

THE FOOTBALL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2010



FUNDING PARTNERS

Football 
Foundation

10
YEARS
2000-2010

TRUSTEES, DIRECTORS, OFFICERS AND ADVISERS

Trustees and directors

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Rt Hon Richard Caborn
J P B Hall
P D G McCormick OBE
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Secretary

P Fitzboydon

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CONTENTS

Trustees, directors, officers and advisers	2
Report of the Trustees for the for the year ended 31 May 2010	4
Independent auditors' report to the members of the Football Foundation	13
Consolidated statement of financial activities for the year ended 31 May 2010 (including an income and expenditure account)	14
Balance sheets as at 31 May 2010	15
Consolidated cash flow statement for the year ended 31 May 2010	16
Notes to the financial statements for the year ended 31 May 2010	17



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2010

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 2010.

The Trustees have referred to the Charity Commission's guidance on reporting on public benefit (section 4 of Charities Act 2006) when reviewing the Charity's aims and objectives, and when planning the charity's activities. The trustees are therefore confident that the Charity meets the public benefits requirements.

The information with respect to Trustees, directors, officers and advisers set out on page 2 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 March 2006 and the Companies Act 2006.



Status and administration

The Football Foundation ("the Foundation") 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 the 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 2010 relate to the total activities of the two legal entities.

Structure, governance and management

The Foundation is governed by its Memorandum and Articles of Association.

Trustees

The Trustees are appointed to the Board as follows:

Independent, non-voting, Chair	Appointed by the Board of Trustees for a three-year term
The FA:	Two trustees
The 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. Prior to the adoption of a revised Articles of Association on 8 August 2009 the Chairman was elected from the Trustees' number for an open period. Following the adoption of the revised Articles of Association the Trustees may also appoint an independent, non-executive, non-voting Chair for a period of up to three years, after which they can be reappointed.

Chief Executive

The Chief Executive is responsible to the Trustees for the operational efficiency and effectiveness of the Foundation within defined policy. The Chief Executive has authority to approve general administrative expenditure up to £25,000. Expenditure in excess of this amount requires the additional approval of the Chairman. The Chief Executive also has delegated authority from the Board to approve Grow the Game grants up to £5,000, and joint delegated authority (with the Chair of the Facilities Assessment Panel) to approve Build the Game grants up to £20,000.

Organisation

The Board of Trustees administers the Foundation and meet bi-monthly.

The Trustees have established committees – panels – to review and award grants in accordance with delegated authority granted by the Trustees, or to make recommendations to the Trustees in respect of applications to the various grant streams managed by the Foundation. The Panels that oversee the assessment of applications to the two major funding streams are the Facilities Assessment Panel (FAP) and the Community Assessment Panel (CAP). However, a condition of the new funding agreement, which came into force on 1 June 2010, was that the Foundation should limit its focus to its core business of grant aiding grassroots sports facility projects, and should discontinue its community (revenue) programme. Accordingly, community funding stream and the CAP were discontinued on 1 June 2010. The FAP is made up from representatives of the funding partners, but also unpaid volunteers who are independent from the Foundation and who bring specific expertise, knowledge and experience to the panel.

The Board has delegated authority to the FAP to award grants of up to £500,000. However, it should be noted that this is still subject to the Board being content with application proposals. Trustees are forwarded copies of all applications ahead of each FAP meeting and retain the power of veto; i.e., should Trustees raise an issue with an application that cannot be answered satisfactorily by the Executive prior to or during the FAP meeting, the application will automatically be forwarded for consideration by the full Board. All projects over £500,000 are assessed and scrutinised by the FAP and then forwarded to the full Board along with a recommendation for approval or otherwise.

In addition, the Trustees participate in the Audit and Remuneration Committee and the Risk Management Committee. Each committee has its decisions ratified by the full board.

Trustees and Panel members' induction

New Trustees are given an induction pack, which includes key governance and policy documents. An orientation day is then arranged which includes briefing sessions with each member of the Executive Management Team, other key staff and the Chief Executive. Areas such as the legal obligations of Trustees, the Foundation's governing documents, its policy and decision making process (including delegated authority levels), financial management and performance are covered. The management of the business, its structure and HR policies are explained.

An introductory session with the Chairman is followed by discussions with other Trustees and Panel Chairmen. Whenever possible this is timed to take place before a new Trustee's first meeting.

Panel members are recruited nationwide and are selected based on their relevant experience and abilities. Where suitable candidates are not identified through local knowledge or word of mouth, recruitment is undertaken by open advertisement. For new Panel members the induction is similar to that of Trustees, but focuses more on the business and remit of the particular panel, its role in the overall grant making process and the obligations of the members.

Internal training and briefing sessions are held for both Trustees and Panel members to widen their knowledge and understanding of the Foundation's work.

Risk management

The business, its management and execution of the company's strategy are exposed to a number of risks; these risks are identified and mitigated where possible. The key business risks affecting the organisation relate to its funding sources, operational financial risks and project risks.

Risks are the overall responsibility of each employee with ownership and accountability to the Risk Management Group with oversight by the Risk Management Committee. The Risk Management Group meets on a quarterly basis to review documented risks and their management action plans, assess any recent developments and report the latest position to the Risk Management Committee.

As part of the Foundation's risk mitigation strategy it was considered good practice to develop a business continuity management plan. This was aimed at recovering ICT and other operational and support infrastructure from interruptions and restoring the normal mode of operation as quickly and efficiently as possible. The plan is owned by the Director of Business Operations and includes key officers responsible for:

- incidents – staff information cascade
- telecommunications infrastructure failure
- denial of workplace access – short/long term
- key systems infrastructure failure.

The plan also contains a list of key suppliers, individual risk assessment and risk treatment plan along with our IT Business Partner's business continuity procedures.

Objectives and activities

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. The Charity's current and on-going objectives are:

- To put into place a new generation of modern facilities in parks, local leagues and schools.
- To provide capital/revenue support to increase participation in grass roots football.
- To strengthen the links between football and the community and to harness its potential as a force for good in society.

In meeting these objectives, the Foundation committed grants and other resources, mainly in the form of supporting expertise across a number of related disciplines, aimed at a successful outcome in each grant making category.

Activities were undertaken in:

- The Facilities Capital Grant scheme – the grant giving programme aimed at providing capital grants and programme delivery expertise in the building of changing rooms, clubhouses, grass or artificial pitches, multi-use games areas and floodlights for artificial pitches.
- The Facilities Build the Game scheme – this is aimed at providing smaller grants for small facilities projects to include; pitch drainage, changing room alterations, machinery maintenance, boundary fencing and replacing items such as boilers and generators.
- The Community Large Grant scheme – this is a revenue based programme that funds projects that last for three to five years and seeks to harness the undeniable power of football to inspire people to engage in football, and sport in general, and to lead more positive lives.
- The Grow the Game scheme – this programme provides revenue based funding that uses football to increase participation by both players and volunteers and is done by supporting the costs associated with providing new football related activities.
- The Goalpost Safety scheme – this programme provides funding to assist with the purchase of goalposts specially designed to promote safety in the game of football.
- The Junior Kit scheme – this programme provides funding towards football kit and equipment to under 18 teams and adults with disabilities.

Grant making policy

Facilities Grant Scheme

Applications to the Grass Roots Facilities Programme are assessed by the Facilities Assessment Panel (FAP). The Programme primarily contributes to the organisation's objective of improving facilities within local communities to influence directly the strategic development of sport in general, and football specifically.

The Foundation's prime responsibility is to provide new grassroots football facilities and replace or renovate old, dilapidated facilities where necessary for community benefit. These include changing rooms or clubhouses, grass or artificial pitches, floodlights to increase availability and multi-use games areas.

The Scheme awards grants to projects that demonstrate that they:

- Meet a local need and are therefore community led.
- Are driven by a strong football development plan with clear outcomes.
- Are financially sustainable throughout the projects' life cycle.
- Have strong partnerships with other sports and organisations.
- Will sustain or increase participation amongst children and adults, regardless of background, age, or ability.
- Are technically compliant with Foundation criteria.
- Have made significant efforts to secure alternative funding sources.
- Are of value for money.

The Facilities Programme aims to target 40% of total investment into the 20% most disadvantaged communities in the country. It also seeks to ensure that at least a third of funded sites are Multi-Sport Environments, defined as a third of participants taking part in a sport other than football. This is the key target outcome of the Strategic Review detailed below. All applications for grants are assessed and judged in line with the objects of the Charity.

Community Large Grant Scheme (CLGS)

Up until 1 June 2010, the Foundation ran a CLGS. Applications to the CLGS were assessed by the Community Assessment Panel (CAP). This funding stream was discontinued from 1 June 2010. Prior to this date the Foundation supported projects that contributed to one or more of the Community Programme Strategy objectives:

- Preventing and reducing offending.
- Promoting respect amongst communities and bring people together through football and sport.
- Improving educational attainment and lifelong learning.
- Encouraging personal development from participation in football and sport through to volunteering, training and employment.
- Tackling the rise in obesity in children and adults.
- Improving the mental health and wellbeing of children and adults.
- Tackling regional health inequalities in life expectancy and chronic illness.

The Scheme funded projects that operated in the most deprived areas of the country, targeting those most in need in society. The vast majority of the projects involved regular physical football/sport participation, thus contributing to the aim of increasing participation in football and other sports.

Small Grants (Revenue) Scheme (Grow the Game)

The Chief Executive has been given delegated authority (DA) by the Board of Trustees to award grants up to £5,000 in respect of applications to the Grow the Game (GtG) revenue scheme, which has a £5,000 award ceiling. Projects awarded grants under the GtG scheme may not exceed three years duration. All projects must increase participation in football through the development of new teams and players and the volunteers required to support them.

During 2009/10, GtG was delivered via two discrete funding windows. This allowed the grant giving teams to both manage the significant demand for this scheme, which far exceeded the available budget of £1,550,000, as well as manage the workload as efficiently as possible.

Applications are managed by Foundation staff via a three-stage assessment process. An initial desktop assessment takes place to determine an application's eligibility and financial risk. A second assessment takes place for all eligible applications. This assessment is completed in partnership with each County Football Association (CFA), whereby each project is scored through a series of questions that include the extent to which the project is a priority for each CFA in terms of their FA National Game Strategy targets. The final assessment is completed by the Foundation to ensure that the highest scoring projects across the country are supported. All projects are submitted to the Chief Executive for approval under delegated authority.

- A total of 379 eligible applications were submitted over the two funding window in 2009/10.
- A total of 329 applications were recommended to the Chief Executive for support, allocating the full 2009/10 GtG budget.

Projects are monitored annually to ensure they are achieving their aims and planned outcomes. It is anticipated that the following will be delivered over the next three years, from the grants approved during 2009/10:

- 1,109 new teams will be established.
- 6,056 training courses will be attended.
- Football will have at least 15,624 new participants.

In addition to this work, the Foundation's monitoring identified GtG projects that had not made claims for over 12 months. These projects were all reviewed to establish whether they required the outstanding monies allocated to them. As a result of this work, outstanding funds that had been allocated to 366 projects to a value of £2.3m were withdrawn and will now be available for future commitment to other Foundation projects.

Achievements and performance

In meeting our objectives, 3,823 grants were awarded during the year (see note 26 for details) compared with 4,304 grants in the previous year. This reduction was in line with a reduction in available budget, with £31.0m committed last year, compared with £48.9m the year before.

Case studies

Modernising facilities

The Foundation awarded Norfolk County Football Association a grant of £156,907 to refurbish ten small sided artificial grass pitches (AGP) at a former Powerleague PLC site in Norwich. The site will not only enhance the opportunities for people to access high quality football initiatives within the county, particularly the areas surrounding the Football Development Centre's (FDC) location, but will also increase the customer base from the previous owners' programme of use. It is anticipated that 2,500 male and 600 female participants will benefit from the refurbished facilities on a weekly basis.

It is hoped that the FDC will be seen as a bespoke flagship site for County Football Associations, and in time, a successful social enterprise model that could be replicated by other County Football Associations around the country. Any surplus monies gained from the Centre will be re-invested back into the development of grass roots football in Norfolk, whether that is through a freeze in affiliation fees, subsidising of courses or kit and equipment for clubs.

This method of ensuring a facility's sustainability and long-term future is a radical shift from the hitherto more traditional methods of Foundation funding.

Key outcomes from the investment will be:

- Sustain the number of adult male 11v11 teams and increase female adult teams by 15%.
- Increase the number of Mini-Soccer teams by 10%, boys youth teams by 10% and girls youth teams by 25%.
- Decrease the drop out figures of under 16 players in youth football ensuring they have development routes into the adult game and/or under 18 leagues.
- Increase the number of County 5IVES (Small Sided Adult Football) teams by 200%.
- Deliver a high quality and comprehensive Coach, Referee, Medical & Safeguarding Children course programme countywide by 75%.

Increasing participation

Case Study 1 - A £2.8 million investment into Dunstable by the principal stakeholders: Central Bedfordshire Council, Dunstable Town Council, Dunstable Town Football Club, AFC Dunstable attracted £679,500 in Foundation grants to provide facilities to replace the existing substandard facilities at Creasey Park, whilst integrating the adjacent Peppercorn Park and Brewers Hill Middle School into a managed, secure area. Whilst the facility mix has been led by football it is proposed to incorporate community facilities including a community meeting room and social hub and for the 'site' to have a wider multi sport and healthily living focus.

The stakeholders' vision, complemented by the employment of a Foundation-funded Football Operations Manager; will have a bias towards junior participation but will be open and accessible to all. Key outcomes will be:

- 77 additional teams (including the 28 new teams) using the site.
- 1,340 new players participating in football from clubs.
- Six clubs will gain FA Charter Standard accreditation (with two of those being adult clubs).
- 42 new small sided teams created from the league.
- 35 primary and secondary school competitions taking place over the five year period (involving 2,390 children participating in competitive school football).
- 78 new volunteers will be recruited into running the club and other site users.
- 20 educational courses and workshops will be held.
- 38 young people will join partner clubs via the creation of new school to club links.

Case Study 2 - A Foundation investment of £556,758 has seen the development of a full-sized Third Generation Artificial Grass Pitch (3G AGP) and changing rooms at the City of Wolverhampton College in the West Midlands. The site, which sits in one of the top 10% IMD¹ wards nationally, has allowed the college to develop a Sports Development Centre on its campus and will provide a high quality environment for the delivery of sports education and rehabilitation courses, as well as increasing sports participation at the site by more than 1,800 young people from the local Bilston community each week.

The facilities, which opened in March 2010, will be further supported by a revenue contribution of £63,521 from the Foundation to support the employment of a full-time Football Development Officer at the site to oversee the delivery of the Colleges five year Football Development Plan. The Football Development Plan seeks to support local clubs catering for juniors to achieve FA Charter Standard, support the development of Mini-Soccer festivals and leagues, support the partner FA Charter Standard Clubs to play in the relevant leagues and to develop a girls section in partnership with Laneshead FC Girls and Reedswood FC.

¹ Indices of Multiple Deprivation is an Office of National Statistics measure of overall deprivation of an area. The Foundation uses the 2000 measurement for electoral wards, which ranks areas from one to 8,414, one being the most deprived.

Organisation Restructure

In August 2010 the Foundation underwent an organisational restructure, with an aim to make it a more effective organisation, whilst identifying potential cost savings following the Trustees' decision to reduce funding and focus the Foundation on its core business of grassroots facility development. As a consequence, the four directorates – Operations, Policy and External Relations, Business Services, and Strategy and Performance – plus the Funded Programmes area were rationalised into three: Investment, Business Operations, and Communications and Corporate Relations. In addition, the Foundation centralised many core services, such as Administration, Monitoring and Evaluation, and External Relations, to enhance efficiency through consolidated service provision. As a result, the Foundation's overheads have been reduced by £470,000 per year compared to 2009/10, and will reduce by a further £280,000 – to a total of £750,000 compared to 2009-10 – by the end of the wind-down of some positions, in June 2012.

Key performance indicators

The Foundation's Monitoring and Evaluation Team monitors every Facilities project on an annual basis. Every project funded by the Foundation completes an online survey to determine the number and breakdown of the site users, as well as other factors such as hire costs, organisation accreditation, and volunteer development. The table below summarises the participation increases on funded sites between the 2008/09 and 2009/10 seasons²:

Participant type	Change
Football participants	8.1%
of which male	5.6%
of which female	24.6%
Other sports participants	18.7%
of which male	22.7%
of which female	14.1%
Coaches	3.6%
of which male	3.1%
of which female	4.3%
Volunteers	6.9%
of which male	6.8%
of which female	6.9%

*based on a sample of 411 matched sites

In addition, a nominated representative of every completed project is required to attend a workshop with the Foundation and The FA staff to assess how much of their football development plan has been delivered, update any targets, and plan for the future. Each is then graded according to their achievements against the expectations at the point of grant offer. Of the 249 projects involved in the process in 2009, 92% were at least meeting expectations, and over 60% were exceeding them. The remaining 8% that were underperforming were given individual plans to remedy the issues uncovered. This suggests that Foundation projects are predominantly of good quality, and what is being assessed at the time of grant award is ultimately being delivered, if not exceeded.

²The 2009/10 survey is currently being validated

³Defined as point of application receipt, through to assessment, grant approval, build and availability for activity

Score	Description	% of projects
0	Unacceptable	0.8%
1	Unsatisfactory	6.8%
2	Fair	31.3%
3	Exceeding	44.2%
4	Excellent	13.3%
5	Best Practice	3.6%
	Total	100.0%

Performance measurement

The Foundation has developed and implemented a Performance Measurement System, which constantly assesses the effectiveness of the organisation's grant giving process. This serves three main purposes:

- Identifies applications that are moving through the end-to-end (E2E)³ process slower than the targeted time, allowing staff to focus on projects that require remedial action.
- Accurately projects future expenditure, predicting when applications will be approved and when they will draw down grants. This provides the Foundation with a very accurate cash flow prediction.
- Identifies sections of the E2E process that are not working as efficiently as they should be, prompting further analysis and subsequent improvement.

The system is part of a move towards a culture of continuous improvement of processes, making the organisation increasingly more effective and efficient without the need for future large-scale one-off reviews, as was required in 2006. Key performance improvements over the last year include:

- A reduction in the average E2E process time (application submission to built and fully paid) of 25%, from 166 weeks to 125 weeks.
- An improvement in the average Facilities application assessment time of 30%, from 24 weeks to 17 weeks.
- A reduction in the number of projects awaiting final payment of 30%, falling from 85 to 63, which was an area specifically highlighted for improvement.
- A reduction in the number of projects in the E2E process of 20%, from 265 to 212. This is important as it reduced the workload burden on the Facilities Programme Managers and technical staff.

It is anticipated that the improvement in the performance of the organisation will continue to gather pace, as the older, slow moving projects are moved through the grant giving process and completed. This continues to be a focus for the Foundation's Operations Team, evidenced by the 30% reduction in those projects in the 'final payment' process, and the 20% reduction in the number of projects in the E2E process.

Financial review

The consolidated statement of financial activities for the year is set out on page 19 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Income generation

The income of the Foundation is comprised primarily of donations and grants from football and sport related organisations, with an additional amount of interest earned on investments and cash balances. Donations received during the year were £46m (2009: £51.6m). There are no other income generating activities carried out by the Charity, although the subsidiary company generated income of £128,000 (2009: £235,000) in the year. Turnover generated in the year and prior year by the Football Foundation Trading Limited related to income received from Barclays in respect of the Barclays Spaces for Sports scheme and is to cover the administrative support to the Foundation and to meet the cost of direct scheme expenditure, for example coaching packs issued for promotional purposes.

The movement in funds in the year reflects the balance between income recognised and the grants awarded. Donations from The FA and the Premier League are guaranteed over a period of time. These donations are accounted on a receivable basis in the year in which the income falls due. Funds available to the Foundation from the Sport England Lottery Funds can only be drawn down in arrears of spend. At 31 May 2010 the available balance was £15.2m; an entitlement to the income is triggered prior to the receipt of the funds themselves.

Reserves

It is the Foundation's policy that the aggregate of grants awarded will not exceed known current and future funding. The present Reserves Policy is to hold reserves at a level to fund activities in the event of a major fall in income or unforeseen expenditure while plans to replace income or change activities were put in place. Should there be any indication of a cessation of funding to any major extent the Foundation would have to implement an exit strategy that would allow all grant awards to be honoured, including the provision for sufficient staff to remain in place to meet such a requirement. Given the cyclical nature of the Foundation's funding, the Trustees will investigate with the funders an approach that will give a greater certainty to future funding and where necessary may include an exit strategy that will ensure operating costs are met.

Negative funds

The fund deficit in the current year is due to commitments having been made against known future funding. The Trustees are satisfied that future funding from the Foundation's major donors is sufficiently certain to cover known commitments at the year end and the Foundation will not make any awards of grant aid beyond its current and known future funding

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 Business Operations, who have delegated authority in such matters, is that they should select a balanced investment return from income and capital, with low risk. No social, environmental or ethical considerations are specified. The performance of the investments has been in line with Trustees' expectations.

The Group has cash on deposit £1.9m (2009: £167,000) and investments in bonds of £41m (2009: £59m) 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 £75.8m (2009: £95.6m). The timing for receipt of income by the Foundation is never certain, so the Trustees' policy is not to commit funds beyond known funding.

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 11 and 12 to the financial statements.

Grants awarded

An analysis of the largest grants awarded during the year can be found in note 26.

Financial risk management

The Foundation's operations expose it to a variety of risks that include liquidity risk and interest rate risk. The Trustees delegate day to day responsibility for managing these risks to the Chief Executive and Director of Business Services.

Liquidity risk – investments and cash are managed to ensure that there are sufficient funds available to meet the liabilities of the Foundation in a timely manner. Given the poor returns available in the investment market at this time and the demand for greater liquidity caused by much improved grant claim payment processes as funds become available through disposal or maturity they are placed in interest bearing cash deposits as opposed to longer term investments. Consequently significant levels of funds are held on short term deposit and are therefore available at short notice. In addition an overdraft facility of £1m is available to address any short term liquidity problems.

Interest rate risk – this is managed by exploring the investment options available to the Foundation and investing where the best returns possible can be achieved at the lowest possible risk. Many of the Foundation's current investments were purchased at a time when the guaranteed returns were much greater than those available now. The benefits from these investments will become evident over the next two years.

Future activities

The FA and Government have each committed to providing funding of £12m and the Premier League 6m per year to the Foundation for three years from 2010 to 2013.

Having completed the Process Review, in 2006, to make sure that the Foundation's processes are as effective and efficient as possible, attention was then turned towards the Foundation's strategic focus. As a part of the new funding deal, the funding partners made the decision to focus the Foundation back onto its original purpose – developing facilities for the benefit of local communities.

Whilst the remit of the Foundation has narrowed to focus purely on facility development, its strategic outcomes remain the same: making a positive impact on local communities through sports participation. The change in strategic focus is the medium employed to achieve this aim – solely through capital investment into facilities rather than revenue funding of community schemes.

The proxy targets within the facilities scheme also remain the same: to invest 40% of its investment into the 20% most deprived areas; to ensure that 33% of facilities funding contributes to multi-sport (non-football) activity; to maximise the portfolio to meet The FA National Game Strategy's Football Development needs, while making the most of available funding for community and multi sport needs; and generating sufficient applications overall to meet its annual commitment and spend targets.

Through employing this strategy, and by harnessing the popularity of the game, the Foundation has been able to ensure that people of all ages, regardless of sex, race, religion or disability have access to a new generation of football based and, where appropriate, multi-sport facilities.



It is really important that we continue to look after our grass roots and I am pleased that football is doing its part through the Football Foundation – and why I am proud to be one of its Ambassadors.

Theo

New income streams

The Foundation has been successful in securing additional funding streams to aid its charitable work. This includes £7m from the Mayor of London to deliver his Play Sport London Facility Programme, which will act as a grassroots sports facility legacy for the City of London from the 2012 Olympic Games. We will continue to build on this success to work with other government and commercial organisations that have funds available for community-based sports facility development.



It has been a great start to an exciting partnership between the Mayor and the Football Foundation that will make a real difference to our city's sporting infrastructure.

Kate Hoey MP,
Commissioner for Sport for the Mayor of London

The Football Foundation Trading Limited

The Football Foundation Trading Limited (FFTL) was established to trade and generate funds for the Foundation. There are no restrictions on the activities of the FFTL. The main activity in the FFTL during 2009/10 was to provide administrative support to the Foundation for the Barclays Spaces for Sports (BS4S) Programme, mentioned below. BS4S will continue to be administered by the FFTL until December 2010 under current agreements.

The FFTL is a wholly owned trading subsidiary of the Foundation and is used to administer non-charitable trading activities for the Group. The FFTL makes an annual gift aid payment to the Foundation, thereby transferring all of its taxable profits to the Charity. In 2010 no payment was made (2009: £nil) due to the FFTL not making a taxable profit.

In addition to its trading activities the FFTL also developed the Register of English Football Facilities (REFF). On 4 April 2001 the Foundation agreed to make a grant of £2,295,000 to the FFTL 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 REFF was completed during 2002/03, it continues to be improved and enhanced. REFF is accessed via the Internet and provides information on the location and facilities available at the 22,500 sites listed.

The FFTL is funding the creation of a software package to monitor the impact of Facilities and Community based projects through an online portal. This will be available to all Foundation-funded projects, as well as to projects across the Third Sector not funded by the Foundation, on subscription, at very attractive market rates. The supporting business plans demonstrate comfortably that the project will meet its commitment from the revenues received from subscriptions. The costs include the employment of a full-time project manager as well as specialist consultancy and IT development costs. This majority of this cost will be incurred during the software development phase in 2009/10.

When it is delivered, the new system will enable the Foundation and other users to make considerable savings on project monitoring and evaluation (M&E) costs. Currently, Community projects that choose to use an online

monitoring system must bear the costs of using a commercial M&E solution, which costs an average of £2,000 per project per year. This is usually built into grants provided by the Foundation. When delivered, this new system has the potential to standardise M&E across the Third Sector and will certainly significantly reduce the cost to charitable funds.

The FFTL makes an annual payment under a royalty agreement of 2% of its annual turnover to the Foundation as consideration for the use of the Charity's name and logos. The payment due to the Charity under this agreement for 2010 is £2,562 (2009: £4,947).

One of the directors of the FFTL, R C Scudamore, is also a Trustee of the Foundation. The other director, P J Thorogood, is the Chief Executive of both the FFTL and the Foundation.

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The Trustees, who are also directors of the Company for the purpose of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Charity and Group and of the net outgoing resources, including the income and expenditure, of the Charity and Group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- Observe the methods and principles of the charities SORP.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

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 2006. 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 corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

So far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware, and he has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of the information.

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



Pete Fitzboydon
22 September 2010

Independent auditors' report to the members of the Football Foundation

We have audited the financial statements of the Football Foundation for the year ended 31 May 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 the group's and parent charitable company's affairs as at 31 May 2010 and of the group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended.
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- The financial statements have been prepared in accordance with the Companies Act 2006.
- The information given in the Annual Report is consistent with the financial statements.



Ian Dixon (Senior Statutory Auditor)

**For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London**

22 October 2010

Consolidated statement of financial activities

for the year ended 31 May 2010 (including an income and expenditure account)

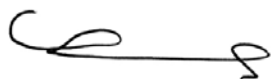
	Notes	Restricted funds 2010 £'000	Unrestricted funds 2010 £'000	Total funds 2010 £'000	Total funds 2009 £'000
Incoming resources from generated funds					
Voluntary income:					
Grants and donations	2	6,562	39,513	46,075	51,630
Activities for generating funds:					
Trading income	3	-	128	128	235
Investment income	4	-	638	638	1,468
Other incoming resources		-	66	66	60
Total incoming resources		6,562	40,345	46,907	53,393
Resources expended					
Costs of generating funds:					
Trading costs in subsidiary company	5	-	(199)	(199)	(300)
Charitable activities:					
Grants payable	5,6	(6,562)	(33,910)	(40,472)	(54,762)
Governance costs	6b	-	(565)	(565)	(550)
Total resources expended		(6,562)	(34,674)	(41,236)	(55,612)
Net income/(expenditure) before other recognised gains and losses/net resources expended	7	-	5,671	5,671	(2,219)
Gain on revaluation and disposal of investment assets	13	-	349	349	651
Net movement in funds		-	6,020	6,020	(1,568)
Reconciliation of funds:					
Fund balances brought forward	17	-	(7,298)	(7,298)	(5,730)
Fund balances carried forward	17	-	(1,278)	(1,278)	(7,298)

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 2010

	Notes	Group		Charity	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible fixed assets	12	923	703	789	504
		<u>923</u>	<u>703</u>	<u>789</u>	<u>504</u>
Current assets					
Investments	13	41,338	59,289	41,338	59,289
Debtors – due within one year	14	22,774	16,520	23,137	16,896
– due in more than one year	14	7,583	15,214	7,583	15,214
Cash on deposit		1,944	167	1,943	46
Cash at bank		-	12	-	10
		<u>73,639</u>	<u>91,202</u>	<u>74,001</u>	<u>91,455</u>
Creditors: amounts falling due within one year	15	<u>(64,831)</u>	<u>(82,764)</u>	<u>(64,615)</u>	<u>(82,445)</u>
Net current assets		<u>8,808</u>	<u>8,438</u>	<u>9,386</u>	<u>9,010</u>
Total assets less current liabilities		<u>9,731</u>	<u>9,141</u>	<u>10,175</u>	<u>9,514</u>
Creditors: amounts falling due after one year	16	<u>(11,009)</u>	<u>(16,439)</u>	<u>(11,009)</u>	<u>(16,439)</u>
Net liabilities		<u>(1,278)</u>	<u>(7,298)</u>	<u>(834)</u>	<u>(6,925)</u>
Capital and reserves:					
Restricted income funds	17	-	-	-	-
Unrestricted income funds:					
Unrestricted income funds		(6,676)	(12,353)	(6,676)	(12,353)
Funds retained within a non-charitable subsidiary	3,17	(444)	(373)	-	-
Revaluation reserve		5,842	5,428	5,842	5,428
Total unrestricted funds	17	<u>(1,278)</u>	<u>(7,298)</u>	<u>(834)</u>	<u>(6,925)</u>
Total funds	17	<u>(1,278)</u>	<u>(7,298)</u>	<u>(834)</u>	<u>(6,925)</u>

The financial statements, which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the related notes were approved by the board of Trustees and signed on its behalf on 22 September 2010 by:



Clive Sherling
Chairman

Consolidated cash flow statement for the year ended 31 May 2010

	Notes	2010 £'000	2009 £'000
Net cash outflow from operating activities	19	(16,671)	(16,426)
Returns on investments and servicing of finance			
Interest received		638	1,468
Total returns on investments and servicing of finance		638	1,468
Capital expenditure and financial investment			
Sale of investments	13	18,300	9,631
Purchase of investments	13	-	-
Purchase of tangible fixed assets	12	(723)	(121)
Sale of tangible fixed assets	12	160	9
Total capital expenditure and financial investment		17,737	9,519
Net cash Inflow/(outflow) before financing		1,704	(5,439)
Increase/(Decrease) in cash in the year	20	1,704	(5,439)

Notes to the financial statements

for the year ended 31 May 2010

I. 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 March 2005, and the Companies Act 2006. A summary of the principal group accounting policies, which have been applied consistently unless stated, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention except for investments which have been included at redemption value where this is guaranteed.

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 2010. The subsidiary has been consolidated on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the 2005 SORP. The amount of the net incoming resources for the year dealt with in the Charity's financial statements is disclosed in note 10.

Incoming resources

Voluntary income, including donations and grants that provide core funding or are of a general nature are included in the statement of financial activities on the following bases:

All donations received are recognised when the Foundation is entitled to funds, where there is certainty of receipt and the amount can be reliably quantified. Donations from the Football Association and Premier League are accounted for in the year to which the funders have indicated that the income is for. Donations to the restricted fund are recognised on a receivable basis, where there is signed funding agreement and there is commitment by the Foundation of such funds to the agreed programme.

Income from commercial trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

Resources expended

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

Charitable activities include expenditure associated with sport related grants and include both the direct and support costs relating to these activities.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions; finance, human resources, information technology, external relations and general administration, and have been allocated to activity cost categories on a basis consistent with the use of resources.

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.

Operating leases

Rental costs are recognised in the statement of financial activities on a straight line basis over the seven year term of the lease. This includes an initial fifteen month 'rent free period' with appropriate costs accrued over this period which will later be offset against the actual costs incurred to the end of the seventh year.

Recognition of liabilities

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

Fund accounting

The funds of the charity have been segregated as follows: Restricted Funds consist of donations and grants received, for which the donor or grant giver has specified the purposes for which the resources can be utilised. Outgoing resources on restricted funds reflect the appropriate expenditure that has been charged to those funds.

All other funds are unrestricted funds which are available for use at the discretion of the trustees 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 11 arose from the acquisition of assets from The Football Trust. The goodwill was amortised over a period of four years, being the period over which the Foundation received its initial grant funding from The FA, the Premier League and the Government.

Investments

These are stated at the trustees best estimate of market value which is the guaranteed return on redemption or market value where this is higher.

Deferred capital grants

In 2002, the subsidiary company received a capital grant from the Foundation relating to the costs of developing the Register of English Football Facilities (REFF). This grant has now been fully released to the profit and loss account.

Related party transactions

Financial Reporting Standard 8 “Related party transactions” requires the disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of exemptions under Financial Reporting Standard 8 not to disclose transactions with group companies.

Deferred taxation

Provision is made for deferred taxation using the incremental liability method where the directors consider deferred taxation has a material impact on the financial statements. Material deferred tax assets are only recognised to the extent they are recoverable.

Going concern

Despite the balance sheet being in a deficit position, the trustees have no fears that this may lead to a problem of going concern for the charity. The current deficit is one of timing differences where the Foundation allocates grants early into its three year funding cycle thereby recognising future grant liabilities and not the funding income that relates to them.

2. Voluntary income

Group	2010 £'000	2009 £'000
Unrestricted		
The FA	12,188	12,187
Premier League	12,187	12,188
Government - Sport England	-	5,279
Government funds managed by Sports England	15,000	15,000
Barclays Spaces for Sports	138	428
	39,513	45,082
Restricted		
Nike	37	146
Kickz	-	1,413
Sport England: CCDP	3,780	249
Premier League/Players Football Association	1,739	3,156
Comic Relief	256	207
BT	-	450
Premier League Health	580	911
Ahead of the Game	70	16
Whizzkids	10	-
Inside Right	170	-
Playsport London	17	-
Stand up Speak up	(97)	-
	6,562	6,548
Total donations	46,075	51,630

The negative income relating to the Stand up Speak up programme relates to previously recognised income as grants under the scheme were committed. Some of these grants have since then ended under budget, resulting in de-committing of funding and subsequent return of such income to the original funder.

3. Subsidiary undertaking

The subsidiary undertaking of the Charity, Football Foundation Trading Limited (FFTL), is a company registered in England and Wales in which the Charity holds 1 £1 ordinary share representing 100% of the issued share capital. The Company administers a significant part of the Barclays Spaces for Sports project. The Company also administers the Register of English Football Facilities (REFF), which provides a detailed register of all football playing fields within England.

The subsidiary donates any 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:

	2010 £'000	2009 £'000
Turnover	128	235
Administration expenses	(363)	(628)
Release from deferred capital grants	164	328
Loss of subsidiary	(71)	(65)

Turnover includes £124,000 (2009: £224,000) for services to the Charity.

	2010 £'000	2009 £'000
Tangible fixed assets	135	199
Current assets	5	190
Current liabilities	(584)	(762)
Liabilities falling due after one year	-	-
Net liabilities	(444)	(373)

4. Investment income

Group	2010 £'000	2009 £'000
Interest receivable on cash on deposit	88	206
Interest received on investment	550	1,262
	638	1,468

5. Analysis of resources expended

Group	Direct staff costs	Other direct costs	Support costs	2010 Total	2009 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Awarding of grants					
Grants payable (see note 26)	1,818	36,468	2,186	40,472	54,762
Governance (see note 6b)	349	119	97	565	550
Trading costs	51	23	125	199	300
	<u>2,218</u>	<u>36,610</u>	<u>2,408</u>	<u>41,236</u>	<u>55,612</u>

Support costs are further analysed in note 6.

6. Allocation of support costs and analysis of governance costs

6a. Allocation of support costs

Group	Grant funding	Governance	Trading	2010 Total	2009 Total
Activity:	£'000	£'000	£'000	£'000	£'000
Indirect staff costs	945	-	-	945	740
Travel and meetings	111	8	-	119	166
Office and premises	803	89	125	1,017	869
Public relations and marketing	150	-	-	150	156
Recruitment and training	44	-	-	44	62
Consultancy	129	-	-	129	65
Interest and charges	4	-	-	4	-
	<u>2,186</u>	<u>97</u>	<u>125</u>	<u>2,408</u>	<u>2,058</u>

6b. Analysis of governance costs

Group	2010	2009
Activity:	£'000	£'000
External audit	28	28
Accountancy and professional services	9	19
Legal and other professional fees	82	91
Interest and charges	-	5
Direct staff costs	349	328
Apportionment of support costs	97	79
	<u>565</u>	<u>550</u>

7. Net expenditure before other recognised gains and losses

Group	2010	2009
	£'000	£'000
Net expenditure before other recognised gains and losses is stated after charging / (crediting):		
Depreciation on tangible assets	333	460
Loss/(Gain) on disposal of tangible fixed assets	10	(1)
Amortisation of deferred capital grants	(164)	(328)
Auditors' remuneration for:		
Audit services	25	24
Taxation and other services	11	19
	<u>11</u>	<u>19</u>

The Charity incurred audit costs of £22,000 excluding VAT (2009: £22,000) and taxation and other services costs of £11,000 (2009: £19,067). Audit costs of £7,000 excluding VAT incurred by the trading subsidiary are included within the trading costs.

8. Employee information

Group	2010	2009
	Number	Number
The average number of persons employed by the Group during the year was:		
Administration	<u>80</u>	<u>77</u>
Group	2010	2009
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	2,742	2,530
Social security costs	291	279
Pension costs	130	120
	<u>3,163</u>	<u>2,929</u>
Charity	2010	2009
	Number	Number
The average number of persons employed by the Charity during the year was:		
Administration	<u>78</u>	<u>75</u>

Charity	2010 £'000	2009 £'000
Staff costs (for the above persons)		
Wages and salaries	2,696	2,471
Social security costs	286	274
Pension costs	130	139
	3,112	2,884

The Foundation operates a defined benefit contribution scheme contributing 8% of gross salaries on behalf of employees. Pension costs to the Foundation were £130,000 for the financial year and there was no prepaid or outstanding pension cost at the end of the financial year.

The number of employees whose emoluments exceeded £60,000 were:

Group and Charity	2010 Number	2009 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	3	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	1	1

For those staff whose emoluments exceeded £60,000, pension contributions amounting to £35,171 (2009: £34,528) were paid for the provision of money purchase benefits. No trustee/director received any remuneration from the Charity during the year. Richard Caborn is a trustee of the Foundation and during the financial year 2009/10 he was reimbursed with £317.10 as expenditure incurred on behalf of the Foundation.

Indemnity insurance for directors'/trustees' liability has been purchased by the Group at a cost of £6,698 (2009: £6,137).

9. 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.

No deferred tax asset has been recognised on the losses arising in FFTL on the basis that sufficient profits cannot be guaranteed at this stage of the Company's development.

10. Net outgoing resources dealt with in the Charity's financial statements

The Incoming resources attributable to the Charity were £46,779,000 (2009: £53,158,000). The net Incoming/(outgoing) resources for the year attributable to the Charity were £5,741,000 (2009: £2,154,000).

11. Intangible fixed assets

Group and Charity

	Negative goodwill £'000
Cost	
At 1 June 2009 and 31 May 2010	343
Amortisation	
At 1 June 2009 and 31 May 2010	(343)
Net book value	
At 31 May 2010 and 31 May 2009	-

12. Tangible fixed assets

Group	Fixtures & fittings £'000	Computer & equipment £'000	Motor vehicles £'000	Asset under construction £'000	Total £'000
Cost					
At 1 June 2009	529	2,977	66	12	3,584
Additions	434	194	-	95	723
Disposals	(285)	(1)	(25)	-	(311)
At 31 May 2010	678	3,170	41	107	3,996
Depreciation					
At 1 June 2009	178	2,649	54	-	2,881
Charge in year	68	259	6	-	333
Disposals	(120)	(1)	(20)	-	(141)
At 31 May 2010	126	2,907	40	-	3,073
Net book value					
At 31 May 2010	552	263	1	107	923
At 31 May 2009	351	328	12	12	703

Charity	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 June 2009	485	682	66	1,233
Additions	434	184	-	618
Disposals	(278)	(1)	(25)	(304)
At 31 May 2010	641	865	41	1,547
Depreciation				
At 1 June 2009	157	518	54	729
Charge in year	64	95	6	165
Disposals	(115)	(1)	(20)	(136)
At 31 May 2010	106	612	40	758
Net book value				
At 31 May 2010	535	253	1	789
At 31 May 2009	328	164	12	504

13. Investments

Group and Charity	2010 £'000	2009 £'000
At 1 June	59,289	68,269
Additions	-	-
Disposals	(18,300)	(9,631)
Net revaluation gain/(loss)	349	651
At 31 May	41,338	59,289

The investments above relate to bonds and are stated at the trustees best estimate of market value, which is the guaranteed return on redemption or market value where this is higher. Guaranteed return on investment is an appropriate basis for valuation, as the terms of these investments state that the capital is 100% guaranteed, therefore any notional loss at the year end has not been recognised as it is not the trustees' current intention to sell these before maturity. All investments are held in the UK.

Material investment holdings comprised:

	2010		2009	
	Value £'000	Percentage of investment portfolio	Value £'000	Percentage of investment portfolio
BNP Paribas 100% protected 5-year Instalment Note Linked Basket Index November 2010	3,000	7%	3,000	5%
Merrill Lynch GBP 3 year Global Equity Bond 105% Jun 03 2010	6,515	16%	6,515	11%
Merrill Lynch 3-year Global Equity Bond 100% protected Dec 2010	5,500	13%	5,500	9%
Barclays 5-year 100% protected equity note August 2011	9,084	22%	8,888	15%
Barclays 3-year ICI 100% protected note January 2011	-	-	19,241	33%
Barclays 3-year Trendstar 100% protected note March 2011	5,500	13%	5,104	9%
Barclays 4-year 100% protected commodity note January 2012	5,712	14%	5,131	9%
Barclays Morgan Stanley 3-year FTSE 350 100% protected note January 2012	5,000	12%	5,000	9%

14. Debtors

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts falling due within one year				
Amounts due from subsidiary undertaking	-	-	367	442
Accrued income	7,631	10,000	7,631	10,000
Premier League/Players Football Association	-	2,744	-	2,744
Kickz	799	1,586	799	1,586
British Telecom	-	500	-	450
Premier League Health	864	404	864	404
Inside Right	135	-	135	-
Play Sport London	17	-	17	-
Other debtors	332	279	332	269
Prepayments and accrued income	12,306	1,007	12,302	1,001
Amount due from The Football Stadia Improvement Fund	690	-	690	-
	<u>22,774</u>	<u>16,520</u>	<u>23,137</u>	<u>16,896</u>

No interest is charged on subsidiary undertaking balances.

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts falling due within more than one year				
Accrued income	7,583	15,214	7,583	15,214

15. Creditors: amounts falling due within one year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Bank overdraft	61	-	24	-
Grants payable	59,055	79,138	59,055	79,138
Taxation and social security costs	20	13	20	12
Trade creditors	366	316	354	303
Other creditors	162	2,189	7	2,056
Accruals and deferred income	5,167	945	5,155	936
Capital grant	-	163	-	-
	<u>64,831</u>	<u>82,764</u>	<u>64,615</u>	<u>82,445</u>

16. Creditors: amounts falling due after one year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Grants payable	11,009	16,439	11,009	16,439
Deferred income (see below)	-	-	-	-
	<u>11,009</u>	<u>16,439</u>	<u>11,009</u>	<u>16,439</u>

Deferred capital grant

	2010 £'000	2009 £'000
Opening balance at 1 June	163	491
Release of deferred capital grant	(163)	(328)
Closing balance at 31 May	<u>-</u>	<u>163</u>

Represented by:

Deferred capital grant due within one year	-	163
Deferred capital grant due after more than one year	-	-
	<u>-</u>	<u>163</u>

17. Funds

Group	2009 Balance £'000	Incoming resources £'000	Resources expended £'000	Transfers, investment gains £'000	2010 Balance £'000
Unrestricted funds					
Charity funds	(6,925)	40,217	(34,475)	349	(834)
Funds retained within a non-charitable subsidiary	(373)	128	(199)	-	(444)
General reserve	<u>(7,298)</u>	<u>40,345</u>	<u>(34,674)</u>	<u>349</u>	<u>(1,278)</u>
Restricted funds					
PL/PFA	-	1,739	(1,739)	-	-
CCDP	-	3,780	(3,780)	-	-
Nike	-	37	(37)	-	-
Extra Time	-	256	(256)	-	-
Premier League Health	-	580	(580)	-	-
Whizzkids United	-	10	(10)	-	-
Inside Right	-	170	(170)	-	-
Play Sport London	-	17	(17)	-	-
Ahead of the game	-	70	(70)	-	-
SUSU	-	(97)	97	-	-
Total funds	<u>(7,298)</u>	<u>46,907</u>	<u>(41,236)</u>	<u>349</u>	<u>(1,278)</u>

Charity	2009 Balance	Incoming resources	Resources expended	Transfers, investment gains	2010 Balance
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General reserve	(6,925)	40,217	(34,475)	349	(834)
Restricted funds					
PL/PFA	-	1,739	(1,739)	-	-
CCDP	-	3,780	(3,780)	-	-
Nike	-	37	(37)	-	-
Extra Time	-	256	(256)	-	-
Premier League Health	-	580	(580)	-	-
Whizzkids United	-	10	(10)	-	-
Inside Right	-	170	(170)	-	-
Play Sport London	-	17	(17)	-	-
Ahead of the game	-	70	(70)	-	-
SUSU	-	(97)	97	-	-
Total funds	<u>(6,925)</u>	<u>46,779</u>	<u>(41,037)</u>	<u>349</u>	<u>(834)</u>

18. Analysis of the net liabilities between funds

Group	General fund	Restricted funds	Balance 2010
	£'000	£'000	£'000
Tangible fixed assets	923	-	923
Net current assets	8,808	-	8,808
Long term liabilities	(11,009)	-	(11,009)
Net liabilities	<u>(1,278)</u>	<u>-</u>	<u>(1,278)</u>

19. Reconciliation of net incoming/(outgoing) resources to net cash outflow from operating activities

Group	2010 £'000	2009 £'000
Continuing activities		
Net incoming/(outgoing) resources for the year	6,020	(1,568)
Depreciation of tangible fixed assets	333	460
Amortisation of deferred capital grant	-	(328)
Interest income	(638)	(1,468)
Loss on disposal of fixed assets	10	-
Gain on revaluation and disposals of investments	(349)	(651)
Decrease in debtors	1,377	1,069
Decrease in creditors	(23,424)	(13,940)
Net cash (outflow) from operating activities	<u>(16,671)</u>	<u>(16,426)</u>

20. Analysis of changes in net funds during the year

Group	At 1 June 2009	Cashflow	At 31 May 2010
	£'000	£'000	£'000
Net cash:			
Cash on deposit	167	1,777	1,944
Cash at bank	12	(73)	(61)
Net funds	<u>179</u>	<u>1,704</u>	<u>1,883</u>

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

Group	
Increase in cash	1,704
Change in net funds	<u>1,704</u>
Net funds at 1 June 2009	179
Net funds at 31 May 2010	<u>1,883</u>

22. Operating leases

Annual commitments in respect of land and buildings under operating leases:

	31 May 2010	31 May 2009
Operating leases which expire:		
Within one year	-	250,000
After five years	467,446	-
	<u>467,446</u>	<u>250,000</u>

23. Commitments

All grant commitments have been recognised once a grant offer letter has been issued.

24. 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 2010 is £2 (2009: £2).

25. 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, 100% of whose voting rights are controlled within the Group, and where consolidated financial statements are publicly available.

Mr R C Scudamore is the Chief Executive of the Premier League. The Premier League donated £12,187,500 (2009: £12,187,500) to the Football Foundation during the year.

Mr R. Burden is a director of The FA. The FA donated £12,187,500 (2009: £12,187,500) to the Football Foundation during the year.

The Foundation's staff 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 Foundation.

26. Grants paid during the financial year

Grants paid during the financial year amounted to £40,472,000 (2009: £54,762,000). A list of the largest 100 grants awarded during the year is provided below. Each of these organisations received at least one grant in the year. The grants payable disclosed exclude grant delivery costs amounting to £564,494 (2009: £549,910). No grant has been made to any individual.

Grass roots grants accepted:

	£		£
London Borough of Hackney	1,940,000	Plume School	289,565
North East Lincolnshire Council	1,000,000	Brookfield Community School	285,219
Derby City Council	777,718	Welbeck Miners Welfare Trust	259,278
Thame Football Partnership	731,556	The Matthew Arnold School	254,438
Derby City Council	718,860	London Borough of Hillingdon	250,000
Evesham United Football Club	700,000	Hawkinge Parish Council	248,000
Southam College	688,424	The Netherhall School	242,886
Central Bedfordshire Council	599,500	University Of Worcester	232,000
Chellaston Foundation School & Technology	595,015	Royal Borough of Windsor & Maidenhead	230,000
Moulton Magpies Football Club	590,692	Coloma Convent Girls School	228,399
City of Wolverhampton College	556,758	Costessey Parish Council	222,591
Leicester City Council	521,692	Ascot United FC	218,609
AFC Urmston Meadowside FC	521,178	The City of Lincoln Council	200,000
Keyworth United Community FC	514,460	Mole Valley District Council	197,709
South Manchester Sports Club	495,000	Wilshamstead Parish Council	196,850
Shenfield High School	489,333	Bideford Blues & Appledore JFC	192,248
Winchcombe Town Council	488,889	Brockington College	183,570
Doncaster Metropolitan Borough Council	479,984	Long Lane JFC	174,391
North Tyneside Council	472,217	Aylesford Football Club	166,397
Stoke Gabriel Football Club	452,900	Hedingham School	164,726
St Edmundsbury Borough Council	450,000	Northumberland County Council	158,000
Staffordshire and Moorlands DC	435,978	Norfolk County FA	156,907
South Gloucestershire Council	422,575	Dartford Borough Council	153,057
Oakworth Juniors Football Club	416,179	Dorset County Council	124,400
Malton School	408,807	Bedfordshire County FA	122,766
South Holderness Technology College	396,740	Witchford Village College	121,100
Torbay Council	350,000	Chesterton Sports Centre	117,000
The Crossley Heath School	349,854	Woodbridge High School	115,200
Tooting and Mitcham Sports & Leisure Ltd	349,292	Sawston Parish Council	110,638
Reeth & District Community Sports Club	344,444	William Tyndale Primary School	103,363
Kirk Hallam Community Tech. College	314,300	Norton Parish Council	100,000
Tresham Institute of Further & Higher Education	300,000		
Total			23,691,652

Community accepted:

	£		£
Muslim Women's Sports Foundation	235,972	Ashington Joint Welfare Group of Schemes	143,532
City Gateway	200,000	Crystal Palace FC Community Scheme	142,839
Staying Put Services	160,000	Wheelchair FA	134,445
Second Chance CIC	153,500	Brighton and Hove Albion in the Community	132,863
Merseyside Youth Association Ltd	150,644	British Refugee Council	132,678
Somerset Activity & Sports Partnership	149,922	Brentford FC Comm Sports Trust (FITC)	123,336
Charlton Athletic Community Trust	149,899	Preston City Council	122,672
Oakmere Community College	149,587	Rotherham United FITC	147,307
DigitalME	149,560	Active Communities Network	146,289
Total			<u>2,725,045</u>

WSP Grants accepted:

	£		£
North East Lincolnshire Council	300,000	Bedford Sports Club	200,000
Rochdale Metropolitan Borough Council	300,000	Ascot United FC	170,000
Thame Football Partnership	300,000	Bacton United '89 YFC	150,000
Egerton Youth Club	225,000	Beaminster Community Centre Partnership	150,000
St Pauls Walden Parish Council	215,004	Shenfield High School	200,000
Clacton County High School	207,412	Hythe Town Council	200,000
The Henry Beaufort School	200,000	Trust Thamesmead	200,000
Total			<u>3,017,416</u>

PL/PFA Grants accepted:

	£		£
Wolves Community Trust	299,167	Wigan Athletic Community Trust	120,000
Chelsea FC Football in the Community	120,000	Birmingham City FC FitC	120,000
Total			<u>659,167</u>

Kickz Grants awarded:

	£
Arsenal in the Community	207,500
Total	<u>207,500</u>

In addition, grants for kit and equipment costing a total of £993,643 (2009: £940,511) were awarded to 2,484 (2009: 2,351) junior football teams.

www.footballfoundation.org.uk



FUNDING PARTNERS

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