



ANNUAL REPORT

Annual Report and Accounts
for the year ended 31 May 2004

Registered Number: 3876305 Registered Charity Number: 1079309



FootballFoundation

football's biggest supporter

Football Foundation



www.footballfoundation.org.uk





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funding partners



Trustees, directors, officers and advisors

Trustees and directors

R F Burden *
 Sir Trevor Brooking
 D G Richards
 R C Scudamore *
 G Thompson
 Rt Hon W A Taylor MP (appointed 13 August 2003)

*Member of Audit and Remuneration Committee

Chief Executive & Secretary

P A Lee

Registered Office

25 Soho Square
 London
 W1D 4FF

Auditors

PricewaterhouseCoopers LLP
 1 Embankment Place
 London
 WC2N 6RH

Solicitors

Bates, Wells & Braithwaite
 Cheapside House
 138 Cheapside
 London
 EC2V 6BB

Bankers

Barclays Bank PLC
 Hanover Square Corporate Banking Group
 50 Pall Mall
 London
 SW1A 1QD

Investment custodians

Barclays Global Investors
 Murray House
 1 Royal Mint Court
 London
 EC3N 4HH

Anglo Irish Bank Corporation plc
 10 Old Jewry
 London
 EC2R 8DN

Merrill Lynch International Bank Limited
 33 Chester Street
 London
 SW1X 7XD

The Royal Bank of Scotland plc
 36 St Andrew Square
 Edinburgh
 EH2 2YB



Report of the Trustees

for the year ended 31 May 2004

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 May 2004.

The information with respect to Trustees, directors, officers and advisors set out on page 4 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 and the Companies Act 1985.

Status and administration

The Charity is a charitable company limited by guarantee, incorporated on 19 November 1999 as The Football Trust Charitable Trust, changing its name to The Football Foundation on 26 April 2000 (company registration number 3876305) and registered with the Charity Commissioners (charity number 1079309).

The other company included within the Group is the non-charitable trading subsidiary Football Foundation Trading Limited, which was incorporated on 20 April 2001 (company registration number 4202574).

The report and consolidated financial statements for the year ended 31 May 2004 relate to the total activities of the two legal entities.

Objects

The Charity's objects were changed by special resolution on 16 June 2004. The objects of the charity, as stated in its governing document, are to promote all purposes recognised as charitable under the law of England and Wales from time to time in particular through an association with sport.

Football Foundation Trading Limited has been established to trade and generate funds for The Football Foundation. There are no restrictions on the activities of the company. The main activity in the company during 2003/04 was the provision of football kit and equipment to football clubs and schools.

Review of activities and future developments

The consolidated statement of financial activities for the year is set out on page 9 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Following the year-end the Football Association, the FA Premier League and the Government have agreed to provide funding worth £45 million over the next three years to support planned activities.

Income Generation

The income of the Charity is comprised primarily of donations and grants from football and sport related organisations, with an additional amount of interest earned on cash balances. Donations received during the year were £53.2m (2002/03: £24.6m). There are no income generation activities carried out by the charity although the subsidiary company generated income of £482,000 (2002/03: £546,000) in the year.

Grant making policy

Over 2,350 grants were awarded during the year under the Grass Roots and Community & Education and Junior Kit Schemes, compared with 1,700 grants during 2002/03.

Grass roots grants are given to organisations and bodies to improve or create new pitches and changing facilities in parks and schools.

Community and Education grants use football to assist in the development of communities and the people who share them including encouraging physical activity, drugs awareness courses, anti racism activities and the development of numeracy and literacy schemes amongst school children and adults alike.

Junior Kit Scheme grants provide free kit and equipment to clubs and schools.

During 2003/04 several major grants were awarded. The largest 50 grants are listed in note 24 to the financial statements. All applications for grants are assessed and judged in line with the objects of the Charity. The key criteria which grant applications are required to meet are:

- The application is in line with the charity's published data and fact sheets;
- There is a demonstrable need;
- There is adequate financial management of both the project and the applicant;
- Work must be properly procured, and
- The sports development programme is achievable, equitable and results orientated.

Future Activities

The Charity intends to maintain its current grant making activity over the categories established above. It has already awarded a number of grants during 2004/05, including £1,000,000 to Litherland High School to improve pitches and provide new changing facilities, £1,000,000 to the Stonebridge Housing Trust for a new pavilion and artificial pitch and £1,000,000 to the University of Southampton to develop multi-use sports facilities.

Football Foundation Trading Ltd

The charity's wholly owned trading subsidiary carries out non-charitable trading activities for the group. The company makes an annual gift aid payment to the charity, thereby transferring all of its taxable profits to the charity. In addition to its trading activities the company also developed the Register of English Football Facilities. On 4 April 2001 the Charity agreed to make a grant of £2,295,000 to the Football Foundation Trading Limited to compile a comprehensive register of football facilities in England as a context for developing an objective rationale for prioritising and generating grass roots football projects. Although the register was completed during 2002/03 it continues to be improved and enhanced. The 22,000 sites listed on the register enable people to locate their nearest clubs and see the facilities on offer.

The company makes an annual payment under a Royalty agreement of 2% of its annual turnover to the Charity as consideration for the use of the Charity's name and logos. The payment due to the Charity under this agreement for 2003/04 is £9,955 (2002/03: £11,294).

Of the three directors of the company, R G Scudamore and G Thompson are directors of the holding company and P A Lee is the Chief Executive of the holding company. The company is considering the appointment of an independent director.

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 10 and 11 to the financial statements.

Investment powers, policy and performance

Investment powers are governed by the company's Articles of Association, which permit the surplus funds to be invested by the Board of Directors. The Trustees intend that the real value of the charity's investments be maintained and enhanced over the long term by investment in a low risk portfolio comprising solely of cash funds. The brief to the Chairman, Chief Executive and Director of Finance, who have delegated authority in such matters, is that they should select a balanced investment return from income and capital, with low risk. The performance of the investments has been in line with Trustees expectations.

Reserves

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves") held by the Charity should be at least between six and nine months of the resources expended. At this level, the Trustees feel that they would be able to continue the current activities of the Charity in the event of a significant drop in income. It would be necessary to consider how the income would be replaced or activities changed.

The group has cash on deposit of £59.7million and investments in unit trusts of £3.1million at the end of the financial year. These will be used in the coming years to pay grants that the Trustees have authorised and communicated to the recipients. At the end of the financial year there were outstanding grants payable totalling £53.5million. The timing for receipt of income by the Charity is never certain, so the Trustees' policy is not to commit funds that have not yet been received.

Governance of the charity

During the period under review the Trustees met bi-monthly. The Trustees are appointed to the Board as follows:

The Football Association:	Two trustees
The F.A. Premier League:	Two trustees
Sport England:	One trustee
The Department for Culture, Media and Sport:	One trustee

Trustees serve for an open period until the nominating body replaces them on the Board.

The Trustees, all of whom served throughout the year except where otherwise disclosed, are listed on page 4.

Committees and Panels

The Trustees have established committees for specific areas of the Charity's operations covering the following areas: The Grant Assessment Panel, The Grass Roots Advisory Group and the Community and Education Panel. In addition, the Trustees participate in the Audit and Remuneration Committee. Each committee has its decisions ratified by the full board.

Risk management

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on 12 October 2000, the directors are preparing to establish a Risk Management Group. This group should be fully operational during 2004/05. A draft risk register has been produced by the Charity and the group will be conducting its own review of the major strategic, business and operational risks to which the charity and the group are exposed. Systems will be enhanced to mitigate all those risks and procedures implemented, where outstanding, to minimise the potential impact on the Charity and the group should any of those risks materialise.

Statement of Trustees' responsibilities

The Trustees are required by charity and company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the group as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 May 2004. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charity Commission SORP 2000. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the organisation's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



P A Lee
Company Secretary



Independent auditors' report

to the members of The Football Foundation

We have audited the financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The trustees are also the directors of the Football Foundation for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for, and only for, the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Report of the Trustees.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that

the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group at 31 May 2004 and of the net incoming resources, including its income and expenditure and the cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

8 December 2004

Consolidated statement of financial activities for the year ended 31 May 2004 (including an income and expenditure account)

		Restricted Funds 2004	Unrestricted Funds 2004	Total Funds 2004	Total Funds 2003
	Notes	£'000	£'000	£'000	£'000
Incoming Resources					
Donations	2	13,858	39,385	53,243	24,551
Activities for generating funds:					
Trading income	3	–	482	482	546
Interest income	4	–	1,839	1,839	1,632
Total incoming resources		13,858	41,706	55,564	26,729
Resources Expended					
Costs of generating funds					
Trading costs in subsidiary company	5	–	(114)	(114)	(165)
Costs of activities in furtherance of the charity's objects:					
Grants payable	5	(13,858)	(31,158)	(45,016)	(30,006)
Management and administration	5	–	(2,632)	(2,632)	(2,217)
		(13,858)	(33,790)	(47,648)	(32,223)
Total resources expended		(13,858)	(33,904)	(47,762)	(32,388)
Net income/(expenditure) before revaluations		–	7,802	7,802	(5,659)
Gains/(losses) on revaluation of investment assets	12	–	155	155	(83)
Net movement in funds		–	7,957	7,957	(5,742)
Fund balances brought forward	15	–	18,470	18,470	24,212
Fund balances carried forward	15	–	26,427	26,427	18,470

All incoming resources and resources expended are derived from continuing activities.

The company had no gains or losses other than those included in the net movement in funds above, therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net movement in funds and its historical cost equivalent.

Balance Sheets as at 31 May 2004

	Notes	Group		Charity	
		2004 £'000	2003 £'000	2004 £'000	2003 £'000
Fixed assets					
Intangible assets	10	–	86	–	86
Tangible assets	11	2,149	2,573	327	421
Investments	12	–	2,917	–	2,917
		<u>2,149</u>	<u>5,576</u>	<u>327</u>	<u>3,424</u>
Current assets					
Investments	12	3,072	2,000	3,072	2,000
Debtors	13	15,587	4,294	15,698	4,931
Cash on deposit		59,729	43,385	59,396	42,714
		<u>78,388</u>	<u>49,679</u>	<u>78,166</u>	<u>49,645</u>
Creditors: amounts falling due within one year	14	(54,110)	(36,785)	(53,856)	(36,723)
Net current assets		<u>24,278</u>	<u>12,894</u>	<u>24,310</u>	<u>12,922</u>
Total assets less current liabilities		<u>26,427</u>	<u>18,470</u>	<u>24,637</u>	<u>16,346</u>
Net assets		<u>26,427</u>	<u>18,470</u>	<u>24,637</u>	<u>16,346</u>
Capital and reserves:					
Trading subsidiary reserves	3	1,790	2,124	–	–
Restricted funds		–	–	–	–
Unrestricted funds	15	24,637	16,346	24,637	16,346
Total funds	15	<u>26,427</u>	<u>18,470</u>	<u>24,637</u>	<u>16,346</u>

The financial statements, which comprise the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement, the related notes and the accounting policies set out in the statement of accounting policies were approved by the board of directors on 8 December 2004 and signed on its behalf by:

DG Richards

Director

Consolidated cash flow statement for the year ended 31 May 2004

	Notes	2004 £'000	2003 £'000
Net cash inflow from operating activities	17	12,537	4,212
Returns on investments and servicing of finance			
Interest received		1,839	1,632
Total returns on investments and servicing of finance		<u>1,839</u>	<u>1,632</u>
Capital expenditure and financial investment			
Sale of investments	12	2,000	(5,000)
Purchase of tangible fixed assets	11	(34)	(342)
Sale of tangible fixed assets	11	–	43
Total capital expenditure and financial investment		<u>1,966</u>	<u>(5,299)</u>
Net cash inflow before financing		<u>16,342</u>	<u>545</u>
Increase in cash in the year	19	<u>16,342</u>	<u>545</u>



Notes to the financial statements

for the year ended 31 May 2004

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000, and the Companies Act 1985. A summary of the principal group accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the charity and its subsidiary undertaking made up to 31 May 2004. The subsidiary has been consolidated on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.

The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP. The amount of the net outgoing resources for the year dealt with in the charity's financial statements is disclosed in note 9.

Donations

All donations received to unrestricted funds are included in the statement of financial activities on a cash received basis. Donations to the restricted fund have been included on a receivable basis as the funding bodies commit to the donations as the related grants payable are authorised by the Foundation.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Grants payable are recognised in the statement of financial activities when the grant has been authorised and, communicated to the recipient, and the recipient has confirmed their acceptance of the offer. This is deemed to have created a constructive liability as there are no significant conditions attached to payment of the grants.

Management and administration

Management and administration costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

During 2002/03 a restricted fund was established to account for donations received from the Big Lottery Fund (formerly New Opportunities Fund), and for grants awarded from this source of funding.

During 2003/04 the Football Association appointed the Football Foundation to act on its behalf in respect of the receipt and distribution of funds from Sport England, distributor of certain Government capital funding for the development of community club sports facilities. This scheme is called the Community Club Development Programme (CCDP). A restricted fund has been established to account for these donations from Sport England. These funds are in addition to Sport England's contribution to the Charity's core grant-aiding activity.

All other funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Pension costs

The charity makes contributions to defined contribution pension schemes on behalf of certain staff members, the assets of which are held separately from those of the charity in an independently administered fund. The cost of these contributions is charged in the financial statements as incurred.

Tangible fixed assets

Capitalisation and replacement

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Assets of over £250 are capitalised.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Assets in the course of construction are not depreciated until they are brought into use. The principal annual rates used for this purpose are:

	Years
Fixtures and fittings – straight line	10
Computer equipment – straight line	4
Computer equipment: REFF database – straight line	7
Motor vehicles – straight line	5

Intangible Assets – Goodwill

The goodwill shown in note 10 arose from the acquisition of assets from The Football Trust. The goodwill is amortised over a period of four years, being the period over which The Football Foundation will receive its initial grant funding from The Football Association, The F.A. Premier League and the Government.

Investments

These are included in the balance sheet at market value at the year end. All realised and unrealised gains or losses are taken to the statement of financial activities.

2. Donations

Group	2004 £'000	2003 £'000
The Football Association	23,000	–
F.A. Premier League	13,000	14,977
The Football Stadia Improvement Fund Limited	337	458
Sport England	3,047	4,789
Big Lottery Fund (formerly New Opportunities Fund)	6,870	4,327
Sport England: CCDP	6,988	–
Other	1	–
	<u>53,243</u>	<u>24,551</u>

3. Subsidiary undertaking

The subsidiary undertaking of the charity, Football Foundation Trading Limited (FFTL), is a company limited by guarantee. The only member of the company is The Football Foundation. FFTL administers the Register of English Football Facilities. It also provides football kit and equipment to clubs through a sponsorship scheme with Barclaycard.

The subsidiary donates its taxable profits to the charity each year by gift aid. In addition the subsidiary pays 2% of its turnover to the charity under a royalty agreement as consideration for the use of the Charity's name and logos. The company's trading results for the year, as extracted from the audited financial statements, are summarised below:

	2004 £'000	2003 £'000
Turnover	482	546
Cost of sales/admin expenses	(822)	(542)
Release from deferred capital grants	328	164
Operating (loss)/profit	(12)	168
Investment income	16	18
Gift aid	(10)	(192)
Loss of subsidiary	<u>(6)</u>	<u>(6)</u>

Turnover includes £nil for services to the charity.

	2004 £'000	2003 £'000
Tangible fixed assets	1,822	2,152
Current assets	360	768
Current liabilities	(392)	(796)
Net assets	<u>1,790</u>	<u>2,124</u>

4. Interest income

Group	2004 £'000	2003 £'000
Interest receivable on cash on deposit	1,713	1,572
Interest receivable on investment assets	126	60
	<u>1,839</u>	<u>1,632</u>

5. Resources expended

Group	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	2004 £'000	2003 £'000
Trading costs	–	114	–	114	165
Grants payable (see note 24)	–	45,016	–	45,016	30,006
Management and administration	1,124	1,050	458	2,632	2,217
	<u>1,124</u>	<u>46,180</u>	<u>458</u>	<u>47,762</u>	<u>32,388</u>

6. Net incoming resources

Group	2004 £'000	2003 £'000
Net outgoing resources are stated after charging/(crediting):		
Depreciation on tangible assets	458	244
Loss on disposal of tangible fixed assets	–	21
Goodwill amortisation	86	85
Auditors' remuneration for:		
Audit services	17	14
Taxation and other services	–	20
	<u>–</u>	<u>20</u>

Indemnity insurance for directors'/trustees' liability has been purchased by the group at a cost of £5,565 (2002/03: £5,329).

7. Employee information

Group	2004 Number	2003 Number
The average number of persons employed by the group during the year was:		
Administration	31	26
	<u>31</u>	<u>26</u>
Group	2004 £'000	2003 £'000
Staff costs (for the above persons)		
Wages and salaries	956	859
Social security costs	107	95
Pension costs	61	49
	<u>1,124</u>	<u>1,003</u>

The number of employees whose emoluments exceeded £50,000 were:

Group	2004 Number	2003 Number
£50,001-£60,000	2	1
£60,001-£70,000	1	2
£70,001-£80,000	1	-
£80,001-£90,000	-	-
£90,001-£100,000	-	1
£100,001-£110,000	1	-

For those staff whose emoluments exceeded £50,000, pension contributions amounting to £28,652 (2002/03: £22,244) were paid for the provision of money purchase benefits. No trustee/director received any remuneration from the charity during the year. The Chairman is reimbursed for out of pocket expenses incurred whilst carrying out his duties. No other trustee/director has received reimbursement for travel expenses.

8. Taxation

The parent company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The charity is not registered for VAT and, accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Football Foundation Trading Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Football Foundation Trading Limited gift aids all of its taxable profits to the charity, resulting in no liability to corporation tax.

9. Net incoming resources dealt with in the charity's financial statements

The net incoming resources for the year attributable to the charity were £7,957,000.

10. Intangible fixed assets

Group and charity	Goodwill £'000
Cost	
At 1 June 2003	344
At 31 May 2004	344
Amortisation	
At 1 June 2003	258
Charge for the year	86
At 31 May 2004	344
Net book value	
At 31 May 2004	-
At 1 June 2003	86



11. Tangible fixed assets

Group	Fixtures & fittings £'000	Computer Equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 June 2003	66	2,649	150	2,865
Additions	–	34	–	34
Disposals	–	–	–	–
At 31 May 2004	66	2,683	150	2,899
Depreciation				
At 1 June 2003	10	222	60	292
Charge in year	6	422	30	458
Disposals	–	–	–	–
At 31 May 2004	16	644	90	750
Net book amount				
At 31 May 2004	50	2,039	60	2,149
At 31 May 2003	56	2,427	90	2,573



Charity	Fixtures & fittings £'000	Computer Equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 June 2003	42	354	150	546
Additions	–	34	–	34
Disposals	–	–	–	–
At 31 May 2004	42	388	150	580
Depreciation				
At 1 June 2003	7	58	60	125
Charge in year	4	94	30	128
Disposals	–	–	–	–
At 31 May 2004	11	152	90	253
Net book amount				
At 31 May 2004	31	236	60	327
At 31 May 2003	35	296	90	421

12. Investments

Charity and Group	2004 £'000	2003 £'000
At 1 June 2003	4,917	–
Additions	–	5,000
Disposals	(2,000)	–
Net revaluation gains/(losses)	155	(83)
At 31 May 2004	3,072	4,917

All investments are stated at their market value as at 31 May 2004. Their historical cost was £3million (2002/03: £5million).

All investments are held in the UK.

13. Debtors

	Group		Charity	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Amounts falling due within one year				
Amounts due from subsidiary undertaking	–	–	119	723
Amount due from Big Lottery Fund	8,126	3,451	8,126	3,451
Amount due from Sport England for the CCDP	6,988	–	6,988	–
Other debtors	345	738	328	640
Prepayments and accrued income	128	105	137	117
	15,587	4,294	15,698	4,931

No interest is charged on subsidiary undertaking balances.

14. Creditors: amounts falling due within one year

	Group		Charity	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Grants payable	53,497	36,425	53,497	36,425
Taxation and social security costs	52	64	52	42
Other creditors	395	195	164	169
Bank overdraft	26	24	26	24
Accruals	140	77	117	63
	54,110	36,785	53,856	36,723

15. Funds

Group	Balance	Incoming	Resources	Transfers	Balance
	2003 £'000	resources £'000	expended £'000	Investment gains/(losses) £'000	2004 £'000
Unrestricted fund					
General reserve	18,470	41,706	(33,904)	155	26,427
Restricted funds					
Big Lottery Fund	–	6,870	(6,870)	–	–
CCDP	–	6,988	(6,988)	–	–
Total funds	18,470	55,564	(47,762)	155	26,427

Charity	Balance	Incoming	Resources	Transfers	Balance
	2003 £'000	resources £'000	expended £'000	Investment gains/(losses) £'000	2004 £'000
Unrestricted fund					
General reserve	16,346	41,228	(33,092)	155	24,637
Restricted fund					
Big Lottery Fund	–	6,870	(6,870)	–	–
CCDP	–	6,988	(6,988)	–	–
Total funds	16,346	55,086	(46,950)	155	24,637

16. Analysis of the net assets between funds

	General fund £'000	Restricted funds £'000	Balance 2004 £'000
Group			
Tangible fixed assets	2,149	–	2,149
Net current assets	9,164	15,114	24,278
Net assets	11,313	15,114	26,427

17. Reconciliation of net incoming resources to net cash inflow from operating activities

Group	2004 Number	2003 Number
Continuing activities		
Net incoming/(outgoing) resources for the year	7,957	(5,742)
Depreciation of tangible fixed assets	458	244
Amortisation of intangible fixed assets	86	85
Interest income	(1,839)	(1,632)
(Gain)/loss on disposal of fixed assets	–	(21)
(Gain)/loss on revaluation of investment asset	(155)	83
(Increase)/decrease in debtors	(11,293)	(3,713)
Increase in creditors	17,323	14,908
Net cash inflow from operating activities	12,537	4,212

18. Analysis of changes in net funds during the year

Group	At 1 June 2003 £'000	Cashflow £'000	At 31 May 2004 £'000
Net cash:			
Cash on deposit	43,385	16,344	59,729
Bank overdraft	(24)	(2)	(26)
Net funds	43,361	16,342	59,703

19. Reconciliation of net cash flow to movement in net funds

Group	At 31 May 2004 £'000
Increase in cash	16,342
Change in net funds	16,342
Net funds at 1 June 2003	43,361
Net funds at 31 May 2004	59,703

20. Operating leases

There are no operating leases.

21. Commitments

All grant commitments have been recognised once the grant recipient has confirmed their acceptance of the offer. In addition, grants totalling £5,740,351 have been offered where acceptance is awaited.

22. Capital

The charity is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members at 31 May 2004 is £2 (2003: £2).

23. Related party transactions

The charity has taken advantage of the exemption provided by Financial Reporting Standard No. 8 on Related Party Transactions from disclosing transactions with entities, 90% or more of whose voting rights are controlled within the group, and where consolidated financial statements are publicly available.

Mr D G Richards and Mr R C Scudamore are the Chairman and Chief Executive of The F.A. Premier League respectively. The F.A. Premier League donated £13,000,000 to The Football Foundation during the year.

Mr G. Thompson is the Chairman, and Mr D. Richards and Mr R. Burden are directors of The Football Association. The Football Association donated £23,000,000 to The Football Foundation during the year.

Mr R. Burden is a governor of Cheltenham Bournside School. During 2003/04 the Football Foundation made a grant of £132,500 to this organisation.

Staff of the Football Foundation are employed under joint contracts with the Football Stadia Improvement Fund. A proportion of staff costs are recharged to The Football Stadia Improvement Fund together with an element of the running costs of The Football Foundation.

The Football Stadia Improvement Fund and Football Foundation Trading Limited gift aid their taxable profit for the year to The Football Foundation. As The Football Foundation accounts for donated income on a cash received basis, the gift aid relating to the profits of the Football Stadia Improvement Fund and The Football Foundation Trading Limited for the prior year will be received in the following period of the Football Foundation.

In the current year, £337,000 has been received as a gift aid donation from The Football Stadia Improvement Fund.

24. Grants awarded

Grants payable amounted to £45,016,000 (2002/03: £30,006,000). A list of the largest 50 grants awarded during the year is provided below. Each of these organisations received one grant in the year.

Grass roots grants awarded:

	£		£
Chippenham Town Council	1,000,000	Leyton Orient Community Sports Programme	1,000,000
Mark Hall Community School	973,890	City of Bradford Metropolitan District	910,343
Northumbria University	887,534	Carlisle City Council	807,326
Birmingham City Council	797,908	Camborne Pool Redruth College	776,417
Bournemouth Borough Council	748,000	Manchester College of Arts & Technology	691,737
Pershore High School	679,265	Borehamwood Football Club	674,550
South Gloucestershire Council	605,052	Newcastle-Under-Lyme Borough Council	650,000
Brunel University	600,000	Worcester City Council	575,108
Coulthurse Craven Sports Centre	562,564	South Dartmoor Community College	535,396
London Borough of Barnet	519,266	Cavendish Fields Sports Association	518,667
Berinsfield Parish Council	485,942	Florence Colliery Social Welfare Centre	503,960
London Borough of Barnet	480,695	Royal Borough of Kingston Upon Thames	444,444
Denes High School	428,750	Longhill Ward Community Association	443,774
Jarvis Brook Sports Club	412,130	Scawthorpe Scorpions Junior FC	400,131
East Riding of Yorkshire Council	400,000	Thurstable School	382,855
Union Mills Football Club	382,312	Oakley and Deane Parish Council	380,000
AFC Totton	362,584	Ashcroft High School	354,950
Bishops Cleeve Football Club	350,000	Priesthorpe School	340,000
Eastleigh Borough Council	339,072	Lepton Highlanders Sports & Social Club	339,789
The Castle School	335,248	Colton Green FC	334,899
		Camelford Amateur Football Club	334,636

Community Club grants awarded:

	£
London Borough of Southwark	925,000
Nantwich Town FC	709,995
Bolton Woods Junior AFC	641,727
Kempston Rovers and Colts Community FC	505,500
Bungay & Districts Sports Association	466,332
Hindley Juniors Football Club	425,830
Kirkley & Parkfield Community Sports	376,000
Millmoor Juniors FC	373,685

Community and Education grants awarded:

	£
The Football league – Youth Development Community Programme	1,250,000

In addition, grants for kit and equipment costing a total of £588,000 (2002/03: £498,000) were awarded to over 1,800 junior football teams and clubs.



funding partners



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