



**FOOTBALL FOUNDATION**  
**ANNUAL REPORT for the year ended 31 May 2003**



**FootballFoundation**

*football's biggest supporter*

Registered Number: 3876305  
Registered Charity Number: 1079309



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## Trustees, directors, officers & advisors

### Trustees and directors

Rt Hon Lord Pendry \*  
(resigned 31 March 2003)

R F Burden\*  
(appointed 31 March 2003)

T D Brooking

D G Richards

R C Scudamore \*

G Thompson

F Pattison  
(resigned 22 November 2002)

Rt Hon W A Taylor MP  
(appointed 13 August 2003)

\*Member of Audit and Remuneration Committees

### 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 Andrews Square  
Edinburgh  
EH2 2YB

# Report of The Trustees

for the year ended 31 May 2003

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 2003.

The information with respect to Trustees, directors, officers and advisors 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 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 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 2003 relate to the total activities of the two legal entities.

## Objects

The primary objects of the charity, as stated in its governing document, are to provide and assist in the provision of facilities for football and other games and sports for the recreation and leisure-time occupation of the general public, particularly for those members of the public who have need of such facilities by reason of their age or social or economic circumstances. By so doing the charity aims to promote good citizenship and advance the

physical, mental, social and moral development of children and young people so as to assist them in growing to full maturity as individuals and as members of society.

The 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 2002/03 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 8 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 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 £24.6m (2001/02:£25.8m). There are no income generation activities carried out by the charity although the subsidiary company generated income of £546,000 (2001/02: £451,000) in the year.

## Grant making policy

A total of 1700 grants were awarded during the year under the Grass Roots and Community and Education and Junior Kit schemes.

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 as a tool to assist in the development of communities and the people who share them including 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 2002/03 several major grants were awarded. The largest 50 grants are listed in note 25 to the accounts. 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 Foundation intends to maintain its current grant making activity over the categories established above. It has already awarded a number of grants during 2003/04, including £1,250,000 to The Football League for a youth development community programme; £1,000,000 to Chippenham Town Council for a new changing pavilion and grass pitches; and £973,890 to Mark Hall Community School for a new artificial pitch and other pitch improvements.

### The 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 Football Foundation 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. The register was completed during 2002/03. This has resulted in 22,000 facilities now being listed on the register to enable people to locate their nearest clubs.

The company makes an annual payment under a Royalty agreement of 2% of its annual turnover to the Football Foundation as consideration for the use of the Football Foundation name and logos. The payment due to the Football Foundation under this agreement for 2002/03 is £11,294 (2001/02: £5,510)

Of the three directors of the company, two are directors of the holding company and one is the Chief Executive of the holding company. The company is in the process of appointing an independent director.

### Changes in fixed assets

The movements in fixed assets during the year are set out in note 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 directors 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. In order to meet these objectives the Trustees have appointed investment advisers as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the adviser states 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 directors 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 directors 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 £43,361,000 and investments in unit trusts of £4,917,000 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 £36,425,000. The timing for receipt of income by the Foundation 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 directors met bi-monthly. The Directors are appointed to the Board as follows:

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

Directors serve for an open period until the nominating body replaces them on the Board. The directors meet 6 times a year.

The directors, all of whom served throughout the year except where otherwise disclosed, are listed on page 2.

## Committees and Panels

The directors 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, there are other committees in which directors participate as follows: Audit and Remuneration. 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 2003/04. 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.

## Directors' responsibilities

The directors are required by charity 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 directors 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 2003. 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 directors 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. 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 directors 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**

Following the conversion of PricewaterhouseCoopers to a limited partnership (LLP), PricewaterhouseCoopers resigned as auditors of The Football Foundation with effect from 10th February 2003. The Trustees appointed PricewaterhouseCoopers LLP as auditors to fill the casual vacancy until the Annual General Meeting. PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment 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, the related notes and the accounting policies set out in the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable company. 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 directors' 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 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 in to 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 directors' 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 charity and the group at 31 May 2003 and of the net outgoing 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  
10 December 2003

## Consolidated statement of financial activities for the year ended 31 May 2003 (including an income and expenditure account)

		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
		2003	2003	2003	2002 Restated
	Notes	£'000	£'000	£'000	£'000
<b>Incoming Resources</b>					
Donations	3	4,327	20,224	24,551	25,763
Activities for generating funds:					
Trading income	4	-	546	546	451
Interest income	5	-	1,632	1,632	1,510
Other income	9	-	-	-	1,128
<b>Total incoming resources</b>		<b>4,327</b>	<b>22,402</b>	<b>26,729</b>	<b>28,852</b>
<b>Resources Expended</b>					
Costs of generating funds					
Trading costs in subsidiary company	6	-	(165)	(165)	(404)
Costs of activities in furtherance of the charity's objects:					
Grants payable	25	(4,327)	(25,679)	(30,006)	(27,557)
Management and administration	6	-	(2,217)	(2,217)	(1,646)
		<b>(4,327)</b>	<b>(27,896)</b>	<b>(32,223)</b>	<b>(29,203)</b>
<b>Total resources expended</b>		<b>(4,327)</b>	<b>(28,061)</b>	<b>(32,388)</b>	<b>(29,607)</b>
<b>Net outgoing resources/net expenditure before revaluations</b>					
		-	(5,659)	(5,659)	(755)
(Losses) on revaluation of investment assets	13	-	(83)	(83)	-
<b>Net movement in funds</b>		-	<b>(5,742)</b>	<b>(5,742)</b>	<b>(755)</b>
Fund balances brought forward	16	-	24,212	24,212	24,967
<b>Fund balances carried forward</b>	16	-	<b>18,470</b>	<b>18,470</b>	<b>24,212</b>

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 2003

	Notes	Group		Charity	
		2003	2002 Restated	2003	2002 Restated
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11	86	171	86	171
Tangible assets	12	2,573	2,496	421	273
Investment	13	2,917	-	2,917	-
		<b>5,576</b>	2,667	<b>3,424</b>	444
<b>Current assets</b>					
Investment	13	2,000	-	2,000	-
Debtors	14	4,294	581	4,931	1,012
Cash on deposit		43,361	42,815	42,690	42,320
		<b>49,655</b>	43,396	<b>49,621</b>	43,332
<b>Creditors:</b> amounts falling due within one year	15	<b>(36,761)</b>	(21,851)	<b>(36,699)</b>	(21,906)
<b>Net current assets</b>		<b>12,894</b>	21,545	<b>12,922</b>	21,426
<b>Total assets less current liabilities</b>		<b>18,470</b>	24,212	<b>16,346</b>	21,870
<b>Net assets</b>		<b>18,470</b>	24,212	<b>16,346</b>	21,870
<b>Capital and reserves:</b>					
Trading subsidiary reserves	4	2,124	1,963	-	-
Restricted fund		-	-	-	-
Unrestricted funds	16	16,346	22,249	16,346	21,870
<b>Total funds</b>	16	<b>18,470</b>	24,212	<b>16,346</b>	21,870

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 10 December 2003 and signed on its behalf by:

*DG Richards*

Director

## Consolidated cash flow statement for the year ended 31 May 2003

	Notes	2003 £'000	2002 Restated £'000
<b>Net cash inflow from operating activities</b>	18	4,212	18,305
<b>Returns on investments and servicing of finance</b>			
Interest received	18	1,632	1,510
<b>Total returns on investments and servicing of finance</b>		1,632	1,510
<b>Taxation (paid)/received</b>	9	-	1,128
<b>Capital expenditure and financial investment</b>			
Purchase of investments	13	(5,000)	-
Purchase of tangible fixed assets	12	(342)	(2,404)
Sale of tangible fixed assets	12	43	16
<b>Total capital expenditure and financial investment</b>		<b>5,299</b>	<b>2,388</b>
<b>Net cash flow before financing</b>		545	18,555
<b>Financing</b>			
New term loan		-	-
<b>Total financing</b>		-	-
<b>Increase/(decrease) in cash in the year</b>	20	<b>545</b>	<b>18,555</b>

# Notes to the financial statements

for the year ended 31 May 2003

## 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000. 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. During the year, the charity reviewed its accounting policies in line with FRS18, and the Directors consider that the financial statements are prepared in accordance with FRS18.

### 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 2003. 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 10.

### 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 body commits 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. 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 has been established to account for donations received from the New Opportunities Fund, and for grants awarded from this source of funding. 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 £1,000 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: General – straight line	4
Computer Equipment: REFF database – straight line	7
Motor vehicles – straight line	5

Assets under construction are not depreciated until they are completed.

## 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.

## Fixed Asset 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.

**Consolidated Statement of financial activities****2003****2002**

## 2. Prior year adjustment

Following a review of the grants payable, the Foundation decided that there is a constructive obligation to recognise grants which have been both authorised and communicated to the recipient, and that the remaining conditions are not significant enough to delay recognising these in the financial statements. The Foundation has re-categorised those grants disclosed as committed in the prior year as grants payable. The note below shows the effect on the results for the year and the net reserves at the year-end for both the current and prior years:

<b>Consolidated Statement of financial activities</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming resources	<b>9,127</b>	20,887
(Increase) in grants payable due to change in accounting policy	<b>(14,869)</b>	(21,642)
<b>Restated net (outgoing) resources</b>	<b>5,742</b>	(775)

<b>Consolidated balance sheet</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Net reserves	<b>54,895</b>	45,854
(Increase) in creditors due to change in accounting policy	<b>(36,425)</b>	(21,642)
<b>Restated net reserves</b>	<b>18,470</b>	24,212

## 3. Donations

<b>Group</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
The Football Association	-	7,500
F.A. Premier League	<b>14,977</b>	16,912
The Football Stadia Improvement Fund Limited	<b>458</b>	1,348
Sport England	<b>4,789</b>	-
New Opportunities Fund	<b>4,327</b>	-
Other	-	3
	<b>24,551</b>	<b>25,763</b>

## 4. Subsidiary undertaking

The subsidiary undertaking of the charity, The Football Foundation Trading Limited (FFTL), is a company limited by guarantee, and was incorporated on 20 April 2001. The only member of the company is The Football Foundation. FFTL administers the Register of English Football Facilities. It also provides football kits 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:

	2003	2002
	£'000	£'000
Turnover	546	451
Cost of sales/admin expenses	(542)	(410)
Release from deferred capital grants	164	-
Investment income	18	4
<b>Operating profit</b>	<b>186</b>	<b>45</b>
Gift aid	(192)	(46)
<b>Retained in subsidiary</b>	<b>(6)</b>	<b>(1)</b>

Turnover includes £nil for services to the charity.

	2003	2002
	£'000	£'000
Aggregate assets	2,920	2,764
Aggregate liabilities	(796)	(801)
<b>Net assets</b>	<b>2,124</b>	<b>1,963</b>

## 5. Interest income

<b>Group</b>	2003	2002
	£'000	£'000
Interest receivable on cash on deposit	1,572	1,510
Interest receivable on investment assets	60	-
	<b>1,632</b>	<b>1,510</b>

## 6. Resources expended

Group	Staff costs	Other costs	Depreciation and amortisation	2003	2002
	£'000	£'000	£'000	£'000	£'000
Trading costs	-	165	-	165	404
Grants payable	-	30,006	-	30,006	27,557
Management and administration	1,003	970	244	2,217	1,646
	<b>1,003</b>	<b>31,141</b>	<b>244</b>	<b>32,388</b>	<b>29,607</b>

## 7. Net incoming resources

Group	2003	2002
	£'000	£'000
Net incoming resources are stated after charging:		
Depreciation on eligible assets	244	50
Goodwill amortisation	85	87
Auditors' remuneration for:		
Audit services	14	16
Taxation and other services	20	56
Loss/(gain) on disposal of tangible fixed assets	21	4

Indemnity insurance for directors'/trustees' liability has been purchased by the group at a cost of £5,329 (2001/02: £2,441).

## 8. Employee information

Group	2003 Number	2002 Number
The average number of persons employed by the group during the year was:		
Administration	24	18

Group	2003 £'000	2002 £'000
Staff costs (for the above persons)		
Wages and salaries	859	675
Social security costs	95	62
Pension costs	49	39
	<b>1,003</b>	<b>776</b>

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

Group	2003 Number	2002 Number
£50,001 - £60,000	1	1
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£90,001 - £100,000	1	1

For those staff whose emoluments exceeded £50,000, pension contributions amounting to £22,244 (2001/02: £22,622) were paid for the provision of money purchase benefits. No trustee/director received any remuneration from the charity during the year. No trustee/directors have received reimbursement for travel expenses.

## 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.

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

In the year to 31 May 2002 the Football Foundation received a repayment of income tax from the Inland Revenue amounting to £1,128,000. This related to tax paid on the assignment of the assets of the Football Trust Charitable Trust to the Football Foundation when the Foundation was set up, which has subsequently been recovered. This was disclosed on the face of the statement of financial activities as other income. No such income has been received in 2002/2003.

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

The net outgoing resources for the year attributable to the charity was £5,742,000.

## 11. Intangible fixed assets

Group and charity	Goodwill
	£'000
<b>Cost</b>	
At 1 June 2002	344
<b>At 31 May 2003</b>	<b>344</b>
<b>Amortisation</b>	
At 1 June 2002	173
Charge for the year	85
<b>At 31 May 2003</b>	<b>258</b>
<b>Net book value</b>	
<b>At 31 May 2003</b>	<b>86</b>
At 1 June 2002	171

## 12. Tangible fixed assets

Group	Fixtures and Fittings	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 June 2002	51	66	150	2,299	2,566
Additions	15	126	-	201	342
Disposals	-	(43)	-	-	(43)
Transfers	-	2,500	-	(2,500)	-
<b>At 31 May 2003</b>	<b>66</b>	<b>2,649</b>	<b>150</b>	<b>-</b>	<b>2,865</b>
<b>Depreciation</b>					
At 1 June 2002	3	37	30	-	70
Charge in year	7	207	30	-	244
Disposals	-	(22)	-	-	(22)
<b>At 31 May 2003</b>	<b>10</b>	<b>222</b>	<b>60</b>	<b>-</b>	<b>292</b>
<b>Net book amount</b>					
<b>At 31 May 2003</b>	<b>56</b>	<b>2,427</b>	<b>90</b>	<b>-</b>	<b>2,573</b>
At 31 May 2002	48	29	120	(2,299)	(2,496)

Charity	Fixtures and Fittings	Computer Equipment	Motor Vehicles	Assets Under Construction	Total
<b>Cost</b>					
At 1 June 2002	27	66	150	100	343
Additions	15	126	-	105	246
Disposals	-	(43)	-	-	(43)
Transfers	-	205	-	(205)	-
<b>At 31 May 2003</b>	<b>42</b>	<b>354</b>	<b>150</b>	<b>-</b>	<b>546</b>
<b>Depreciation</b>					
At 1 June 2002	3	37	30	-	70
Charge in year	4	43	30	-	77
Disposals	-	(22)	-	-	(22)
<b>At 31 May 2003</b>	<b>7</b>	<b>58</b>	<b>60</b>	<b>-</b>	<b>125</b>
<b>Net book amount</b>					
<b>At 31 May 2003</b>	<b>35</b>	<b>296</b>	<b>90</b>	<b>-</b>	<b>421</b>
At 31 May 2002	24	29	120	100	273

## 13. Investments

Charity and Group	2003	2002
	£'000	£'000
At 1 June 2002	-	-
Additions	5,000	-
Net revaluation (losses)	(83)	-
<b>At 31 May 2003</b>	<b>4,917</b>	<b>-</b>

All investments are stated at their market value as at 31 May 2003. Their historical cost was £5,000,000.  
All investments are held in the UK.

## 14. Debtors

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Amounts due from subsidiary undertaking	-	-	723	437
Amount due from New Opportunities Fund	3,451	-	3,451	-
Other debtors	738	233	640	222
Prepayments & accrued income	105	348	117	353
	<b>4,294</b>	<b>581</b>	<b>4,931</b>	<b>1,012</b>

## 15. Creditors: amounts falling due within one year

	Group		Charity	
	2003	2002	2003	2002
	£'000	Restated	£'000	Restated
Grants payable	36,425	21,642	36,425	21,739
Taxation and social security costs	64	37	42	37
Other creditors	195	97	169	57
Accruals	77	75	63	73
	<b>36,761</b>	<b>21,851</b>	<b>36,699</b>	<b>21,906</b>

## 16. Funds

Group	Balance 2002	Incoming resources	Resources expended	Transfers Investment gains/(losses)	Balance 2003
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted fund</b>					
General reserve	24,212	22,402	(28,061)	(83)	18,470
<b>Restricted fund</b>					
New Opportunities Fund	-	4,327	(4,327)	-	-
<b>Total funds</b>	<b>24,212</b>	<b>26,729</b>	<b>(32,388)</b>	<b>(83)</b>	<b>18,470</b>

Charity	Balance 2002	Incoming resources	Resources expended	Transfers Investment gains/(losses)	Balance 2003
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted fund</b>					
General reserve	21,870	22,089	(27,530)	(83)	16,346
<b>Restricted fund</b>					
New Opportunities Fund	-	4,327	(4,327)	-	-
<b>Total funds</b>	<b>21,870</b>	<b>26,416</b>	<b>(31,857)</b>	<b>(83)</b>	<b>16,346</b>

## 17. Analysis of the net assets between funds

All the net assets of the group are held for unrestricted funds.

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

Group	2003	2002 Restated
	£'000	£'000
<b>Continuing activities</b>		
Net outgoing resources for the year	(5,742)	(755)
Depreciation of tangible fixed assets	244	50
Amortisation of intangible fixed assets	85	87
Interest income	(1,632)	(1,510)
Taxation repayment	-	(1,128)
(Gain)/loss on disposal of fixed assets	(21)	4
(Gain)/loss on revaluation of investment asset	83	
(Increase)/decrease in debtors	(3,713)	395
(Decrease)/increase in creditors	14,908	21,162
<b>Net cash inflow/(outflow) from operating activities</b>	<b>4,212</b>	<b>18,305</b>

## 19. Analysis of changes in net funds during the year

Group	At 1 June 2002 £'000	Cashflow £'000	At 31 May 2003 £'000
Net cash:			
Cash on deposit	42,853	532	43,385
Bank overdraft	(37)	13	(24)
<b>Net funds</b>	<b>42,816</b>	<b>545</b>	<b>43,361</b>

## 20. Reconciliation of net cash flow to movement in net funds

Group	At 31 May 2003 £'000
Increase in cash	545
Change in net funds	545
<b>Net funds at 1 June 2002</b>	<b>42,816</b>
<b>Net funds at 31 May 2003</b>	<b>43,361</b>

## 21. Operating leases

There are no operating leases.

## 22. Commitments

As a result of the change in accounting policy, all grant commitments have been recognised in the SOFA during the year. There are no further commitments.

## 23. 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 2003 is £2 (2002: £2).

## 24. 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 £14,978,000 to The Football Foundation during the year.)

Mr T D Brooking was the Chairman of Sport England. Sport England donated £4,789,000 to the Football Stadia Improvement Fund during the year.)

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 The 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, £458,000 has been received as a gift aid donation from The Football Stadia Improvement Fund.

## 25. Grants payable

Grants payable amounted to £30,006,000 (2001/02: £27,557,000). A list of the largest grants (all grants over £100,000) awarded during the year is provided below. Each of these organisations received one grant in the year.

**Grass roots grants awarded:**

	£		£
Ashington Joint Welfare Group	534,637	London Borough of Tower Hamlets	302,597
Myton School	228,642	Barnsley Metropolitan Borough Council	280,000
Berrow Parish Council	346,427	North Riding County FA – Stokesley Sports	875,000
Preston City Council	312,200	Barton le Clay Parish Council	394,178
Birmingham City Council	206,225	Prudhoe Community High School	750,285
Blyth Valley Borough Council	425,000	Sherburn White Rose Junior Football Club	329,935
Broxtowe Borough Council	235,000	Shrivenham Football Club	215,652
Caistor Grammar School	247,055	Slough Borough Council	1,000,000
Calverton Miners Welfare	638,328	South Dartmoor Community College	535,396
Camelford Amateur Football Club	334,636	South Wolds School	317,471
St John's United AFC	211,588	Cavendish Fields Sports Association	518,667
Comberton Village College	254,000	Stockport Metropolitan Borough	266,000
Conyers School	304,000	Sunderland AFC – Study Support Centre	535,840
Crayford Arrows Sports Club	759,433	Surfleet Play and Recreation Committee	271,670
Curzon Ashton Football Club	419,800	Ten-Em-Bee Sports Development Centre	233,902
Highworth Junior Football Club	477,631	The Royal Parks Agency	908,343
Hyndburn Borough Council	273,900	The Thomas Parmiter Sports Centre	800,000
Ipswich Borough Council	662,500	Trafford Metropolitan Borough Council	223,000
University of Sheffield	297,725	Kirkburton Football Club & Middle School	432,152
Kirklees Metropolitan Council	508,987	Whitehill Town Council	245,500
		Leyton Orient Community Sports Programme	1,000,000

**Community and Education grants awarded:**

	£
Bournemouth Borough Council	250,000
North Lincolnshire County Council	250,000
Cumbria County Council	250,000
Northamptonshire County Council	250,000
Street League	363,000
Rochdale Metropolitan Borough Council	250,000
Nottinghamshire Council	250,000
The Football League – Youth Development Community Programme	1,250,000
Oldham Borough Council	250,000

In addition, grants for kit and equipment costing a total of £498,000 (2001/02: £346,000) were awarded to over 1,500 junior football teams and clubs.



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