

# Football Foundation

*football's biggest supporter*



**Transforming football's grass roots, promoting social welfare and education**









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*Tom Pendry*

**Rt Hon Lord Pendry P.C.**

## A word from the Chairman

**It is with great pleasure that I present the first Football Foundation Annual Report**

Last year the F.A. Premier League, The Football Association, Sport England and the Government formed a powerful partnership to transform community facilities and promote schemes fit for a modern and inclusive national game. So much has happened since the announcement at Number 10 that it seems like a lifetime ago.

Our funding package, which will reach over £50m, provides us with the opportunity to begin the transformation in a co-ordinated and strategic manner.

It sounds like a lot of money but the sheer scale of the challenge is enormous and we are not going to underestimate the task in hand.

Fortunately, we could not have better support from our partners each of whom are committed to investing significant funds into the Foundation.

- The F.A. Premier League has committed 5% of the revenue generated from television contracts to go directly into the grass roots of the game. This will amount to around £20m a year and that is on top of all their other existing commitments to supporting the game.
- Sport England, with their long and proud tradition of supporting sport at all levels

across the nation, contribute part of the Government funding package with arrangements currently being finalised for the remainder. This is an unprecedented display by Government of the conviction it has in the benefits sport can have for society and communities.

- The Football Association, the governing body of the game for over 150 years, is also committed to investing £20m a year. With new staff bringing a wealth of skills to Soho Square, the transformation of the national game is underway. Under the stewardship of Geoff Thompson and Adam Crozier things are changing at a tremendous pace. There is genuine buzz about the place and real feeling of optimism.

Thanks to The F.A., Local Football Partnerships (LFPs) are being set up across the country bringing together local groups and drawing on their vital knowledge about how and where community facilities can be improved. For the first time all the relevant parties will sit round one table and have the ability to make a real impact on how their community is shaped.

Whilst these groups are being formed and finding their feet, Foundation and FA staff are anxiously anticipating the findings of the







**“The Football Association sees the Football Foundation’s work playing a positive role in the schools and communities of this country. We have now started to see the benefits of the funding programme. The Football Foundation will continue to improve the grass roots football experience for many more people in the coming years.”**

**“The partnership we have established with the Foundation bodes well for the future of our national game.”**

**Geoff Thompson, Chairman of The Football Association**

Register of English Football Facilities (REFF) due to be released in the form of a website. For the first time we will have a comprehensive picture of football facilities in this country. It will be an invaluable tool in allowing us to prioritise our resources.

I would just like to say thank you to all those who have contributed to this exciting and historic first year in the Foundation’s history. We owe the members of our Grass Roots Advisory Group and the Community and Education Panel, who give up so much of their time and impart such a wealth of advice in steering us down the right path, a huge vote of thanks. And to the staff at the Foundation, who under the leadership of our Chief Executive Peter Lee have made this year so productive.

So it is up to us all not to miss this opportunity. Whatever level of the game you participate in, or are even just interested in... players, supporters, administrators, teachers, children, parents, referees and volunteers alike, you all have your part to play. With your help and the help of all our partners we can create an infrastructure of community facilities and projects that meet all of England’s needs and make our communities better places to live in.



**“The Football Foundation has made great strides in its first year to tackle the chronic shortage of modern grass roots football facilities open to all. By directing unprecedented levels of funding into the heart of football, future generations will benefit from better pitches and well appointed changing rooms. In addition thousands of people are now reaping the rewards of unique Foundation funded community schemes, providing social inclusion initiatives and strengthening football's potential as a force for good in society.”**

**Richard Scudamore,  
Chief Executive of the F.A. Premier League**



Board members at Soho Square





## Chief Executive's Report

It is pleasing to look back at the first year of achievement. The Foundation is making a real difference to the state of our national game – for the first time football has the funds to revitalise its grass roots and develop its power for good in society.

The Foundation's first year has seen us become established as the UK's biggest sports charity.

The facts are impressive: 5000 application forms issued; over £5m committed to 70 projects and over 200 more in the pipeline; over £1m worth of investment has been made in social inclusion projects and our Community and Education Panel has funded over 30 Football in the Community projects. In addition the Junior Kit Scheme has provided kit and equipment to over 650 under 16 clubs.

In order to make sure money is going to where it is needed most, PricewaterhouseCoopers has been commissioned to carry out the largest audit of pitches ever undertaken. The Register of English Football Facilities will

create a comprehensive database covering the quality and quantity of football pitches and changing rooms throughout the country, highlighting where facilities are in need of improvement. This database and The F.A.'s work on developing facility strategic plans will enable us to establish a proactive funding policy encouraging communities, local county associations and local football partnerships to play their part in putting together bids addressing the needs in their area.

We look forward to next year when the Foundation will be investing over £50m in grass roots and community projects reaffirming and underlining our position as football's biggest supporter.








**Peter Lee**  
Chief Executive







**Grass Roots Advisory Group**

				
<p><b>Rick Parry</b> Chief Executive, Liverpool Football Club</p>	<p><b>Ian Prescott</b> Principal/Chief Executive, East Durham and Houghall Community College</p>	<p><b>Steve Parkin</b> Director, National Game, Football Association</p>	<p><b>Irene Lucas</b> Director Contracting Services, Sunderland City Council</p>	<p><b>Tarun Kapur</b> Headteacher, Ashton- On-Mersey School</p>



**Garth Crooks**  
Chairman of the Grass Roots Advisory Group,  
Council Member of Sport England, BBC Broadcaster

**Geoff Webb**  
Head of Grass Roots Development



**“The Football Foundation has harnessed the vital role that football can play in our communities, not only constructing a new infrastructure fit for the game in the 21st century but by boosting football’s potential as a pivotal role in our communities. The work achieved in their first year serves to underline the Foundation’s position as the biggest supporter of grass roots football and I know the benefits of their support are being seen up and down the country.”**

**Trevor Brooking, Chairman of Sport England**

**Grass Roots** Developing the grass root game is key to the long term future of the game. Garth Crooks Chairman of the Grass Roots Advisory Group discusses his area of work at the Foundation in its inaugural year and gives his thoughts for the forthcoming 12 months.

**What do you feel is the biggest development to take place in the grass roots game during the last year?**

The growth in the women’s game has, for me, been the most welcome development throughout not only the grass roots game but throughout the game itself. By funding quality and fully inclusive football facilities the women’s game continues to go from strength to strength.

Our data and facility sheets have taken the complications out of the funding process. The response we have had has been overwhelming. They are certainly one of the reasons that traffic through our website is steadily increasing.

Finally I would have to say that the Local Football Partnerships are putting local knowledge into the funding process. By drawing on the expertise of

interested local groups these FA led partnerships reflect the changes that football is going through encouraging people regardless of ethnicity, gender or ability to reap the benefits of community involvement.

**Why is the work of the Foundation vital to the grass roots of football?**

What we at the Foundation believe is that the purpose of investment on this scale is not to discover the next Michael Owen or Marianne Spacey, or indeed about England winning the next World Cup... although we can all dream! It is about allowing everyone to have the opportunity to participate in the game; we do not simply build changing rooms or improve pitches to maintain the status quo. We want to encourage people who in the past have felt excluded to start kicking a ball around. All projects must be fully inclusive, incorporating modern, well-maintained facilities for all to enjoy.



### What does the forthcoming year hold?

These are exciting times for all involved in funding for the grass roots game. We have a real opportunity to make a difference.

We will continue to cut down on bureaucracy by introducing fast track awards for schemes less than £20,000 and we have already issued easy to use guidance notes. In addition streamlining the application process will dramatically cut the amount it takes for even the biggest grants to be approved.

I expect the newly developed data sheets to become a valuable commodity offering practical advice for all applicants – whatever their project. Obviously the REFF project will allow the Foundation to become more proactive in its work, tackling the run down facilities that all too often are a regular feature of the game at lower levels.

Ultimately what matters most is delivering money to where it's needed most and I pay particular tribute to all of our funding partners for making investment of this scale possible.







## Trafford Metropolitan Borough Council

### Grant Received

In December 2000, the Trafford Metropolitan Borough Council received £108,390 to help fund two new complexes at Woodsend, Flixton and Manor Avenue, Sale. They were part of a pilot scheme set up by The Football Association.

### History of sites

#### Woodsend, Flixton

The previous wooden pavilion located on this site burnt down 18 months before the grant was received. This resulted in six teams having to relocate out of town to play matches. It is in close proximity to a housing estate and a school.

#### Manor Avenue, Sale

This site originally provided two full size football pitches for four teams. On three sides of the field there is a densely populated housing area. The existing steel-sheeted pavilion was a pre-war construction and had outlived its usefulness.

### The Trafford Projects

#### Woodsend, Flixton

The new site at Woodsend now has a modern pavilion incorporating a meeting room, a kitchen, two changing rooms with showers and an officials' changing room.

#### Manor Avenue, Sale

The existing pavilion was demolished and replaced by a new complex incorporating four changing rooms and an officials' changing area. The area now boasts some of the best facilities available.

"This is the type of project that the Football Foundation will be funding across the country. It represents the very best quality in facilities. I think the Trafford project will come to be seen as a model for similar clubs to follow."

Rt Hon Lord Pendry P.C.







**Mandy Ayres**  
Head of Community and Education Development

**Gordon Taylor**  
Chairman of the Community and Education Panel,  
Chief Executive of the Professional Footballers Association

## Community and Education Modern football can

**offer much more than merely 90 minutes enjoyment on a Saturday. Gordon Taylor, Chairman of the Community and Education Panel explains just how vital the game can be in our communities.**

### What do you consider your greatest achievement during the last year?

Thanks in part to the Football Foundation there is now a growing recognition both within the game and society as a whole that football is not only a great source of entertainment but also a valuable resource for the community. Using football as a vehicle, we have provided study centres, positive lifestyle schemes and anti-racism initiatives. Football has the unique power to unite people of all backgrounds and through the Foundation we are enabling communities and clubs to take advantage of this.

I also welcome the increasing number of Football in the Community schemes driven forward by clubs at all levels, each designed to meet the individual needs of their own community.

### What do you consider to be the key objectives of the Community and Educational Panel?

One of the key aims of the Football Foundation is to provide opportunities for clubs and organisations to invest in their

local community. This is a reciprocal arrangement as it allows local communities to become fully involved with their local clubs not just supporting them on match days but also attending a wide-range of schemes including educational sessions, coaching schemes or anti-drugs courses.

### How do you see the role of the Panel developing over the next year?

I think we have made a great start and we are now determined to build upon the accomplishments we have made.

I would love to see an increase in the number of innovative schemes that have begun to appear across the country. Good examples include the Notts County FITC project designed to give children excluded from school the chance to re-enter formal education; Street League programme; the Refugee League and the Millwall Floodlight Scheme.

We should look to provide after school programmes for local youngsters' educational development, extending the Playing for Success







**Community and Education Panel**

				
<p><b>Terry Brown</b> Chairman, West Ham United</p>	<p><b>Monica Hartland</b> Vice President of the National Federation of Football Supporters' Clubs and Teacher</p>	<p><b>Steve Parkin</b> Director, National Game, Football Association</p>	<p><b>Neil Watson</b> Director, Leyton Orient Community Sports Programme</p>	<p><b>Steve Smith</b> Study Support Manager, Leeds United AFC</p>

scheme into the lower leagues. Studies into the education opportunities provided by clubs demonstrated dramatic improvements in numeracy and literacy rates and I would like to see this role developed further.

**What are your long-term ambitions for the Football Foundation?**

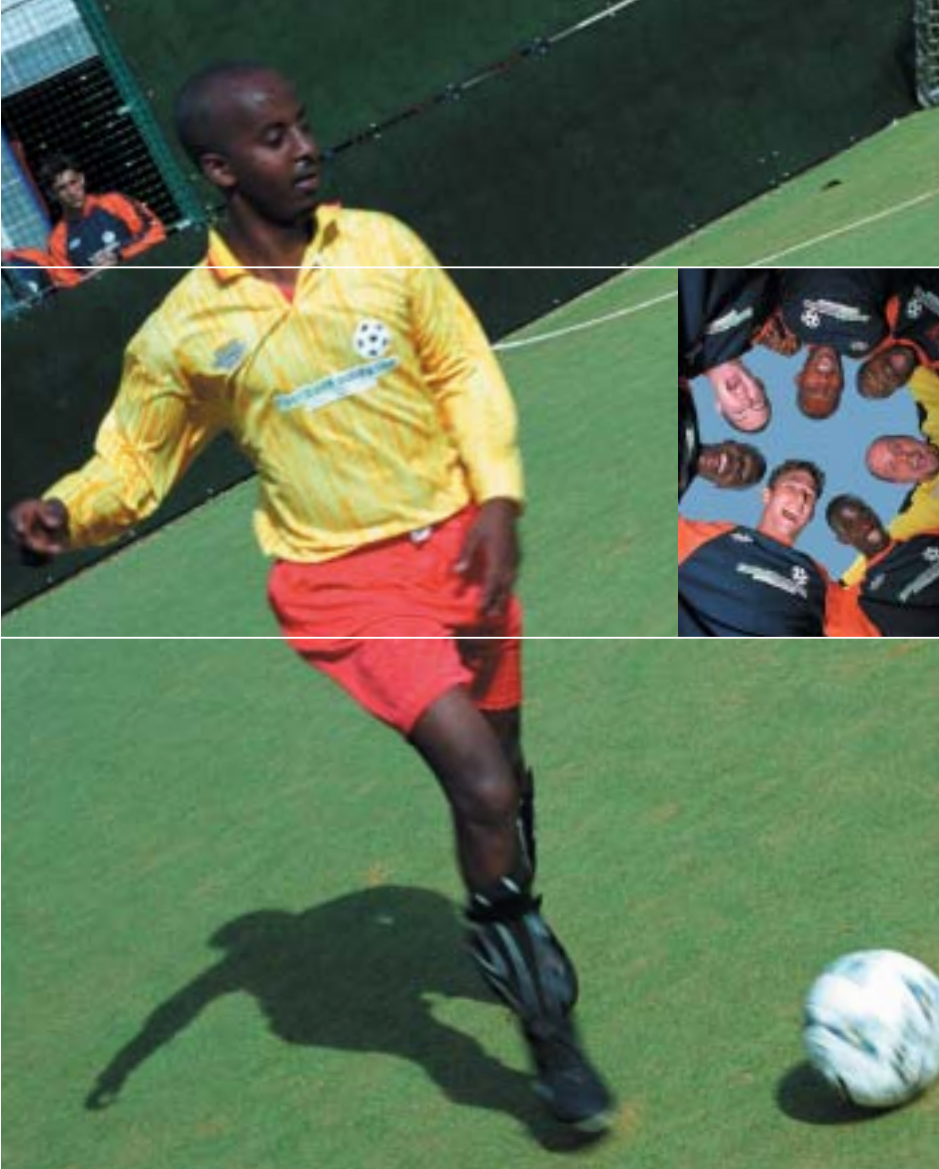
As a charity the Foundation must always operate within its charitable objectives. That said, I believe that the ultimate long-term ambition for the Foundation has to be in continuing to forge links between football

and the community and to develop its unique potential to act as a force for good in society. If we can continue to successfully open up the game to new groups in our society and allow everyone to participate in our national game then football can offer its fans and communities so much more than kicking a ball around – it can be a means to achieving good citizenship, community facilities and helping young people develop their potential.

The Foundation can play a significant role in making this a reality and we must never lose sight of this goal.







## Street League

### What is Street League?

Street League is a unique partnership between the Football Foundation, University College London Hospitals NHS Trust, the Government's Rough Sleepers Unit and the football community. Its aim is to tackle social exclusion through football and to help homeless people rebuild their lives away from the street.

The brainchild of Damian Hatton, a doctor at the Hospital for Tropical Diseases, Street League is a project aimed at kicking homelessness into touch.

Utilising the expertise of professional clubs' schemes, Street League provides high quality coaching and motivational techniques for all the teams involved – all comprising homeless people or those residing in hostels.

### Grant received

They received a £15,000 grant to run a five-a-side tournament in June. All the participants were either homeless or living in hostels. Many had been in care or exposed to violence or drugs whilst on the street. But everyone was united by their enthusiasm for football and a desire to build a better future.

Following the success of the tournament, Street League received a £172,234 grant to create a permanent league structure in London and also to create a nationwide programme that will deliver lifestyle development skills and coaching schemes for homeless people.

"Congratulations are due to all involved in Street League. This is a superb example of the type of innovative community football projects that the Foundation is funding up and down the country."

Mandy Ayres, Head of Community and Education Development.

"This contribution from the Football Foundation makes a substantial difference to our ability to provide an effective new initiative to help the homeless and other marginal groups to get off and stay off the streets."

Dr Damian Hatton, Project Leader





**“These are exciting times for the game. This new partnership between football and the Government is ensuring that a combined pot of money is going where it is needed most – into parks’ pitches, local facilities and our communities, offering everyone the chance to participate in the nation’s favourite game, regardless of ability or background.”**

Tessa Jowell, Secretary of State for Culture, Media and Sport

## Register of English Football Facilities

REFF is an important part of the revolution taking place in grass roots investment in sporting facilities in this country. By creating a definitive database, the Football Foundation will be able to identify the quality, quantity, and demand for community facilities in every part of the country, highlighting hotspots and areas where conditions are inadequate.

The findings of the project will be made available to the general public via an interactive website. The National Game Division of The Football Association will be in a position to use the findings to develop its future strategy.

F.A. Chief Executive Adam Crozier said: “Over the next five years, The F.A. will contribute £20m a year to the Football Foundation for its charitable work. Before new and improved community facilities can be provided it is essential to know what is already out there. That’s why this project is so important.”

The project is to be run by Football Foundation Trading Limited (FFTL), which is a wholly owned subsidiary of the Football Foundation. It will provide a comprehensive survey of all pitches in England to identify which are used for football and other sports, the numbers of games played and the quantity and quality of the other facilities on the site. The data compiled will lead to the development of County Facility Strategies, which will enable the targeting of priority areas, encouraging multi-bids from local

councils and County F.A.s and getting funding into the very heart of football.

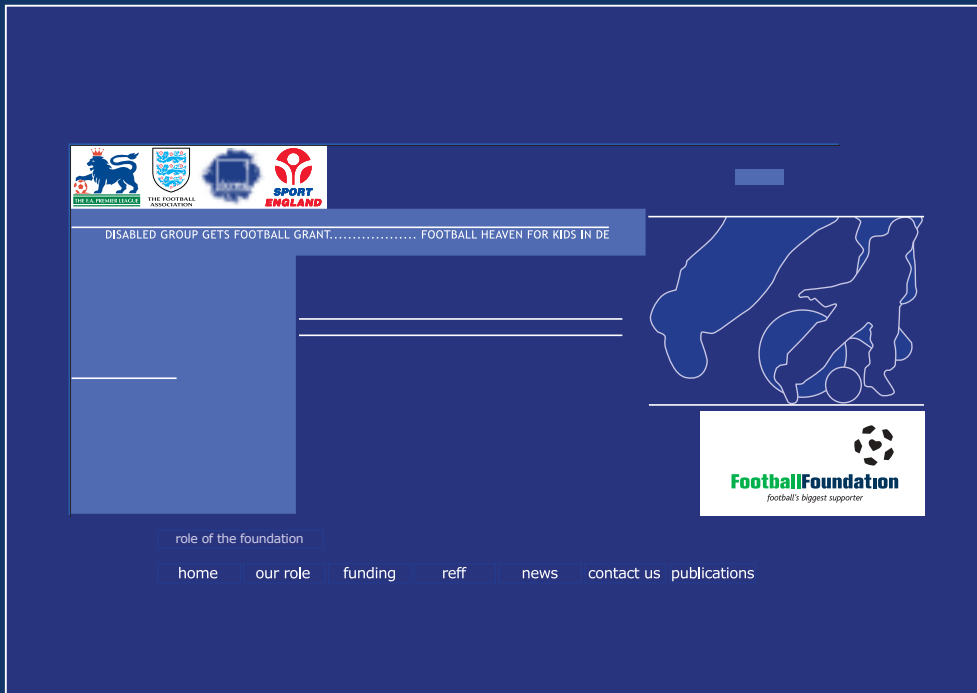
The results of the REFF project will be available on-line for members of the public to find their local sports facilities and will be constantly revised and up-dated creating a comprehensive and fully inclusive database so that football facilities can be better used for charitable purposes.

Peter Lee, Chief Executive of the Football Foundation, said of the project: “For the first time we will have a comprehensive vision of the state of the grass roots of community football. The REFF project will be the essential backdrop to all our work in transforming sporting facilities in our parks and schools, enabling the Foundation to direct resources into areas crying out for support.”

The project is being delivered by a team of consultants led by PricewaterhouseCoopers’ Hospitality and Leisure specialists, and also including PMP Consultancy, a niche sports and leisure group whose staff and associates are based across England.







## Website

The Foundation launched its website in May 2001, making grant information, application forms and the all the latest Foundation news available on-line.

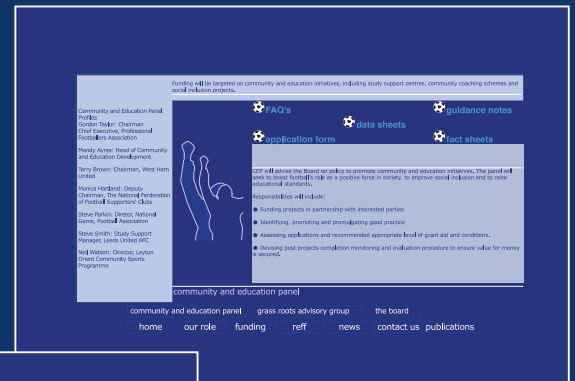
Easily accessible and simple to use, the new website has already had over 70,000 "hits".

Grant application forms for all projects can now be downloaded from the site together with our guidance notes.

The Fact and Data Sheet have proved to be one of the most popular additions to the site. They have been developed in conjunction with our colleagues at The F.A. to ensure all facilities are of the highest possible standard. They represent benchmarks for all applications for our funding programmes.

The site has been designed to incorporate the very latest in accessibility standards for disabled, blind and partially sighted people. It has been designed in accordance with the Royal National Institute for the Blind's publication "Get the Message online" and also the World Wide Web Consortium's Web Content Accessibility Guidelines.

However the website is still very much in its infancy and we are already planning to rapidly develop it over the coming months. In the next stage, we anticipate applicants will be able to submit their initial applications on-line.





## Technical Advice

For the first time in sport comprehensive, practical advice on all areas of the game is available. The data sheets will, for the first time, establish a benchmark for the development of facilities and provide advice to those seeking to develop the game at a community level.

To ensure all facilities are of the highest possible standard the Foundation have developed technical advice available on-line and in hard copy, establishing benchmarks for all applicants for our funding programmes. The facility data sheets are streamlining the funding process and ensuring Foundation money is spent in the right areas and on the right things.

The data sheets now provide information on a wide range of subjects including planning permission, dimensions of football pitches, floodlighting, multi use playing surfaces and the refurbishment of changing rooms and clubhouses.

Fact sheets also provide information on development planning, women's and girls' football, football for those with disabilities and a Volunteers' Fact Sheet.

Further advice sheets on the formulation of business plans and disabled facilities are in the pipeline.

By providing these guidelines the Foundation is helping applicants to help themselves by providing a higher quality of submission and reducing the need for a prolonged pre-application process.

Which all leads to the provision of modern and fully inclusive community based facilities bringing the game into the modern era. Already our footballing landscape is changing, and for the better. High quality facilities are being put in place not just for the Sunday league pub teams but for all players of any age, ability or background.







# Financial Statements

for the year ended 31 May 2001

## DIRECTORS' REPORT

### for the year ended 31 May 2001

The directors, who are also the trustees of the Charity, present their report and the audited financial statements of the company for the year ended 31 May 2001.

### Status of The Football Foundation

The company was incorporated as the Football Trust Charitable Trust on 19 November 1999 and commenced activities on the same date. On 26 April 2000 the company changed its name to The Football Foundation. The activities of the company are regulated by its Memorandum and Articles of Association.

The company is a registered charity, number 1079309.

### Objects of the company

The principal objects of the company 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 company 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.

### Membership

The members of the company are The Football Association and the F.A. Premier League. Each member of the Company undertakes to contribute such amount as may be required, not exceeding £1, to the Company's assets if it should be wound up while they are a member or within one year after they cease to be members.

### General meetings

Any two directors may call a general meeting at any time. Quorum at general meetings is the two members of the company. Each member has one vote.

### Directors

Directors (who may also be referred to as Trustees) are not subject to a maximum number. The minimum number of directors is four.

The directors are appointed 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

The directors of the company during the year, and up to the date of this report were:

	Appointed	Resigned
Rt Hon Lord Pendry P.C.		
T D Brooking		
D G Richards		
R C Scudamore		
G Thompson		
A Crozier		9 February 2001
F Pattison	9 February 2001	

### Investment policy

The company's Articles of Association give the Board of Directors powers to invest its surplus funds. An order from the Charity Commissioners under Section 26 of the Charities Act 1993 allows the Board to delegate the management of its investment portfolios. The company has appointed Barclays Global Investors as its investment managers.

### Review of activities

The results for the year are set out in the statement of financial activities on page 20.

Both the level of activity and the year end financial position were satisfactory. The directors expect the level of activity to increase substantially over the next few years.

Donations received in the year are set out in Note 2 of the financial statements. Future funding will be received from the F.A. Premier League, The Football Association and through other central sources co-ordinated by the Department of Culture, Media and Sport.

The Trustees' policy for assessing and awarding grants is in accordance with the objects of the company.

The policy on the level of retention of reserves will be finalised in the current financial year.



### Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

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

### Auditors

A resolution proposing the reappointment of PricewaterhouseCoopers as auditors to the company will be proposed at the next annual general meeting.

By order of the board

P A Lee  
Company Secretary



Date: 25 March 2002

### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE FOOTBALL FOUNDATION

We have audited the financial statements which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 activities of The Football Foundation. 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.

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.

### 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 the charitable company's affairs at 31 May 2001 and of its net incoming resources, including its income and expenditure and cash flows, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

Date: 27 March 2002

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2001

	Notes	Year ended 31 May 2001 £'000	From 19 March to 31 May 2000 £'000
<b>Incoming resources</b>			
Donations	2	23,501	2,650
Investment income – interest received		743	2
<b>Total incoming resources</b>		<u>24,244</u>	<u>2,652</u>
<b>Resources expended</b>			
Grants	3	551	299
Administration expenses		1,074	5
<b>Total resources expended</b>		<u>1,625</u>	<u>304</u>
<b>Net movement in funds</b>	4	<u>22,619</u>	<u>2,348</u>
Balance brought forward at 1 June		2,348	–
<b>Balance carried forward at 31 May</b>	13	<u>24,967</u>	<u>2,348</u>

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.

All funds are unrestricted.



## BALANCE SHEET AS AT 31 MAY 2001

	Notes	31 May 2001 £'000	31 May 2000 £'000
<b>Fixed assets</b>			
Intangible assets	9	258	344
Tangible assets	10	162	106
		<u>420</u>	<u>450</u>
<b>Current assets</b>			
Debtors	11	976	209
Cash at bank and in hand		24,261	2,403
		<u>25,237</u>	<u>2,612</u>
<b>Creditors:</b> amounts falling due within one year	12	<u>(690)</u>	<u>(714)</u>
<b>Net current assets</b>		<u>24,547</u>	<u>1,898</u>
<b>Total assets less current liabilities</b>		<u>24,967</u>	<u>2,348</u>
<b>Net assets</b>		<u>24,967</u>	<u>2,348</u>
<b>Capital funds</b>			
Unrestricted funds	13	24,967	2,348
		<u>24,967</u>	<u>2,348</u>

The financial statements on pages 20 to 27 were approved by the board of directors on 25 March 2002 and were signed on its behalf by:



**Director**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2001

	Notes	Year ended 31 May 2001 £'000	Period ended 31 May 2000 £'000
<b>Net cash inflow from continuing operating activities (see below)</b>		<b>21,856</b>	2,401
<b>Returns on investments and servicing of finance</b>			
Interest received		743	2
<b>Tax Paid</b>		<b>(373)</b>	–
<b>Capital expenditure and financial investment</b>			
Purchase of fixed assets		(109)	–
Receipts from sale of fixed assets		15	–
<b>Acquisitions and disposals</b>			
Bank overdraft transferred from the Football Trust 1998		–	(74)
Loans made to National Football Museum		(200)	–
<b>Increase in cash in the period</b>	<b>14</b>	<b>21,932</b>	2,329

## RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 May 2001 £'000	Period ended 31 May 2000 £'000
<b>Continuing operating activities</b>		
Net incoming resources	22,619	2,348
Depreciation of fixed assets	36	–
Amortisation of goodwill	86	–
(Increase)/decrease in debtors	(567)	50
Increase in creditors	423	5
Interest income	(743)	(2)
Loss on disposal of fixed assets	2	–
<b>Net cash inflow from continuing operating activities</b>	<b>21,856</b>	2,401



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2001

### 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. They also conform to the recommendations contained in the Statement of Recommended Practice: Accounting by Charities issued by the Charity Commission in October 1995. A summary of the more important 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.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Computer equipment	25
Motor vehicles	20
Fixtures and fittings	10

#### Donations

All donations received are included in the statement of financial activities on a cash received basis.

#### Grants

Grants are accounted for on a cash paid basis, as there remains an element of conditionality until the actual payment is made.

#### Pension costs

The company makes payments into a personal pension scheme in respect of certain employees, the assets of which are held separately from those of the company in an independently administered fund. Contributions under this money purchase scheme are accounted for as they fall due for payment.

#### Goodwill

Goodwill represents the excess of the fair value of the consideration paid for assets over the fair value of the assets acquired. Goodwill is amortised on a straight-line basis over its expected useful economic life of four years.

## 2 DONATIONS

Donations include £20m from The Football Association. This represented the agreed donation for the year of £7m, and a further lump sum of £13m received at the end of The F.A.'s financial year in respect of the year to 31 May 2002. The remaining £3.5m was received from the F.A. Premier League

## 3 GRANTS

Grants represent payments made to organisations in accordance with the objects of the company.

An analysis of grants paid and authorised in the year are as follows:

	Grass Roots £'000	Community and Education £'000	<b>Total £'000</b>
Paid	108	443	<b>551</b>
Authorised but not paid	2,002	2,669	<b>4,671</b>
Total	<u>2,110</u>	<u>3,112</u>	<b><u>5,222</u></b>

#### 4 NET MOVEMENT IN FUNDS

The net movement in funds for the year is stated after charging:

	<b>Year ended 31 May 2001 £'000</b>	Period ended 31 May 2000 £'000
Depreciation	36	–
Amortisation of goodwill	86	–
Loss on disposal of fixed assets	2	–
Auditors' remuneration – for audit services	10	–
Auditors' remuneration – for non-audit services	49	–
	<hr/>	<hr/>

#### 5 INVESTMENT INCOME

	<b>Year ended 31 May 2001 £'000</b>	Period ended 31 May 2000 £000
Interest received	743	2
	<hr/>	<hr/>

#### 6 DIRECTORS' EMOLUMENTS

No emoluments were payable to the directors of the company in the year. In addition, no expenses were reimbursed to the directors.

#### 7 EMPLOYEES AND STAFF COSTS

	<b>Year ended 31 May 2001 £'000</b>	Period ended 31 May 2000 £'000
Wages and salaries	416	–
Social security costs	49	–
Pension contributions	27	–
	<hr/>	<hr/>
	492	–
	<hr/>	<hr/>

In the prior period, there were no wages and salaries paid, as the staff from the predecessor entity, The Football Trust 1998, carried out duties for the company.

The average number of employees in the year was:

	<b>2001 Number</b>	2000 Number
Administration	13	–
	<hr/>	<hr/>
	13	–
	<hr/>	<hr/>

The number of employees whose total emoluments (including benefits-in-kind) were in excess of £50,000 was as follows:

	<b>2001 Number</b>	2000 Number
£50,001 to £60,000	2	–
£70,001 to £80,000	1	–
	<hr/>	<hr/>

#### 8 TAXATION

The Football Foundation is a registered charity and is therefore exempt from a liability to taxation on its current activities which fall within the scope of Section 505(1) of the Income and Corporation Taxes Act 1988.



## 9 INTANGIBLE FIXED ASSETS

	<b>Goodwill £'000</b>
<b>Cost</b>	
At 1 June 2000	<b>344</b>
<b>At 31 May 2001</b>	<b>344</b>
<b>Amortisation</b>	
At 1 June 2000	–
Charge for the year	86
<b>At 31 May 2001</b>	<b>86</b>
<b>Net book value</b>	
<b>At 31 May 2001</b>	<b>258</b>
At 1 June 2000	344

The goodwill arose from the acquisition of assets from The Football Trust. The goodwill is amortised over 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.

## 10 TANGIBLE FIXED ASSETS

	<b>Computer equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 June 2000	131	68	41	240
Additions	5	84	20	109
Disposals	(74)	(18)	(45)	(137)
<b>At 31 May 2001</b>	<b>62</b>	<b>134</b>	<b>16</b>	<b>212</b>
<b>Depreciation</b>				
At 1 June 2000	77	23	34	134
Charge for the year	16	19	1	36
Disposals	(74)	(12)	(34)	(120)
<b>At 31 May 2001</b>	<b>19</b>	<b>30</b>	<b>1</b>	<b>50</b>
<b>Net book value</b>				
<b>At 31 May 2001</b>	<b>43</b>	<b>104</b>	<b>14</b>	<b>162</b>
At 31 May 2000	54	45	7	106

Assets were transferred from The Football Trust 1998 at their net book values in the financial statements of The Football Trust 1998. The directors consider that these valuations are appropriate to the company.

## 11 DEBTORS

	<b>Year ended 31 May 2001 £'000</b>	Period ended 31 May 2000 £'000
Loans to National Football Museum	<b>200</b>	–
Other debtors	<b>770</b>	147
Prepayments	<b>6</b>	62
	<b>976</b>	209

The loans to the National Football Museum are interest free and repayable over a five year period with the first repayments due in January 2002.

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Year ended 31 May 2001</b>	Period ended 31 May 2000
	<b>£'000</b>	£'000
Bank overdraft	-	74
Inheritance tax	<b>232</b>	153
Income tax	-	373
Other creditors	<b>20</b>	-
Accruals	<b>438</b>	114
	<b>690</b>	714

Prior to the transfer of funds to The Football Foundation, The Football Trust was liable to Inheritance Tax on the appointment of assets from the Trust. The transfer of assets to The Football Foundation therefore caused an Inheritance Tax liability which was settled after the year end.

## 13 MOVEMENT IN FUNDS DURING THE YEAR

	<b>Unrestricted funds £'000</b>
Balance at 1 June 2000	2,348
Net incoming resources for the year	22,619
<b>Balance at 31 May 2001</b>	<b>24,967</b>

## 14 RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS

	<b>Year ended 31 May 2001</b>
	<b>£'000</b>
Net funds at 1 June 2000	2,329
Cash flow	21,932
<b>Net funds at 31 May 2001</b>	<b>24,261</b>

## 15 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 June 2000	Cash flow	At 31 May 2001
	£'000	£'000	£'000
Cash at bank and in hand	2,403	21,858	<b>24,261</b>
Bank overdraft	(74)	74	-
<b>Net Funds</b>	<b>2,329</b>	<b>21,932</b>	<b>24,261</b>

## 16 GRANT COMMITMENTS

	<b>Year ended 31 May 2001</b>
	<b>£'000</b>
Grass Roots	<b>2,002</b>
Community and Education	<b>2,669</b>
	<b>4,671</b>

Grant commitments represent awards made in accordance with the objects of the company that had yet to be paid at the year end.



## 17 RELATED PARTY TRANSACTIONS

Mr G Thompson and Mr A Crozier are the Chairman and Chief Executive of The Football Association respectively. The Football Association donated £20m to The Football Foundation during the year.

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 £3.5m to The Football Foundation during the year.

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

## 18 ULTIMATE CONTROLLING PARTY

Each of The Football Association and the F.A. Premier League control 50 per cent of The Football Foundation. Accordingly there is no ultimate controlling party.

## 19 GRANTS AWARDED

A list of the largest grants awarded during the year is provided below.

<b>Grass Roots</b>	<b>£</b>	<b>Community and Education</b>	<b>£</b>
Bolton Metro Leisure Services	270,895	ARC Theatre	46,455
City of Stoke on Trent	450,000	Bolton Lads and Girls	50,800
Fenland District Council: Barton Road	192,000	Charlwood Parish Council	4,000
Kingsway Meadow Community Association	31,850	Crown and Manor Academy	10,000
Long Lane Junior Football Club	897,000	National Football Museum, Preston	100,000
Springfield Football Club	137,000	Friends for Leisure	5,480
Trafford Borough Council	108,390	Lambeth Summer Projects Trust	10,000
		Martin Shaw King Trust	162,141
		NADS	23,500
		National Literacy Trust	109,443
		Preston Candover Recreation	6,000
		Prince's Trust	818,822
		Rough Sleepers Unit	7,377
		SAFE Soccer	1,000
		Wellfield Peer Led Project	2,000
<b>Football in the Community Schemes</b>	<b>£</b>		<b>£</b>
Birmingham City	3,200	Norwich City	6,154
Bolton Wanderers	5,000	Oldham Athletic	4,500
Bristol Rovers	67,352	Oxford United	4,200
Burnley	10,000	Plymouth Argyle	4,965
Bury	4,500	Preston North End	4,250
Charlton Athletic	81,650	Reading	5,000
Chesterfield	5,000	Rotherham United	4,820
Colchester United	5,000	Sheffield United	5,000
Colchester United	141,092	Shrewsbury Town	53,100
Exeter City	30,000	Southend United	5,000
Kettering Town	5,000	Swansea City	7,000
Leyton Orient	5,000	Tranmere Rovers	4,000
Leyton Orient	45,000	Tranmere Rovers	5,000
Macclesfield Town	50,000	Walsall	2,000
Millwall	12,820	Wigan Athletic	5,000
Northampton Town	2,000		

In addition grants for kit and equipment costing a total of £154,000 was awarded to over 650 junior football teams.









THE FOOTBALL  
ASSOCIATION



**FootballFoundation**

*football's biggest supporter*

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