

	Costs of Generating Funds £	Charitable Activities £	Governance Costs £	2012 Total £	2011 Total £
Restricted Funds					
Positive Coaching Scotland	-	37,755	-	37,755	67,550
Communities Cup	-	98,440	-	98,440	-
Winning Mentors	-	-	-	-	2,876
Champions in Schools	-	147,750	-	147,750	58,075
Work Out For Sport	-	1,000	-	1,000	6,467
Target Area	-	41,215	-	41,215	-
Consolidated and Charity	-	326,160	-	326,160	134,968

4 Net incoming resources for the year – Consolidated

This is stated after charging:

	2012 £	2011 £
Auditors' remuneration – Previous auditors	3,000	5,621
Auditors' remuneration – Current year audit	2,750	-
Auditors' remuneration – Other Services	3,450	-
Depreciation charge	780	-
Operating leases in respect of:		
Land and buildings	32,100	31,787
Other	2,873	3,052

5 Staff Costs – Consolidated and Winning Scotland Foundation

Total staff costs comprise:	2012 £	2011 £
Wages and Salaries	307,274	222,582
Social Security Costs	32,981	23,424
Health Insurance Costs	4,687	3,556
	344,942	249,562

No employees received emoluments exceeding £60,000 in the current year (2011: None). Further details are disclosed in note 6 to the financial statements.

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

5 Staff Costs – Consolidated and Winning Scotland Foundation (continued)

Average staff numbers

The average monthly number of employees, calculated on a full time equivalent basis, during the year was made up as follows:

	2012 £	2011 £
Project delivery	5	4
Management	2	1
Administration	1	1
	8	6

6 Management Committee Remuneration & Related Party Transactions

The BJ Trust, of which both Sir W B B Gammell and Lady Gammell are trustees, donated shares and cash with a value of £150,000 to the charitable company during the year (2011: £150,000).

Mr S J Thomson, a member of the Management Committee during the year, donated £10,000 (2011: £10,000) to the charitable company during the year.

Sir W B B Gammell and Mr S J Thomson were also directors of Cairn Energy PLC during the year. Donations of £200,000 were received from Cairn Energy PLC during the year (2011: £158,333).

Sir W B B Gammell was also a Council Member of the Scottish Sports Council trading as sportscotland during the year. During the year The Scottish Sports Council trading as sportscotland provided grant funding totalling £21,950 (2011: £27,921) towards the 2011/12 Positive Coaching Scotland programme.

Mr M I Whittingham, a member of the Management Committee during the year, received remuneration of £10,000 (2011: £10,000) for the provision of consultancy services during the year. An amount of £Nil (2011: £10,000) was outstanding at 30 June 2012.

Renaissance & Company Limited, a company of which Mr A W Gray is also a director, invoiced fees totaling £15,000 (2011: £Nil) in respect of the provision of his services as Executive Chairman to the charitable company. He was also reimbursed travel expenses in the year of £1,580 (2011: £Nil). Remuneration of Mr A W Gray was provided in his capacity as Executive Chairman, rather than as a director of the charitable company, which is allowable under the terms of the Memorandum and Articles of Association.

No other members of the Management Committee were reimbursed for any expenses in the year (2011: None). No members of the Management Committee received any remuneration during the year (2011: None).

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

7 Donated Services – Winning Scotland Foundation

During the year the charitable company received the following donated services which have been included in the Statement of Financial Activities in accordance with the requirements of the SORP 2005:

	2012 £	2011 £
Donated professional services	-	30,000
	-	30,000

8 Taxation

As a charity, Winning Scotland Foundation is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charitable company.

9 Fixed Assets – Consolidated and Winning Scotland Foundation

	2012 £	2011 £
IT Equipment:		
Cost brought forward	20,114	20,114
Additions	1,560	-
Total cost carried forward	21,674	20,114
Accumulated depreciation brought forward	20,114	20,114
Charge for the year	780	-
Total accumulated depreciation carried forward	20,894	20,114
Net book value as at 30 June 2012	780	-

A laptop, which was below the charity's formal fixed asset capitalisation policy and therefore was not reflected within fixed assets, was sold on an arms length, commercial basis to a member of staff in the year. The proceeds on disposal have been disclosed as proceeds on the sale of an asset within the Statement of Financial Activities.

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

10 Fixed Asset Investments – Consolidated and Winning Scotland Foundation

	2012 £	2011 £
Market value at 30 June 2011	-	-
Add: Gifted shares (at value at date of gift)	115,710	-
Less: Disposal proceeds	(63,309)	-
Realised loss on disposal	<u>(52,401)</u>	<u>-</u>
Market value at 30 June 2012	<u>-</u>	<u>-</u>
Historical cost at 30 June 2012	<u>-</u>	<u>-</u>

Disposal proceeds comprise both the amount received on the sale of the gifted shares together with an amount receivable under a donor guarantee. The realised loss on disposal of £52,401 arose subsequent to the receipt of a distribution of £48,000 following the restructuring of the company and which is included within investment income. The effective loss on disposal was therefore £4,401.

In The Winning Zone Limited is a wholly owned subsidiary of the charitable company and was formed for the sole purpose of holding 47.5% of the capital of The Winning Game LLP, an entity formed to develop and market The Winning Game LLP. In the Winning Zone Limited has issued share capital of one share with a nominal value of £1. This share is held by Winning Scotland Foundation. Winning Scotland Foundation therefore controls 100% of the voting rights of In The Winning Zone Limited.

The charitable company has not included its share of the assets and liabilities of the joint venture The Winning Game LLP on the grounds that it was in the process of being dissolved. This was completed on 21 September 2012.

The total of the group's 47.5% share of the joint venture The Winning Game LLP at 30 June 2012 was as follows:

	2012 £	2011 £
Other operating income	-	7
Administrative expenses	<u>-</u>	<u>(2,433)</u>
Share of loss before tax	-	(2,426)
Taxation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(2,426)</u>
Share of assets: Current assets	<u>-</u>	<u>44</u>
	-	44
Share of Liabilities: Liabilities due within one year	<u>-</u>	<u>(1,324)</u>
Net (liabilities)	<u>-</u>	<u>(1,280)</u>

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

11 Debtors – Consolidated and Winning Scotland Foundation

	2012 £	2011 £
Other debtors	79,065	1,945
Prepayments and accrued income	11,078	9,864
	<u>90,143</u>	<u>11,809</u>

Other debtors includes £66,000 (2011: £Nil) receivable from the B J Trust.

12 Creditors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade Creditors	42,740	24,016	42,740	24,016
Accruals	23,028	14,414	23,023	14,409
Taxation and Social Security	8,063	6,573	8,063	6,573
Pension – Employee contributions	1,826	-	1,826	-
Total	<u>75,657</u>	<u>45,003</u>	<u>75,652</u>	<u>44,998</u>

13 Funds – Winning Scotland Foundation

Unrestricted Funds:	Opening Funds £	Incoming Resources £	Outgoing Resources £	Transfers and Loss on Investments £	Closing Funds £
General fund	<u>71,705</u>	<u>561,543</u>	<u>(455,196)</u>	<u>(82,551)</u>	<u>95,501</u>

Included within transfers is £1,560 relating to a fixed asset purchased utilising restricted funds, the restriction upon which has now been lifted and the asset therefore now unrestricted in nature.

Restricted Funds:	Opening Funds £	Incoming R Resources £	Outgoing Resources £	Transfers £	Closing Funds £
Positive Coaching Scotland	-	61,128	(37,755)	-	23,373
Communities Cup	-	100,000	(98,440)	(1,560)	-
Champions in Schools	-	147,750	(147,750)	-	-
Work Out For Sport	-	1,000	(1,000)	-	-
Target Area	-	50,000	(41,215)	-	8,785
	<u>-</u>	<u>359,878</u>	<u>(326,160)</u>	<u>(1,560)</u>	<u>32,158</u>

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 30 June 2012

14 Funds – Consolidated

Unrestricted Funds:	Opening Funds	Incoming Resources	Outgoing Resources	Transfers and Loss on Investments	JV write back	Closing Funds
	£	£	£	£	£	£
General fund	70,425	561,543	(455,196)	(82,551)	1,280	95,501
Restricted Funds:	Opening Funds	Incoming Resources	Outgoing Resources	Transfers and Loss on Investments	JV write back	Closing Funds
	£	£	£	£	£	£
Positive Coaching Scotland	-	61,128	(37,755)	-	-	23,373
Communities Cup	-	100,000	(98,440)	(1,560)	-	-
Champions in Schools	-	147,750	(147,750)	-	-	-
Work Out For Sport	-	1,000	(1,000)	-	-	-
Target Area	-	50,000	(41,215)	-	-	8,785
	-	359,878	(326,160)	(1,560)	-	32,158

Positive Coaching Scotland: This fund supports the delivery of the PCS programme, details of which are set out in the report of the Management Committee. The fund covers such costs as staff support, material development and production, and workshop delivery. This programme continues into the 2012/13 financial year, the balance carried forward as at 30 June 2012 relating specifically to PCS work in football.

Communities Cup: This fund supports the delivery of PCS to be delivered as an activation of the government's sponsorship of the Communities Cup. The fund covered costs including staff support, material development and production, and workshop delivery. All funds attributable to this programme were expended during this financial year.

Champions in Schools: This fund supports the delivery of the Champions in Schools programme, details of which are set out in the report of the Management Committee. The fund covers costs including staff support, material development and productions and athlete payments. All funds attributed to this programme were expended during this financial year.

Work Out For Sport: This fund supports the delivery of a new corporate volunteering initiative, details of which are set out in the report of the Management Committee. The fund covers costs including staff support, material development costs and volunteer support costs. All funds attributed to this programme were expended during this financial year.

Target Area: This fund supported the pilot work undertaken in two areas of deprivation, details of which are set out in the Report of the Management Committee. The balance carried forward as 30 June 2012 was expended on the North Lanarkshire project in August 2012.

WINNING SCOTLAND FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) For the Year Ended 30 June 2012

15 Analysis of Net Assets Between Funds

Winning Scotland Foundation	Restricted Funds £	Unrestricted Funds £	Total 2012 £	Total 2011 £
Balance at 30 June 2012 represented by:				
Tangible fixed assets	-	780	780	-
Net current assets	32,158	94,721	126,879	71,705
	<u>32,158</u>	<u>95,501</u>	<u>127,659</u>	<u>71,705</u>
Consolidated	Restricted Funds £	Unrestricted Funds £	Total 2012 £	Total 2011 £
Balance at 30 June 2012 represented by:				
Tangible fixed assets	-	780	780	-
Net current assets	32,158	94,721	126,879	70,425
	<u>32,158</u>	<u>95,501</u>	<u>126,534</u>	<u>70,425</u>

16 Leasing Commitments

At the year end the charitable company had the following annual commitments under non-cancellable operating leases:

	2012 Land and Buildings £	2012 Other Leases £	2011 Land and Buildings £	2011 Other Leases £
Expiring:				
Within one year	32,100	-	-	-
Within two to five years	-	3,115	32,100	3,115
	<u>32,100</u>	<u>3,115</u>	<u>32,100</u>	<u>3,115</u>

17 In the Winning Zone Limited

The charitable company holds 100% of the issued share capital and voting rights of In the Winning Zone Limited, a company incorporated in Scotland. In The Winning Zone Limited acted as an investment vehicle to manage the activities of The Winning Game LLP, a joint venture undertaking. The Winning Game LLP did not trade during the year and was subsequently dissolved on 21 September 2012. In the Winning Zone Limited will now also be dissolved.

The net liabilities of In The Winning Zone Limited at 31 March 2012, being the latest available unaudited financial statements of the company, were £1 (2011: Net liabilities of £1) which comprised the investment in the joint venture of £Nil (2011: £Nil), current assets of £4 (2011: £4), and current liabilities of £5 (2011: £5).

18 Control

In the opinion of the Management Committee there is no ultimate controlling party of the charitable company.