**One Page Brief – Financial Statements - Welsh Badminton Union (1st August 2013 - 31st March 2015)**

The following observations are made to aid the review process of the Financial Statements of the Welsh Badminton Union Ltd (subsequently referred to as ‘Badminton Wales’ or ‘the company’) up to the date of 31st March 2015.

The previous Financial Statements presented for inspection at AGM were for the 12 month period to 31st July 2013.

Since the last AGM, the year-end date for the company has since been adjusted to align with the funding periods of Sport Wales. Therefore, Financial Statements were prepared for an 8 month accounting period to 31st March 2014, followed by a full 12 month accounting period to 31st March 2015.

Badminton Wales’ Income and Expenditure Account shows a minimal deficit and minimal surplus for the two periods in question respectively, which equates in practical terms to a break even position over the 20 months to 31st March 2015.

Therefore the reserves of Badminton Wales have been maintained at a level of £103,830 at 31st March 2015 compared to the £103,660 reported for 31st July 2013 at the last AGM.

The Balance Sheet shows that these funds are almost entirely held in cash reserves, which gives the organisation significant flexibility to apply them if needed for exceptional or unforeseen circumstances.

The income of Badminton Wales is mainly generated in the form of Exchequer and Lottery funding provided by Sport Wales. This income source typically represents approximately 70% of the income of any period. The remaining income being from agreements with local authorities, linked to specific spend areas, and from internal sources such as coaching courses and membership fees.

Badminton Wales has experienced reductions in funding from Sport Wales of approximately 9% over the 20 month period to 31st March 2015, and has been advised to expect further reductions as Sport Wales budgetary pressures continue to impact across many National Governing Bodies. A subsequent reduction of 5% of the Exchequer funding element followed for the year beginning 1st April 2015, more reductions are anticipated.

Income from Local Authority agreements is also expected to show a significant decrease due to changes in the Sport Wales funding approach to Local Authorities – this is already being seen in practice.

The expenditure of the organisation is applied in agreed programs and with targeted aims adjusted for expected income levels, which will continue in line with any new strategy.

Despite the pressures on income the organisation has been running in a stable manner from a financial point of view for the last few years. This overall financially stable position has resulted from the excellent financial stewardship of the last few years by the previous CEO and the wider Badminton Wales team.

Due to the prospective reductions in income from Sport Wales, the Board approved a widely scoped independent strategic review of the organisation which continues to be reviewed and adjusted. The fee for this independent review has been accounted for in the 12 month period to 31st March 2015.

In the next few years, the members should anticipate a reduction in reserves to some degree while the organisation aligns to the re-affirmed strategy and funding realities while retaining the ongoing stability of the organisation.

The company is entitled to exemption from audit under section 477 of the Companies Act 2006. The responsibility of the appointed Chartered Accountants, as in previous years, is limited to preparation of the financial statements for approval by the Board for subsequent filing at Companies House.

The Board recommends the Financial Statements for acceptance at the AGM of the Welsh Badminton Union to be held on 31st January 2016.

Geraint Williams (Director) 29th January 2016