

Welsh Language Act 1993

Accounts of the Welsh Language Board prepared pursuant to Schedule 1, Paragraph 12(2) of the Welsh Language Act 1993 for the year to 31 March 2010, together with the Certificate and Report of the Auditor General for Wales thereon.

Laid before the Assembly on 1 July 2010 pursuant to the Welsh Language Act 1993 Schedule 1, Paragraph 12(4)

Welsh Language Board**Annual Report and Accounts 2009-2010**

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Board Members' Report

The Board's history and background statutory information

The 1993 Welsh Language Act established the Welsh Language Board on 21 December 1993. The accounts have been prepared by the Board under Schedule 1, Paragraph 12 of the Act in a form directed by the Welsh Ministers with the approval of HM Treasury. Copies of this direction may be obtained from the Board's offices.

The Act gave the Board the function of promoting and facilitating the use of the Welsh language, to provide for the preparation by public bodies of schemes giving effect to the principle that, in the conduct of public business and the administration of justice in Wales, the English and Welsh languages should be treated on a basis of equality.

In order to achieve this, the Board has the following functions:

1. Advising the Welsh Assembly Government on matters concerning the Welsh language.
2. Advising persons exercising functions of a public nature on the ways in which effect may be given to the principle that, in the conduct of public business and the administration of justice in Wales, the Welsh and English languages should be treated on a basis of equality.
3. Advising those and other persons providing services to the public on the use of the Welsh language in their dealings with the public in Wales.

The Welsh Language Board's Annual Review as presented to the Welsh Ministers under Schedule 1, Paragraph 13(1) of the 1993 Welsh Language Act contains information on the Board's activities for the year from 1 April 2009 to 31 March 2010.

Results and appropriations

The Welsh Language Board is a public body sponsored by the Welsh Assembly Government. Total grant in aid for the year 1 April 2009 to 31 March 2010 was £13,653,000. Of this amount, £100,000 was intended for capital expenditure. The total grant in aid was credited to the general reserve. The net expenditure account for the year was £13,781,000 (2008-2009; £13,512,000). At 31 March 2010 the general reserve was £596,000 (2008-2009: £701,000).

Pension Liabilities

Payment is made to the Paymaster General of such sums as may be appropriate as representing accruing liabilities of the Principal Civil Service Pension Scheme. More details are included in the notes to the accounts 1.6, 5 and the Remuneration Report.

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Remuneration of External Auditors

Amounts payable for any non audit work undertaken by the external auditors is included in note 6 to the accounts.

Register of Interests

Any significant interests of Board Members are included in note 16 to the accounts.

Future developments

The Board's aspirations for 2010-2011 are outlined in its current Operational Plan.

Among the main developments are the following:

1. Assist the Welsh Assembly Government in its legislative programme, by contributing to the work required in order to implement the proposed Measure, and co-operating with the Government to explain the contents of the Measure to other persons.
2. Assist the Assembly Government to prepare a language strategy to be published during 2010.
3. Through our Mae Gen Ti Ddewis campaign and other projects, work to increase Welsh speakers' use of those services that are offered through the medium of Welsh.
4. Work to further increase the provision of services in Welsh across the private sector.
5. Continue to develop the use of Welsh in the workplace, including promoting linguistic awareness and sensitivity, and draw attention to the Board's *'Promoting and Facilitating Bilingual Workplaces'*.
6. Continue to work with the Mentrau Iaith and other community partners, and through our Language Action Plans, on various community initiatives to promote the Welsh language.
7. Continue to seek to increase the numbers of Welsh speakers, by means of our Twf project, by promoting bilingual and Welsh medium education; and by promoting the use of Welsh in communities.
8. Monitor and amend Welsh Language Schemes that have already been approved.
9. Continue to work in partnership with the Assembly Government, with the aim of establishing a National Centre for the Standardisation of Terminology
10. Continue to implement our Voluntary Sector Strategy, Translation Strategy, and Information Technology Strategy, in conjunction with key partners in each field.

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Research

Two new three year PhD Scholarships began during this period: The advantages of Welsh and bilingual education; School of Education, Bangor University, and Written Welsh: Some acquisition patterns; School of Welsh, Bangor University.

Work continued on the following PhD Scholarships:

- Welsh language services in health and social care: a systematic review of supply and demand to inform evidence-based policy and practice (School of Health Care Studies, Bangor University).
- Ensuring Better Rates of Continuity from KS2 to KS3: research the linguistic progress and loss of school pupils as they choose between first-language Welsh and second-language Welsh in order to raise the awareness of educators, parents and pupils (School of Welsh, Bangor University).
- Specialist Welsh Terminology in professional workplaces: accessibility, ability and use; (Centre for Language and Communication Research, Cardiff University)
- Young People and Outmigration from Welsh Speaking Areas: Motivation and Aspirations; (School of Social Sciences, Bangor University).

Environmental Issues

The Board considers its main environmental impact to be through the use of energy, transport, paper use and paper waste. The Board, through its Environmental Policy, is committed to:

- Prevent pollution
- Continually developing environmental performance management
- Comply with relevant legislation, rules and other environmental requirements
- Reduce the use of paper
- Using only recycled paper
- Recycle waste where possible
- Reduce energy use in every office
- Increase the use of public transport for necessary journeys and meetings through videoconference

The Board will ensure that these commitments are kept through the training of staff and implementing an improvement plan.

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Board members and Chief Executive

The Board members and Chief Executive during the year were:

Meri Huws	Chair
Meirion Prys Jones	Chief Executive
Nicholas Bennett	
G Owen Evans	
Gwyneth Morus Jones	
Huw Jones	
Dr Arun Midha	
Marc Phillips	
Catherine Rees	
Rhiannon Walters	
Professor Colin Williams	
Elin Wyn	

Welsh Ministers reappointed Meri Huws as Chair for a 3 year term which will end on 31 March 2013.

Dr Arun Midha, Rhiannon Walters and Professor Colin Williams term came to an end on 31 March 2010. All other existing members have been reappointed on a 3 year term which will end on 31 March 2013.

Sickness Absence

The total number of days lost via sickness absence was 262 (377 days 2008-2009). The average number of work days lost (per full time equivalent) was 3.49 days based on 75 fulltime equivalent staff. (5.24 days and 72 staff 2008-2009).

Of the number of days lost via sickness, 76% related to short term sickness, and the remainder (24%) long term sickness

Provision of information to and the consultation with employees

The Board recognises the importance of communication with all employees and keeping them informed of internal and external developments. The Board will continue to consult with staff representatives on any matter affecting terms and conditions of employment.

Payment policy

Under the Late Payment of Commercial Debts (Interest) Act 1998, and the UK Government's Better Payment Practice Code the Welsh Language Board is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

The Welsh Language Board aims to pay 100% of invoices including disputed invoices once the dispute has been settled, in line with these terms. During the year ending 31 March 2010, the Welsh Language Board paid 99.5% of all due payments within the terms of its payment policy. Since November 2008 the Board in line with Welsh

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Assembly Government policy aims to pay invoices with 10 days. For 2009-2010 87.5% of due payments have been paid with 10 days.

Events since the end of the financial year

There have been no events since the balance sheet date that effect the understanding of these financial statements.

Auditors

The accounts of the Welsh Language Board are audited by the Auditor General for Wales in accordance with Schedule 1, Paragraph 12(4) of the 1993 Welsh Language Act. So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the accounting officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

**Meirion Prys Jones,
Accounting Officer,
Welsh Language Board,
24 June 2010**

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Management Commentary

Among the major achievements for 2009-2010 were the following :-

- Achieving the target for approving new Welsh Language Schemes, updating language schemes, and responding to monitoring reports.
- Operated into its ninth year the major innovative project Twf, which aims to persuade parents to bring up their children bilingually, and to choose Welsh medium education for their children.
- Implementation of existing strategies in several other key priority areas relating to the Welsh language – the Voluntary Sector; Language Technology; Data; and Translation .
- Distribution of £4.6 million in grants to bodies promoting the use of the Welsh language, and £2.9 million to promote Welsh language education.
- Promoted community initiatives supporting the Welsh language; 21 Mentrau Iaith in 21 counties; and 10 Language Action Plans in areas of special linguistic significance throughout Wales.

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Here is a table setting out performance against key targets from the operational plan:

	Performance 2008-2009	Objective	Target 2009-2010	Performance 2009-2010	Comments
Welsh Language Schemes					
1a.	43	To approve new language schemes	77	87	
1b.	190	Respond to monitoring reports on Welsh Language Schemes	128	155	
1c.	30	Update Language Schemes	41	46	
2. Welsh Education Schemes					
2a.	3	Authorities whose second Schemes have been agreed, and have received the Board's full approval between 1 April 2009 and 31 March 2010	6	2	These targets were not met in full, mainly because we are dependent on the cooperation of the relevant bodies, and also due to staffing changes.
2b.	3	Accept, and respond to, end-year monitoring reports of authorities who are operating their second Welsh Education Scheme between 1 April 2009 and 31 March 2010	16	11	
3. Grants to support bilingual and Welsh medium education					
3a.	159	Number of Athrawon Bro posts supported	140	141.35	
3b.	20,000	Number of school visits by Athrawon Bro supported	26,000	26,500	

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3c.	26	Number of teachers in centres for latecomers supported	20	25.7	
4.	Grants to promote the Welsh language				
4a.	9%	Support Mudiad Ysgolion Meithrin: <ul style="list-style-type: none"> To increase the number of children attending Ti a Fi groups 	3%	No data is available from MYM until July 2010	
	32	<ul style="list-style-type: none"> To establish new Ti a Fi groups. 	25	31	
	26	<ul style="list-style-type: none"> To establish new Nursery Groups (Cylch Meithrin). 	10	10	
4b.	We supported 21 Mentrau laith to serve 21 Local Authority areas.	Support the Mentrau laith	Maintain 21 Mentrau laith to operate in 21 Local Authority areas	This target was achieved	
4c.	Target was achieved for 50,000 members	Support the Urdd	Stage a variety of events for 50,000 members	This target was achieved	

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4d.	157,000 visitors attended.	Support the National Eisteddfod of Wales To attract visitors to the festival.	Attract 150,000 visitors to the National Eisteddfod in Bala	Target achieved	
5.	Twf				
5a.	15,280 one to one contacts were held	Support the Twf project Employ national officers and field officers	Hold 12,000 one to one contact sessions with parents in order to convey Twf key messages Maintain contact with 90% of midwives in the rural areas of the scheme, and 50% of midwives in urban areas	Target was achieved, making 12,362 one to one contact sessions with parents Target was achieved. 94% of midwives in rural areas were contacted and 75% in urban areas	
	Target was achieved. 94% of midwives in rural areas were contacted and 88% in urban areas				

Meirion Prys Jones,
Accounting Officer,
Welsh Language Board,
24 June 2010

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Remuneration Report

Remuneration Policy

The terms and conditions of staff employed (including Senior staff) are analogous to those of the Welsh Assembly Government. Board members are paid in accordance with rates set by the Welsh Assembly Government.

The Welsh Language Board operate a Performance Assessment Scheme for all staff which is analogous to that used within the Welsh Assembly Government. Remuneration is not linked to performance.

On the whole staff (including Senior staff) are employed to permanent posts apart from when staff are recruited to work on projects with a fixed term and in those instances staff contracts would be in line with the term of the project. Notice periods vary between four weeks and three months depending on level and length of service. The Board has no delegation to pay any termination payments.

Further details of staff and members' costs are included within notes 1.6, 1.12 and 5 to the accounts.

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Remuneration (*)

(*) This section is subject to audit

The following sections provide details of the remuneration and pension interests of the Chair and staff in the most senior positions, having authority or responsibility for directing or controlling the major activities of the Board:

Name and title	Salary band 2009-2010	Salary band 2008-2009
	£'000	£'000
Meri Huws, Chair	35-40	30-35
Meirion Prys Jones, Chief Executive	75-80	75-80
Ifan Evans Director of Private Sector and Business	50-55	50-55
Jeremy Evas Co-ordinator of Grant and Projects	45-50	45-50
Sali Wyn Islwyn Director of Community Development	45-50	40-45
Gareth Jones, Director of Resources (until 31 December 2010)	30-35 45-50 (full year equivalent)	45-50
Gwynedd Morris Jones Director of Policy and Terminology	50-55	50-55
Siân Parry Jones, Coordinator of Corporate Affairs	45-50	45-50
Enid Lewis, Director of Central Services	50-55	50-55
Gari Lewis, Director of Children and Young People (from 1 May 2008)	50-55	45-50 (50-55 full year equivalent)
Gwenith Price Director of Language Schemes	50-55	50-55

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Name and title	Total accrued pension and related lump sum at normal retirement age as at 31/03/10	Real increase in pension at normal retirement age and related lump sum	Cash Equivalent Transfer Value at 31/03/10	Cash Equivalent Transfer Value at 31/03/09	Real increase in Cash Equivalent Transfer Value funded by employer
	£'000	£'000	£'000	£'000	£'000
Meri Huws, Chair	0-5	0-2.5	22	17	3
Meirion Prys Jones, Chief Executive	15-20 plus lump sum 45-50	0-2.5 plus lump sum 2.5-5	331	287	27
Ifan Evans Director	0-5	0-2.5	26	15	8
Jeremy Evas Coordinator	5-10 Plus lump sum 20-25	0-2.5 Plus lump sum 0-2.5	84	70	9
Sali Wyn Islwyn Director	5-10 Plus lump sum 15-20	0-2.5 Plus lump sum 2.5-5	98	76	17
Gareth Jones, Director	25-30 Plus lump sum 75-80	0-2.5 Plus lump sum 2.5-5	629	565	21
Gwynedd Morris Jones Director	20-25 Plus lump sum 70-75	0-2.5 Plus lump sum 2.5-5	582	527	27
Siân Parry Jones, Coordinator	10-15 Plus lump sum 30-35	0-2.5 Plus lump sum 0-2.5	141	123	10
Enid Lewis, Director	10-15 Plus lump sum 10-15	0-2.5 Plus lump sum 0-2.5	157	133	14
Gari Lewis, Director	0-5	0-5	33	15	16
Gwenith Price Director	10-15	0-5	208	170	27

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Salary

Salary includes gross salary, performance pay and bonuses, overtime and responsibility allowance where applicable. The salary of the Chief Executive comprised of a gross salary of £72,823 (2008-2009: £71,747) and a non-pensionable bonus of £6,098 (2008-2009: £5,250).

The Chief Executive and the Chair are members of the Civil Service Pension (CSP). Meirion Prys Jones was appointed Chief Executive on 1 April 2004 on a permanent contract. The salary of the Chair comprised of a gross salary of £35,048 (2008-2009: £34,538). The Chair is contracted to work 2 days per week. The other Board members being on a contract to work 2 days per month on a non-pensionable salary of £6,768 per year (2008-2009: £6,752).

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Revenue & Customs as a taxable emolument. There were no benefits in kind made during 2009-2010 or 2008-2009 to senior staff or Board members.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, members may be in one of four defined benefit schemes; either a 'final salary' scheme (*classic*, *premium*, or *classic plus*); or a 'whole career scheme' (*nuvos*). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under *classic*, *premium*, *classic plus* and *nuvos* are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from 1 October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for *classic* and 3.5% for *premium*, *classic plus* and *nuvos*. Benefits in *classic* accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For *premium*, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike *classic*, there is no automatic lump sum. *Classic plus* is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per *classic* and benefits for service from 1 October 2002 worked out as in *premium*. In *nuvos* a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and after the scheme year end, the accrued pension is up-rated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8%

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of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at pension age. Pension age is 60 for members of *classic*, *premium* and *classic plus* and 65 for members of *nuvos*.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when benefits are taken.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Meirion Prys Jones,
Accounting Officer,
Welsh Language Board,
24 June 2010**

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Statement of the Board's and the Chief Executive's Responsibilities

Under Paragraph 12(1) of Schedule 1 to the 1993 Welsh Language Act, the Welsh Language Board is required to prepare a statement of accounts in respect of each accounting year in a form and on the basis directed by the Welsh Ministers with the approval of H M Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Board's state of affairs at the period end and its net expenditure and cash flows for the year.

In preparing the accounts the Board is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to :

- observe the accounts direction issued by the Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Board will continue in operation

The Accounting Officer for the Welsh Assembly Government has designated the Chief Executive of the Welsh Language Board as the Board's Accounting Officer. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, and for the keeping of proper records and for safeguarding the Welsh Language Board's assets, are set out in *The Accounting Officers' Memorandum* issued by H M Treasury.

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Statement on internal control

1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Welsh Language Board's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore provide only reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Welsh Language Board for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to Handle Risk

The Board's system of internal control is based on a framework of management information, financial regulations and administrative procedures, including the segregation of duties.

The Board has:

- held four full open Board meetings during the year to agree the plans and strategic direction of the Board;
- established a Management Team which meets fortnightly to consider internal management and administrative matters, and a Progress Review Committee which meets monthly to take and review key policy decisions;
- appointed a senior member of staff as Risk Manager;
- received a report from the Chair of the Board's Audit Committee concerning internal control;
- received regular reports by internal audit, to standards defined in the Governmental Internal Audit Manual, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Board's system of internal control together with recommendations for improvement;
- ensured that risk is discussed regularly by the Management Team to identify the Board's objectives and risks - and determine a control strategy for each risk;
- produced a risk management register, which has been sent to key staff, setting out the Board's attitude to each risk;
- allocated responsibility for action with regard to each risk, along with deadlines for action;
- delivered risk management training, as required, to Board staff;
- agreed to review the risk management policy document periodically.

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4. The Risk and Control Framework

The Board's risk and control system operates at various levels throughout the organisation, including the Board itself, the Management Team, unit leaders and the Board's basic control systems.

Internal controls are the whole system of controls, financial and otherwise, established by the Board, management and other personnel in order to carry out its business in an orderly, effective and efficient manner; ensure adherence to management policies; safeguard its assets; comply with laws and regulations; and secure, as far as possible, the completeness and accuracy of the records.

The satisfactory operation of the control system is confirmed by the Board and management team in the following ways:

- The review of monitoring controls by the Board and Management Team, such as performance indicators, comparisons with budgets or objectives (as set out in the Operational Plan) and management accounts, provides comfort that there has been no unexplained deviations from expected performance, indicating a lack of, or breakdown in, controls at the base level.
- Reports (formal and informal) are prepared regularly by operating departments and presented monthly to the Budget Holders Meeting (chaired by the Chief Executive), and quarterly to the Board in relation to issues which are relevant to the Board's activities. In addition, Operational Plans are prepared annually, together with an annual review, annual report and accounts.
- PricewaterhouseCoopers undertook the Board's internal audit based on the "Internal Audit Strategy".

In addition, the Auditor General for Wales, presents an annual report on her audit of the Board's financial statements.

The Risk Register was reviewed fully during 2009-2010, and against each risk there is a measure of its likelihood and effect, a summary of necessary action, the name of those who have primary responsibility for each risk, together with the Risk Manager's current assessment of the risk.

The Board has identified data protection as a specific area of risk on its Risk Register. As of January 2010 a member of staff has been allocated responsibility for ensuring compliance in this area and guidelines on the Data Protection Act have been updated and further training has been provided to relevant staff with more training planned. There were no protected personal data related incidences in 2009-2010.

The next review of the Risk Register will take into consideration risk appetite in accordance with National Audit Office advice published in 2010 *The Statement on Internal Control: A Guide for Audit Committees*.

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5. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the Board who have responsibility for the development and maintenance of the internal control framework, and comments made by the Auditor General for Wales in her management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and our Risk Manager; and a plan to address weaknesses and ensure continuous improvement of the system is in place.

6. Significant internal control problems.

The results of my review have not indicated any significant internal control problems.

**Meirion Prys Jones,
Accounting Officer,
Welsh Language Board,
24 June 2010**

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The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Welsh Language Board for the year ended 31 March 2010 in accordance with Schedule 1, Paragraph 12(4) to the Welsh Language Act 1993. These comprise the Net Expenditure Account, Statement of Financial Position, Statements of Cash Flows, Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

Respective responsibilities of the Board, Chief Executive and Auditor General for Wales

The Board and Chief Executive is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Welsh Language Act 1993 and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Board and Chief Executive's Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Welsh Language Act 1993 and Welsh Ministers' directions made there under. I report to you whether, in my opinion, certain information given in the Annual Report which comprises the Board Members' Report, Management Commentary and the unaudited part of the Remuneration 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 the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion the Welsh Language Board 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 HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Welsh Language Board's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Welsh Language Board's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Board Members' Report, Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

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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 and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Welsh Language Board's circumstances, consistently applied and adequately disclosed.

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

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Welsh Language Act 1993 and directions made there under by Welsh Ministers, of the state of the Welsh Language Board's affairs as at 31 March 2010 the net expenditure, and the cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Welsh Language Act 1993 and Welsh Ministers' directions made there under; and
- information which comprises Board Members' Report, Management Commentary and the unaudited part of the Remuneration Report given within the Annual Report, is consistent with the financial statements.

Welsh Language Board Annual Report and Accounts 2009-2010

Audit Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

Gillian Body

Auditor General for Wales

24 Cathedral Road

Cardiff

CF11 9LJ

1 July 2010

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Net Expenditure Account for the year ended 31 March 2010

	Notes	2009-2010		2008-2009	
		£000	£000	£000	£000
Expenditure					
Grants	4	7,522		7,423	
Other programme expenditure	7	2,565		2,520	
Staff Costs	5	3,374		3,199	
Administration	6	897		890	
Depreciation and amortisation	8a, 8b	128		127	
			14,486		14,159
Income					
	3	(728)		(674)	
			(728)		(674)
			13,758		
Net Expenditure					13,485
Notional cost of capital	1.7	23		27	
Interest receivable		(1)		(15)	
Interest surrendered to the Welsh Assembly Government		1		15	
			23		27
Net Expenditure after cost of capital charge and interest			13,781		13,512

All activities undertaken during the year are continuing.

The notes on pages 27 to 37 form part of these accounts.

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Statement of Financial Position as at 31 March 2010

	Notes	31 March 2010		31 March 2009		1 April 2008	
		£000	£000	£000	£000	£000	£000
Non-current assets							
Intangible assets	8a	29		35		41	
Property, plant & equipment	8b	251		295		337	
Total non-current assets			280		330		378
Current assets							
Trade and other receivables	9	360		509		619	
Cash and cash equivalents	10	115		-		228	
Total current assets			475		509		847
Total assets			755		839		1225
Current liabilities							
Bank overdraft		-		(13)		-	
Trade and other payables	11	(154)		(121)		(408)	
Total current liabilities			(154)		(134)		(408)
Non-current assets plus net current assets			601		705		817

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Statement of Financial Position (continued) as at 31 March 2010

	Notes	31 March 2010		31 March 2009		1 April 2008	
		£000	£000	£000	£000	£000	£000
Non-current liabilities							
Provisions	12	<u>(5)</u>		<u>(4)</u>		<u>(4)</u>	
Total non-current liabilities			(5)		(4)		(4)
Assets less liabilities			<u>596</u>		<u>701</u>		<u>813</u>
Reserves							
General reserve			596		701		813
			<u>596</u>		<u>701</u>		<u>813</u>

The notes on pages 27 to 37 form part of these accounts.

The financial statements on pages 22 to 26 were approved by the Board on 24 June 2010 and signed on its behalf by;

Meirion Prys Jones,
Accounting Officer,
Welsh Language Board
24 June 2010

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Statement of Cash Flows for the year ended 31 March 2010

	Notes	2009-2010 £000	2008-2009 £000
Cash flows from operating activities			
Net surplus after cost of capital charge and interest		(13,781)	(13,512)
Amortisation of intangible assets		15	14
Depreciation of property, plant & equipment		113	113
Loss on sale of non-current assets		1	0
Adjustments for cost of capital charge		23	27
Use of provisions	12	1	0
Decrease / (Increase) in trade and other receivables		149	110
(Decrease) / Increase in trade payables		33	(282)
Net cash (outflow) from operating activities		(13,446)	(13,530)
Cash flows from investing activities			
Interest received		1	15
Interest surrendered to the Welsh Assembly Government		(1)	(15)
Purchase of intangible assets	8a	(9)	(8)
Purchase of property, plant and equipment	8b	(71)	(77)
Proceeds of disposal of property, plant and equipment		1	1
Net cash (outflow) from investing activities		(13,525)	(13,614)
Cash flows from financing activities			
Welsh Assembly Government Funding (including capital)	2	13,653	13,373
Net financing		13,653	13,373
Net increase / (decrease) in cash and cash equivalents in the period		128	(241)
Cash and cash equivalents at the beginning of the period	10	(13)	228
Cash and cash equivalents at the end of the period	10	115	(13)

The notes on pages 27 to 37 form part of these accounts.

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Statement of Changes in Taxpayers' Equity for the year ended 31 March 2010

	Notes	£000
Balance at 31 March 2008		813
Changes in reserves for 2008-2009		
Retained Surplus/Deficit		(13,512)
Non-cash charges – cost of capital		<u>27</u>
Total recognised income and expense for 2008-2009		(12,672)
Grant from Welsh Assembly Government Funding (revenue and capital)		<u>13,373</u>
Balance at 31 March 2009		701
Changes in reserves for 2009-2010		
Retained Surplus/(Deficit)		(13,781)
Non-cash charges – cost of capital	1.7	<u>23</u>
Total recognised income and expense for 2009-2010		(13,057)
Grant from Welsh Assembly Government Funding (revenue and capital)	2	<u>13,653</u>
Balance at 31 March 2010		<u>596</u>

The notes on pages 27 to 37 form part of these accounts.

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Notes to the Accounts for the year to 31 March 2010

These financial statements have been prepared in accordance with the 2009-2010 *Government Financial Reporting Manual (FReM)* issued by HM Treasury, and any Accounts Direction issued by Welsh Ministers, with the consent of the Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance of the Welsh Language Board for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Welsh Language Board are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1 Statement of Accounting Policies

(1.1) Accounting Conventions

The accounts have been prepared under the historical cost convention. The Board has not re-valued any property, plant and equipment or intangible assets as any revaluation adjustments are, in the Board's opinion, not material.

(1.2) Funding

The Welsh Language Board receives Grant-In-Aid from the Welsh Assembly Government to fund its general revenue and capital activities. These amounts of Grant-in-Aid are regarded as financing and are credited to the General Reserve on receipt. Subject to the *Treasury's Fees and Charges Guide* the Board may receive income from other sources where this does not interfere with its main functions and is consistent with its Corporate Plan and Government policy.

(1.3) Intangible Assets

Intangible assets costing over £100 are capitalised. These assets comprise of software licenses and licences. They are amortised from 3 to 10 years on a straight line basis over its expected useful life.

The Board has valued all intangible assets at depreciated historic cost, as any revaluation adjustments are, in the Board's opinion, not material.

(1.4) Property, Plant and Equipment

Property, plant and equipment costing over £100 are capitalised. Depreciation is provided on all property, plant and equipment on a straight-line basis over the expected useful life of the assets, between 36 and 90 months.

(1.5) Value Added Tax

Income from activities represents the invoice amount of services provided net of VAT. Expenditure represents the amount of goods and services purchased net of discounts and recoverable VAT.

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(1.6) Pensions

Payment is made to the Paymaster General of such sums as may be appropriate as representing accruing liabilities of the Civil Service Pension in respect of pensions and other similar benefits for persons employed by the Board and in respect of the administrative expenses attributable to the liabilities and their discharge.

Past and present employees are covered by the provisions of the Civil Service Pension scheme. Further details are contained within the Remuneration Report and Note 5 (Staff numbers and related costs).

(1.7) Cost of Capital

A charge, reflecting the notional cost of capital utilised by the Welsh Language Board, is included in the Net Expenditure Account. The charge is calculated at the real rate set by the HM Treasury (currently 3.5 per cent) on the average amount of all assets less liabilities.

(1.8) Grants Payable

Grants are charged to the Net Expenditure Account in the period in which the activity that creates an entitlement is carried out. The Board has the right to reclaim the whole or part of the grant if the grant recipient breaks any of the conditions relating to the grant offer. Any such recoveries are credited to the account on receipt.

(1.9) Exchange Rate Gains and Losses

The Board's transactions in foreign currencies are translated into sterling at the rate of exchange ruling at that date. Exchange differences are taken into account in the Net Expenditure Account. Balances held in foreign currencies are converted at the rate on 31 March.

(1.10) Bad Debts

The Board provides for debts when it considers the chance of recovery to be less than 50%.

(1.11) Joint Arrangement which is not a Separate Entity

The Board accounts for its interest in the *Network to Promote Linguistic Diversity* as a joint arrangement which is not a separate entity and therefore accounts for its share 10.21% for 2009-2010 (14.37% 2008-2009) of the income, costs, assets and liabilities of the Network. The members of the Network consist of national and regional governments, universities and research centres, organisations working outside government, as well as language planning bodies across Europe which promote regional, minority, indigenous, and lesser-used languages. The Network is funded by membership fees and European Commission grant. The Board acts as secretariat to the *Network to Promote Linguistic Diversity*.

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(1.12) Employee Benefits

Wages, salaries, social security contributions, bonuses payable and non-monetary benefit for current employees are recognised in the Net Expenditure Account as the employees' services are rendered. The Board do not account for short-term compensated absences (paid annual leave) as a liability (accrued expense) where the compensation for absence is due to be settled within twelve months after the end of the period in which the employees render the service, as the Board propose this not to be material.

(1.13) Operating Leases

Operating lease rentals are charged to the Net Expenditure Account in the year to which they relate.

(1.14) First-time adoption of IFRS

The first-time adoption of IFRS did not result in any amendments to net expenditure or taxpayers' equity (reserves). 2009-2010 accounts are required to disclose the financial position at 31 March 2010, 31 March 2009 and 1 April 2008.

2 Welsh Assembly Government Grant In Aid

	2009-2010 £000	2008-2009 £000
Welsh Assembly Government Grant In Aid	<u>13,653</u>	<u>13,373</u>

3 Income

	2009-2010 £000	2008-2009 £000
Immersion Education Project – Welsh Assembly Government*	334	342
Continuity Project – Welsh Assembly Government*	204	172
Sponsorship	36	64
Other Income	118	54
Welsh Language Board share of European Commission grant for <i>Network to Promote Linguistic Diversity</i>	14	13
Welsh Language Board share of <i>Network to Promote Linguistic Diversity</i> membership income	22	29
	<u>728</u>	<u>674</u>

*These projects are lead by the *Children and Young People Team* within the Board.

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4 Grants

The following grants were payable under Section 3(3) of the Welsh Language Act 1993:

	2009-2010 £000	2008-2009 £000
Grants for the promotion of Welsh education	2,889	2,845
Grants for the promotion of the language in general	4,633	4,540
Business Grants	-	38
	7,522	7,423

A full list of all grants paid and payable is available from the office of the Welsh Language Board.

Grants of £2,889,000 were paid to public bodies, for the promotion of Welsh education. The remainder were paid to voluntary and private sector bodies.

5 Staff Numbers and Related Costs

(a)	2009-2010				2008-2009
	Permanently employed staff £000	Other Staff* £000	Members £000	Total £000	Total £000
Salaries and wages	2,493	71	103	2,667	2,516
Social security costs	195	8	4	207	193
Other pension costs	479	12	9	500	490
Total Cost	3,167	91	116	3,374	3,199
(b) Average numbers**	75	2	11	88	83

*Other staff heading above includes inward secondments, agency and short term contract staff

** Whole Time Equivalents employed during the year

The terms and conditions of staff employed are analogous to those of the Welsh Assembly Government. The Board members were appointed / re-appointed on 1 April 2010 by Welsh Ministers.

(c) The salary and pension entitlements of the Chair, Board Members and staff in the most senior positions, are included in the Remuneration Report on pages 10 to 14.

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(d) Pensions

Details of pensions are included in the Remuneration Report on pages 10 to 14.

The Principal Civil Service Pension Scheme (PCSP) is an unfunded defined benefit scheme which is shared by a large number of employers and as a result the Welsh Language Board's share of the underlying assets and liabilities is not identifiable. Information about the existence of the surplus or deficit in the scheme and the implications on the employee is available from the annual pension scheme statement.

Contributions amounting to £500,000 (2008-2009: £490,000) were payable on behalf of staff and the Chair to the Paymaster General for the year to 31 March 2010 at rates determined by the Government Actuary and advised by the Treasury. This ranged from 16.7% to 24.3% (2008-2009: 17.1% to 25.5%) of pensionable pay, based on salary bands. The contribution rates reflect benefits as they accrue, not the costs as they are actually incurred, and reflect past experience of the scheme.

(e) Gifts register

The Board also operates a gifts register. No item noted during the year is considered of material interest to these financial statements.

6 Administration

Administration expenses included:

	2009-2010 £000	2008-2009 £000
Accommodation - Office Rent Lease Costs	149	147
Accommodation - Other Costs*	200	197
Travel, subsistence and hospitality	150	148
Training	124	122
Information Technology & Telecommunications	100	111
Auditors' remuneration (external audit fee)	15	15
Auditors' remuneration (other external audit work)	2	2
Other Running Costs**	157	148
	897	890

* Other accommodation costs include heating, lighting, facilities management, non domestic charges and stationery.

**Other running costs include fees such as legal, consultancy, payroll administration, recruitment and translation.

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7 Other Programme Expenditure

Direct expenditure relates to numerous projects undertaken by the Board's teams. The projects are included in the Operational Plan for the year that is subject to approval by the Welsh Assembly Government. Details of projects undertaken are included in the Board's Annual Review.

	2009-2010 £000	2008-2009 £000
Community Development Team	1,005	1,017
Language Schemes' Team	215	147
Private Sector and Business Team	97	207
Children and Young People Team	651	552
Central Services Team	184	186
Policy and Terminology Team	356	390
Welsh Language Board share of <i>Network to Promote Linguistic Diversity</i> Expenditure funded from		
• European Commission grant	14	13
• Membership income	43	8
	2,565	2,520

8a Intangible Assets

	Software Licences £000	Licences £000	Total £000
Cost			
At 1 April 2009	106	23	129
Additions	9	-	9
Disposals	-	-	-
At 31 March 2010	115	23	138
Amortisation			
1 April 2009	89	5	94
Charged in year	13	2	15
Disposals	-	-	-
At 31 March 2010	102	7	109
Net book value at 31 March 2010	13	16	29
Net book value at 1 April 2009	17	18	35

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8b Property, Plant & Equipment

	Furniture & Fittings £000	Office Equipment * £000	Total £000
Cost			
At 1 April 2009	602	421	1,023
Additions	15	56	71
Disposals	(6)	(32)	(38)
At 31 March 2010	611	445	1,056
Depreciation			
At 1 April 2009	413	315	728
Charged in year	58	55	113
Disposals	(5)	(31)	(36)
At 31 March 2010	466	339	805
Net book value at 31 March 2010	145	106	251
Net book value at 1 April 2009	189	106	295

* Office Equipment includes information technology and telecommunication assets.

Asset financing: The Board holds no finance leases or Private Finance Initiative (PFI) contracts. All assets disclosed above are owned by the Board.

There were no contractual capital commitments at 31 March 2010.

With the implementation of International Financial Reporting Standards (IFRS), the Board have reviewed and reclassified Intangible Assets and Property, Plant & Equipment, in order to comply with suggested headings.

Intangible Assets were previously disclosed under a single heading (Software Licences). For the purpose of IFRS, these have been re-classified between Software Licences and Licences.

Office Improvements and Alterations, and Office furniture were previously disclosed under separate headings. These have now been classed under a single heading (Furniture and Fittings) for the purpose of IFRS.

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9a Trade Receivables and Other Current Assets

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Amounts falling due within one year			
Trade receivables – Welsh Assembly Government Immersion Education Project and Linguistic Continuity Project	183	320	347
Other receivables	17	29	186
Prepayments	136	158	134
Value added tax	12	-	4
Less provision for bad debts	-	-	(52)
Welsh Language Board share of <i>Network to Promote Linguistic Diversity</i>	12	2	-
	360	509	619

9b Intra-Government Balances

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Amounts falling due within one year			
Balances with other Central Government bodies	187	349	347
Balances with Local Government bodies	46	53	46
	233	402	393

There are no amounts falling due after more than one year.

10 Cash and Cash Equivalents

	£000
Balance at 1 April 2008	228
Net change in cash and cash equivalent balances	(241)
Balance at 31 March 2009	(13)
Net change in cash and cash equivalent balances	128
Balance at 31 March 2010	115

The Board's cash balances were held in a commercial bank at year end. No balances were held with the Office of HM Paymaster General at year end.

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11 Trade Payables and other Current Liabilities

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Amounts falling due within one year			
Trade payables	43	19	41
Accruals	66	84	141
Value added tax	-	2	-
Deferred income <i>Network to Promote Linguistic Diversity</i>	40	11	226
Deferred income	2	-	-
Welsh Language Board share of <i>Network to Promote Linguistic Diversity</i>	3	5	-
	154	121	408

Intra-Government Balances

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Amounts falling due within one year			
Balances with other Central Government bodies	-	-	-
Balances with Local Government	-	-	-
	-	-	-

There are no amounts falling due after more than one year.

12 Provision for Liabilities and Charges

	£000
Provision at 1 April 2008	4
Provided in year	1
Provision utilised in the year	(1)
Balance at 31 March 2009	<u>4</u>
Balance at 1 April 2009	4
Provided in year	1
Provision utilised in year	-
Balance at 31 March 2010	<u>5</u>

Under the Board's building lease agreement, it must provide for redecorating its office every 5 years. The Board provides £1,000 every year in order to comply with the lease and utilises the provision in the year that any redecoration takes place.

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13 Commitments under leases

The total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2010	Restated 31 March 2009
Obligations under operating leases comprise:		
Buildings	£000	£000
No later than one year	126	127
Later than one year and not later than five years	481	494
Later than five years	315	429
	922	1,050
	31 March 2010	31 March 2009
Other	£000	£000
No later than one year	6	5
Later than one year and not later than five years	8	13
Later than five years	-	1
	14	19

The Board has not entered into any finance leases, commitments under PFI contracts or any other non-cancellable contracts with financial commitments.

14 Contingent liabilities disclosed under IAS 37

There were no contingent liabilities at 31 March 2010.

15 Financial Instruments

As the cash requirements of the Board are met through Grant-in-Aid provided by the Welsh Assembly Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Board's expected purchase and usage requirement and the Board is therefore exposed to little credit, liquidity or market risk.

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16 Related party transactions

The Welsh Language Board is a non-departmental public body sponsored by The Welsh Assembly Government, which is regarded as a related party. During the year, the Welsh Language Board has had various material transactions with the Welsh Assembly Government.

During the year, the Board was involved in transactions, under the normal course of business and in accordance with the rules of the Board, in which the following Board members and Chief Executive declared an interest and which are considered material:

- a) Professor Colin Williams, a Member of the Board is a Professor in the School of Welsh at Cardiff University.
 - A payment of £13,185 to Welsh for Adults Centre, Cardiff University regarding informal learning opportunities for Welsh learners.
- b) Marc Phillips, a Member of the Board.
 - A payment of £1,141,162 was made to Mudiad Ysgolion Meithrin. Marc Phillips' wife is a Director of Mudiad Ysgolion Meithrin, an unpaid post.
 - A payment of £13,185 to Welsh for Adults Centre, Cardiff University regarding informal learning opportunities for Welsh learners. Marc Phillips' wife is a salaried member of the Centre.
- c) Huw Jones, a Member of the Board, is a trustee of Nant Gwrtheyrn an unpaid post. .
 - A payment of £5,000 was made to Nant Gwrtheyrn for a marketing project.
- d) Meirion Prys Jones, the Chief Executive.
 - A grant of £122,049 was paid to the Welsh Society of Translators, the Chief Executive's brother is Chair of the Society, an unpaid post.

The Chief Executive's sister in law is a salaried member of Canolfan Bedwyr Bangor University. The Board undertook the following transactions with the Canolfan Bedwyr during the year:-

- Grant of £9,050 to Canolfan Bedwyr, Bangor University towards the 'Place names Service'.
- A payment of £18,422 to Canolfan Bedwyr to develop a digital database of the Welsh Academy's English-Welsh dictionary.